Texas Department of Housing and Community Affairs

Board Book

Thursday, September 4, 2025

10:00 AM

The University of Texas at Austin's Thompson Conference Center
Room 1.110
2405 Robert Dedman Drive
Austin, TX 78712

Governing Board

Leo Vasquez III, Chair
Kenny Marchant, Vice-Chair
Ajay Thomas, Member
Anna Maria Farias, Member
Holland Harper, Member
Cindy Conroy, Member

Texas Department of Housing and Community Affairs
Programmatic Impact Fiscal Year 2025

CY25 9% LIHTC Program

- Total Applications Rec'd: 97
- Total Market Rate Units Proposed: 300
- Total Low-Income Units Proposed: 6,864
- Total HTCs Requested: $154,973,052

Construction Type:

- Total Proposed New Construction Projects: 74
- Total Proposed Reconstruction Projects: 6
- Total Proposed Rehab Projects: 17

CY25 4% LIHTC Program

Active or Approved Applications:

- Total Applications: 44
- Total Units Proposed: 14,884

Closed Applications:

- Total Applications: 0
- Number of Low-Income Units Proposed: 0

Construction Type

- Total Proposed New Construction Projects: 24
- Total Proposed Rehab/Reconstruction Projects: 20

Owner Financing and Down Payment

- 30-year, fixed interest rate mortgage loans
- Mortgage credit certificates
- Down payment, closing cost assistance
- Homebuyer education

Programs:

- Single Family Homeownership

Expended Funds: $763,703,873
Total Households Served: 3,156

Energy Related Assistance

- Utility bill payment assistance
- Energy consumption education
- Weatherization for energy efficiency

Programs:

- Comprehensive Energy Assistance Program (CEAP)
- Weatherization Assistance Program (WAP)

Expended CEAP Funds: $135,309,208
Total Households Served: 92,134

Homelessness Services

- Shelter building rehabilitation, conversion, operations
- Essential services e.g., health services, transportation, job training, employment services

Programs:

- Emergency Solutions Grant Program (ESG)
- Homeless Housing and Services Program (HHSP)

Expended Funds: $7,938,836
Total Individuals Served: 19,429

Rental Assistance

- Short, long term rent payment help
- Assistance linked with services, Transitional assistance

Programs:

- Tenant-Based Rental Assistance (TBRA)
- Section 8 Housing Choice Vouchers
- Section 811

Expended Funds: $18,381,850
Total Households Served: 3,495

Owner Rehabilitation Assistance

- Home rehabilitation, reconstruction
- Manufactured housing unit replacement
- Accessibility modifications e.g., ramp, grab bar installation

Programs:

- Homeowner Reconstruction Assistance Program (HRA)*
- Amy Young Barrier Removal Program Expended Funds: $16,458,245
  Total Households Served: 159

Supportive Services

Provides administrative support for essential services for low-income individuals through Community Action Agencies

Program:

- Community Services Block Grant Program (CSBG)

Expended Funds: $25,531,143
Total Individuals Served: 186,226

Single Family Development

- Single family development, reconstruction, rehabilitation
- NSP, Do-it-yourself, "sweat equity" construction (bootstrap), rehabilitation, Contract for Deed refinance

Programs:

- Single Family Development Program (SFD)*
- Contract for Deed (CFD)

Expended Funds: $1,743,170
Total Households Served: 36

Total Expended Funds: $1,258,433,122
Total Households Served: 319,626

All FY2025 data as reported in TDHCA's 2025 performance measures.

Note: Some households may have been served by more than one TDHCA program. For some programs, allocation is used as a proxy for expenditures. Because of timing of funds request, the funds expended for the quarter may be readjusted substantially by year end.

Reporting Period: 9/1/2024-5/31/2025 (4% Program figures as of 6/23/2025; 9% LIHTC Program figures as of 6/27/2025)

* Administered through the federally funded HOME Investment Partnerships Program

CALL TO ORDER

ROLL CALL

CERTIFICATION OF QUORUM

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

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

RESOLUTIONS

Resolution declaring October 2025 as National Energy Awareness Month — Michael De Young

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 Tex. Gov't Code, Texas Open Meetings Act. Action may be taken on any item on this agenda, regardless of how designated.

EXECUTIVE

1. Presentation, discussion, and possible action on the Board meeting minutes summaries for July 10, 2025, and July 24, 2025 — Beau Eccles

FUNDING ANNOUNCEMENTS AND AWARDS

2. Presentation, discussion, and possible action on State Fiscal Year 2026 Homeless Housing and Services Program Award for the City of Corpus Christi. — Rosy Falcon

ASSET MANAGEMENT

3. Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Bird Creek Senior Living (HTC #24045) — Rosalio Banuelos

4. Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Sun Pointe (HTC #21130/23932) — Rosalio Banuelos

FINANCIAL ADMINISTRATION

5. Presentation, discussion, and possible approval regarding the establishment of the salary of the Executive Director — Paul Ford

6.	Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions	Joe Guevara

LEGAL

7.	Presentation, discussion, and possible action on recommendation to adopt an Agreed Final Order assessing an administrative penalty relating to Walnut Creek (HTC 00024T, HTC 18420, CMTS 59), and Forest Creek f/k/a Ware Meadows, (HTC 22422, CMTS 5861)	Sascha Stremler

RULES

8.	Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC §1.8, Plan Requirements, Process and Approval Criteria for Properties Designated for Camping by Political Subdivisions for Homeless Individuals; an order adopting new 10 TAC §1.8, Camping Plans Requirements and Process for Political Subdivisions; and directing their publication in the Texas Register	Brooke Boston

SINGLE FAMILY & HOMELESS PROGRAMS

9.	Presentation, discussion, and possible action on the 2026-2027 Texas Housing Trust Fund Biennial Plan.	Abigail Versyp

CONSENT AGENDA REPORT ITEMS

10.	TDHCA Quarterly Status Report on Temporary Allocations - September 2025	Brooke Boston
11.	Media Analysis and Outreach Report, July 2025	Michael Lyttle

ACTION ITEMS

Executive Session: the Chair may call an Executive Session at this point in the agenda in accordance with the below-cited provisions

EXECUTIVE

12.	Executive Director's Report	Bobby Wilkinson

INTERNAL AUDIT

13.	Report on the Meeting of the Internal Audit and Finance Committee	Ajay Thomas Board Member

FUNDING ANNOUNCEMENTS AND AWARDS

14.	Presentation, discussion and possible action on the appointment of Colonia Resident Advisory Committee members	Chad Landry

15. Presentation, discussion, and possible action on a Colonia Self-Help Center Program Award to Cameron County in accordance with Tex. Gov't Code §2306.582 through Community Development Block Grant Funding — Chad Landry

16. Presentation, discussion, and possible action on Program Year 2025 Emergency Solutions Grants Program Awards — Rosy Falcon

ACTION REPORT ITEMS

17. Report relating to the conclusion of the 2024 Non-competitive 4% Housing Tax Credit Program and an update on the 2025 Non-competitive 4% Housing Tax Credit Program. — Jonathan Galvan

BOND FINANCE

18. Presentation, discussion, and possible action on approving new outside counsel contracts, and delegation of contract signature authority to the Executive Director — Teresa Morales

ASSET MANAGEMENT

19. Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for The Bryan (HTC #24168) — Rosalio Banuelos

20. Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(b)(4)(D) for Granada Apartments (HTC #21425) — Rosalio Banuelos

LEGAL

21. Presentation, discussion, and possible action on previously tabled recommendation to debar Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher, relating to Riverside Heights Senior Living AKA Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B / CMTS 5659) — Sascha Stremler

22. Presentation, discussion, and possible action on recommendation to adopt Agreed Final Orders assessing an administrative penalty relating to Villa de Reposo San Luis Asherton (HOME 539110 / CMTS 2730) and Villa de Reposo Encinal (HOME 530201 / CMTS 4002) — Sascha Stremler

23. Presentation, discussion, and possible action on recommendation to adopt an Agreed Final Order assessing an administrative penalty relating to Accessible Housing Austin (NSP 77090000101, CMTS 5169) and AHA! At Briarcliff (TCAP-RF 13160017511, NHTF 82600017511, CMTS 5170) — Sascha Stremler

COMMUNITY AFFAIRS

24. Presentation, discussion, and possible action regarding authorization to release a Notice of Funding Availability for 2026 Community Services Block Grant Discretionary funds for education and employment initiatives for Native American and migrant and seasonal farm worker populations — Michael De Young

RULES

25. Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.410 Determination of Alien Status for Program Beneficiaries; an order proposing new 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.410 Determination of Alien Status for Program Beneficiaries; and directing their publication for public comment in the Texas Register — Brooke Boston

SINGLE FAMILY & HOMELESS PROGRAMS

26. Presentation, discussion, and possible action on a request for reasonable accommodation under the Section 8 Housing Choice Voucher Program — Abigail Versyp

MULTIFAMILY FINANCE

27. Presentation, discussion, and possible action on the proposed repeal of 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan, proposed new 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan, and directing their publication for public comment in the Texas Register — Cody Campbell

28. Presentation, discussion, and possible action regarding an appeal of the termination of a loan Application for Braniff Lofts — Cody Campbell

29. Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Westwood Apartments — Josh Goldberger

30. Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for The Bryan — Josh Goldberger

31. Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for West End Lofts — Josh Goldberger

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

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

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;

Pursuant to Tex. Gov't Code §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't Code Chapter 551; including seeking legal advice in connection with a posted agenda item;

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

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.texas.gov or contact Michael Lyttle, 512-475-4542, TDHCA, 221 East 11th Street, Austin, Texas 78701, and request the information. If you would like to follow actions taken by the Governing Board during this meeting, please follow TDHCA account (@tdhca) on X (Twitter).

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Nancy Dennis, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Danielle Leath, 512-475-4606, at least five days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Danielle Leath, al siguiente número 512-475-4606 por lo menos cinco días antes de la junta para hacer los preparativos apropiados.

There is not a remote online or telephone option for public participation in this meeting, so those wishing to make public comment during the meeting must appear in person. This meeting will, however, be streamed online for public viewing.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1117 **Agenda Date:** 9/4/2025 **Agenda #:**

Resolution declaring October 2025 as National Energy Awareness Month

WHEREAS, the U.S. Department of Energy (DOE) has designated October 2025 as National Energy Awareness Month;

WHEREAS, the Weatherization Assistance Program, the nation's largest residential energy-efficiency program, was established by DOE in 1976 to make homes more energy-efficient, safer, and healthier for those with low and moderate incomes;

WHEREAS, the Texas Department of Housing and Community Affairs (TDHCA) administers a Weatherization Assistance Program, funded with both DOE funds and Low Income Home Energy Assistance Program funds, which is operated by a network of private nonprofits and local government entities;

WHEREAS, the Texas Weatherization Assistance Program has introduced millions of dollars into communities to improve thousands of homes, thereby helping Texans, including elderly, disabled, or families with young children, conserve energy and reduce utility costs;

WHEREAS, the Program conducts computerized energy audits and uses advanced diagnostic technology, investing in an array of improvements that include weather stripping of doors and windows; patching cracks and holes; insulating walls, floors, and attics; replacing doors, windows, refrigerators, and water heaters; and repairing heating and cooling systems; and

WHEREAS, weatherization efforts contribute to the state's economic, social, and environmental progress by creating jobs; prompting the purchase of goods and services; improving housing; stabilizing neighborhoods; reducing emissions; and decreasing the risk of fires;

NOW, therefore, it is hereby

RESOLVED, that the TDHCA Governing Board does hereby celebrate October 2025 as Energy Awareness Month in Texas.

Signed this fourth day of September 2025.

Leo Vasquez, Chair

Kenny Marchant, Vice Chair

Holland Harper, Member

Anna Maria Farias, Member

Ajay Thomas, Member

Cindy Conroy, Member

Bobby Wilkinson, Executive Director

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1120 **Agenda Date:** 9/4/2025 **Agenda #:** 1.

Presentation, discussion, and possible action on the Board meeting minutes summaries for July 10, 2025, and July 24, 2025

RECOMMENDED ACTION

Approve the Board meeting minutes summaries for July 10, 2025, and July 24, 2025.

RESOLVED, that the Board meeting minutes summaries for July 10, 2025, and July 24, 2025, are hereby approved as presented.

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Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
July 10, 2025

On Thursday, the tenth day of July 2025, at 10:00 a.m., the first of two July 2025 meetings of the Governing Board (Board) of the Texas Department of Housing and Community Affairs ("TDHCA" or "the Department") was held at the Dewitt C. Greer State Highway Building, Williamson Board Room, 125 E. 11th Street, Austin, Texas 78701.

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

- Leo Vasquez, III, Chair
- Kenny Marchant, Vice Chair
- Cindy Conroy
- Anna Maria Farias
- Holland Harper
- Ajay Thomas

Mr. Vasquez served as Chair, and James "Beau" Eccles served as Secretary.

1) The Board unanimously approved the Consent Agenda (items 1-7) and Consent Agenda Report Item 8 as presented.

2) At 10:05 a.m., the Board went into Executive Session and returned to resume the meeting at 10:44 a.m. During the executive session, the Board did not adopt any policy, position, resolution, rule, regulation, or take any formal action or vote on any item.

3) Action Item 9 – the Executive Director's Report – was presented by Bobby Wilkinson, TDHCA Executive Director. The Board heard the report and took no further action.

4) Action Item 10 – Presentation, discussion, and possible action on approval of a loan request and a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for 930 Military Parkway – was presented by Cody Campbell, TDHCA Director of Multifamily Finance. Following public comment (listed below), the Board by a 5-1 vote (Chair Vasquez voted nay) adopted staff recommendation to approve the loan request and the force majeure request.

- Taylor Thomas, Palladium USA, provided comments in support of staff recommendation.
- Tandy Boroughs, Mesquite City Council, District 4, provided comments in support of staff recommendation.

5) Action Item 11 – Report on legislation passed by the 89th Texas Legislature impacting the Department – was presented by Michael Lyttle, TDHCA Director of External Affairs, with additional information from Mr. Wilkinson.

6) Action Item 12 – Presentation, discussion, and possible action on Resolution No. 25-023 approving Assignment Agreements relating to Private Activity Bond Authority, and containing other provisions relating to the subject – was presented by Scott Fletcher, TDHCA Director of Bond Finance. The Board unanimously adopted the bond resolution per staff recommendation.

7) Action Item 13 – Presentation, discussion, and possible action on Resolution No. 25-025 authorizing the filing of one or more applications for reservation to the Texas Bond Review Board with respect to Qualified Mortgage Bonds and containing other provisions relating to the subject – was presented by Mr. Fletcher with additional information from Mr. Wilkinson. The Board unanimously adopted the bond resolution per staff recommendation.

8) Action Item 14 – Presentation, discussion, and possible action regarding a Material Application Amendment to the Housing Tax Credit Application, changes to the ownership structure, and a waiver of 10 TAC §11.9(b)(2)(A) for 930 Military Parkway Living (HTC #24023) – was presented by Rosalio Banuelos, TDHCA Director of Asset Management, with additional information from Mr. Wilkinson. Following public comment (listed below), the Board unanimously adopted staff recommendation to approve the material amendment, ownership changes, and the rule waiver.

- Taylor Thomas, Palladium USA, provided comments in support of staff recommendation.

9) Action Item 15 – Presentation, discussion, and possible action on authority for processing of amendments to extend elderly restrictions past the Compliance Period as non-material amendments – was presented by Mr. Banuelos with additional information from Mr. Wilkinson. The Board unanimously adopted staff recommendation to approve the staff processing of amendments as defined in the item.

10) Action Item 16 – Presentation, discussion, and possible action on recommendation to debar Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher, relating to Riverside Heights Senior Living AKA Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B / CMTS 5659) – was presented by Sascha Stremler, TDHCA Assistant General Counsel. Additional information was provided by Mr. Wilkinson; Mr. Eccles; Mr. Campbell; and Megan Sylvester, TDHCA Deputy General Counsel.

Following public comment (listed below), the Board did not approve staff recommendation but instead voted unanimously to table the item to the September 2025 meeting. The motion also included the Board's expectation that a presentation from Mr. and Ms. Fisher on controls of process documentation and how they're going to build better trust with TDHCA would occur at the September meeting. Finally, the motion included an agreement from Mr. and Ms. Fisher

that they would agree to a voluntary agreement to take some time away from the tax credit program.

- Robert Wood, attorney for James R. (Bill) Fisher, provided comments in opposition to staff recommendation.
- James R. (Bill) Fisher provided comments in opposition to staff recommendation.
- Melissa Fisher provided comments in opposition to staff recommendation.
- Mike Haynes, 42 Equity Partners, provided comments in opposition to staff recommendation.
- Talmage Boston, attorney for Melissa Fisher, provided comments in opposition to staff recommendation.
- John Shackelford, attorney for Melissa Fisher, provided comments in opposition to staff recommendation.

11) The Chairman exercised his right to take agenda items out of order and the Board took up Action Items 23 and 24, both presented by Mr. Campbell.

On Action Item 23 – Presentation, discussion, and possible action regarding an appeal of the termination of the Application for Liberty Senior Living, following public comment (listed below), the Board unanimously adopted staff recommendation to deny the appeal.

- John Shackelford, attorney for Lisa Fisher (applicant), provided comments that the applicant was withdrawing the appeal and accepting staff recommendation.

On Action Item 24 – Presentation, discussion, and possible action regarding an appeal of the termination of the Application for Culebra Apartments, following public comment (listed below), the Board unanimously adopted staff recommendation to deny the appeal.

- John Shackelford, attorney for Lisa Fisher (applicant), provided comments that the applicant was withdrawing the appeal and accepting staff recommendation.

12) The Board resumed the regular order of business on the agenda and addressed Action Item 17 – Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.8, Plan Requirements, Process and Approval Criteria for Properties Designated for Camping by Political Subdivisions for Homeless Individuals; an order proposing new 10 TAC §1.8, Camping Plans Requirements and Process for Political Subdivisions; and directing their publication for public comment in the *Texas Register* – presented by Brooke Boston, TDHCA Deputy Executive Director. Additional information was provided by Mr. Wilkinson and Mr. Eccles. The Board unanimously approved staff recommendation to repeal the existing rules and publish the new rules for public comment.

13) Action Item 18 – Presentation, discussion, and possible action regarding an appeal of the underwriting report for Fredericksburg Senior Apartments – was presented by Mr. Campbell.

Additional information was provided by Mr. Eccles; Homero Cabello, TDHCA Deputy Executive Director; and Jeanna Adams, TDHCA Director of Real Estate Analysis. Following public comment (listed below), the Board by a 5-1 vote (Member Harper voted nay) did not adopt staff recommendation and, instead, approved the underwriting appeal.

- Robbye Meyer, Arx Advantage consultant and representing the applicant, provided comments in opposition to staff recommendation.

14) Action Item 19 – Presentation, discussion, and possible action regarding an appeal of the underwriting report for Azle Oaks Apartments – was presented by Mr. Campbell. The Board by a 5-1 vote (Member Harper voted nay) did not adopt staff recommendation and, instead, approved the underwriting appeal.

15) Action Item 20 – Presentation, discussion, and possible action on a request for an extension of the previously approved deadline to Place in Service for Paige Estates – was presented by Josh Goldberger, TDHCA Manager of the Competitive Housing Tax Credit Program. Following public comment (listed below), the Board by a 4-2 vote (Chair Vasquez and Member Harper voted nay) concurred with staff recommendation to extend the Place-in-Service deadline.

- Ryan Garcia, JES Holdings, provided information on the matter.

16) Action Item 21 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for WALIPP Senior Residence Expansion – was presented by Mr. Goldberger. Following public comment (listed below), the Board unanimously adopted staff recommendation to approve the force majeure request.

- Jennifer Hicks, Tru Casa Consulting and representing the applicant, provided comments on the matter.
- Cheryl Lawson, the applicant, provided comments on the matter.

17) Action Item 22 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Skyline at Cedar Crest – was presented by Mr. Goldberger. The Board unanimously adopted staff recommendation to approve the force majeure request.

18) Action Items 23 and 24 were taken up earlier in the meeting.

19) Action Item 25 – Presentation, discussion, and possible action on an extension of the development period and a waiver of 10 TAC §13.11(c)(8) for Manor Place Town Apartments Phase 2 – was presented by Mr. Campbell with additional information from Mr. Wilkinson and Mr. Eccles. The Board unanimously adopted staff recommendation to approve the extension and rule waiver requests.

20) During the portion of the meeting for public comment on matters other than items for which there were posted agenda items, the following person made comment:

- Robbye Meyer, Arx Advantage, provided comments on a matter regarding the Competitive 9% Housing Tax Credit Program.
- Cynthia Bast, attorney with Baker Hostetler, provided comments on a matter regarding the Competitive 9% Housing Tax Credit Program.

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

There being no further business to come before the Board, the meeting adjourned at 3:05 p.m. The next meeting is scheduled for Thursday, July 24, 2025.

_____
Secretary

Approved:

_____
Chair

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
July 24, 2025

On Thursday, the twenty-fourth day of July 2025, at 10:00 a.m., the second of two July 2025 meetings of the Governing Board (Board) of the Texas Department of Housing and Community Affairs ("TDHCA" or "the Department") was held at the Dewitt C. Greer State Highway Building, Williamson Board Room, 125 E. 11th Street, Austin, Texas 78701.

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

- Leo Vasquez, III, Chair
- Kenny Marchant, Vice Chair
- Cindy Conroy
- Anna Maria Farias
- Holland Harper
- Ajay Thomas

Mr. Vasquez served as Chair, and James "Beau" Eccles served as Secretary.

1) The Board unanimously approved the Consent Agenda and Consent Agenda Report Items as presented.

2) Action Item 7 – Executive Director's Report – was presented by Bobby Wilkinson, TDHCA Executive Director. The Board heard the report and took no further action.

3) Action Item 8 – Presentation, discussion, and possible action on State Fiscal Year 2026 Homeless Housing and Services Program Awards – was presented by Rosy Falcon, TDHCA Manager of Homeless Programs. The Board unanimously adopted staff recommendation to approve the awards as presented in the item.

4) Action Item 9 – Presentation, discussion, and possible action on approval of a loan for Stella Haven – was presented by Connor Jones, TDHCA Multifamily Direct Loan Program Manager. Additional information was provided by Mr. Wilkinson and Mr. Eccles. The Board unanimously adopted staff recommendation to approve the loan.

5) Action Item 10 – Presentation and discussion regarding the pending issuance of Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, Series 2025 D (Non-AMT) – was presented by Scott Fletcher, TDHCA Director of Bond Finance, with additional information from Mr. Wilkinson. The Board heard the report and took no further action.

6) Action Item 11 – Presentation, discussion, and possible action on a staff initiated waiver of 10 TAC §13.11(c)(14)(I) for Developments that received funding from the Department's 2020 National Housing Trust Fund grant – was presented by Mr. Jones. The Board concurred with staff recommendation and approved the waiver.

7) Action Item 12 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for FishPond at Walker – was presented by Josh Goldberger, TDHCA Competitive Housing Tax Credit Program Manager, with additional information from Mr. Wilkinson. The Board adopted staff recommendation to approve the force majeure request.

8) Action Item 13 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for FishPond at Victoria – was presented by Mr. Goldberger. The Board adopted staff recommendation to approve the force majeure request.

9) Action Item 14 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Babers Manor – was presented by Mr. Goldberger with additional information from Mr. Wilkinson. Following public comment (listed below), the Board unanimously adopted staff recommendation to approve the force majeure request.

- Mary-Margaret Lemons, Fort Worth Housing Solutions, provided comments in support of staff recommendation
- Lou Bernardi, McCormack Baron Salazar (developer partner), provided comments in support of staff recommendation

10) Action Item 15 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for New Faith Senior Village – was presented by Mr. Goldberger with additional information from Mr. Wilkinson. Following public comment (listed below), the Board unanimously adopted staff recommendation to approve the force majeure request.

- Donna Rickenbacker, DWR Development Group (the developer), provided comments in support of staff recommendation

11) Action Item 16 – Presentation, discussion, and possible action authorizing the Executive Director to approve a National Housing Trust Fund Notice of Funding Availability for certain declared disaster counties, subject to the approval of necessary waivers by HUD – was presented by Mr. Jones with additional information from Mr. Wilkinson. The Board unanimously adopted staff recommendation to authorize Mr. Wilkinson to approve a NHTF NOFA for the disaster counties referenced in the item per HUD's approval of requested waivers.

12) Action Item 17 – Presentation, discussion, and possible action confirming obligations for those properties recommended for an award of competitive low income housing tax credits that sought and were awarded one point for committing at least an additional 2% of the total Units to Persons referred from the Continuum of Care or local homeless service providers to be made available for those experiencing homelessness under 10 TAC §11.9(c)(6) related to Residents with Special Housing Needs – was presented by Cody Campbell, TDHCA Director of Multifamily Finance, with additional information from Mr. Wilkinson. The Board unanimously approved staff recommendation to confirm the agency obligations referenced in the item.

13) Action Item 18 – Presentation, discussion, and possible action regarding appeals related to the 2025 9% Housing Tax Credit Round – was pulled from the agenda.

14) Action Item 19 – Presentation, discussion, and possible action regarding awards to 2025 9% Competitive Housing Tax Credit Applicants and approval of the waiting list for the 2025 Competitive Housing Tax Credit Application Round – was presented by Mr. Campbell. Additional information was provided by Mr. Wilkinson and Mr. Eccles. The Board unanimously adopted staff recommendation, as amended at the meeting, to approve the awards.

15) During the portion of the meeting for public comment on matters other than items for which there were posted agenda items, the following person made comment:

- Nathan Kelley, Texas Affiliation of Affordable Housing Providers, thanked TDHCA Board and staff for participating and attending the 2025 Texas Housing Conference

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

There being no further business to come before the Board, the meeting adjourned at 11:43 a.m. The next meeting is scheduled for Thursday, September 4, 2025.

_____
Secretary

Approved:

_____
Chair

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1127 **Agenda Date:** 9/4/2025 **Agenda #:** 2.

Presentation, discussion, and possible action on State Fiscal Year 2026 Homeless Housing and Services Program Award for the City of Corpus Christi.

RECOMMENDED ACTION

WHEREAS, the Homeless Housing and Services Program (HHSP) was created by the 81st Texas Legislature to be administered by the Texas Department of Housing and Community Affairs (the Department) to fund homelessness prevention and homeless services in Texas municipalities with populations over 285,500;

WHEREAS, the Texas Legislature has, through the enactment of House Bill (HB) 1 (89th Legislature), provided General Revenue funds of $6,299,984 each year of the biennium for HHSP;

WHEREAS, HB 1 included Rider 14, designating $1,500,000 of HHSP funds each year of the biennium to provide services to unaccompanied homeless youth and homeless young adults 24 years of age and younger to be distributed through a youth set-aside within HHSP;

WHEREAS, after a reduction of $72,000 for annual Department administrative expenses, funds in the amount of $4,727,984 are available for award for the HHSP general set-aside;

WHEREAS, the allocation formula for HHSP is set forth in 10 TAC §7.23, Allocation of Funds and Formula;

WHEREAS, the cities in Texas with a population that meet the threshold criteria for HHSP are Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Plano, and San Antonio;

WHEREAS, at the Board meeting of July 24, 2025, the Department presented and the Board approved HHSP SFY 2026 awards to all eligible municipalities, except for the City of Corpus Christi; and

WHEREAS, program staff is recommending an award for the City of Corpus Christi in the amount of $209,232 in 2026 HHSP funds under the general set-aside and $55,371 in 2026 HHSP funds under the youth set-aside;

NOW, therefore, it is hereby

RESOLVED, that the Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to take any and all such actions as they or any of them may deem necessary or advisable to effectuate the award of not less than $209,232 in SFY 2026 HHSP Contracts for general funds, and $55,371 in SFY 2026 HHSP youth set-aside funds to the City of Corpus Christi (Subrecipient); and

FURTHER RESOLVED, that the Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to take any and all such actions as they or any of them may deem necessary or advisable to reallocate the awarded funds to other eligible HHSP Subrecipients to ensure timely expenditure and program delivery in the event a contract for FY2026 funds is not fully executed by the Subrecipient on or before November 30, 2025.

BACKGROUND

HHSP funding is allocated to municipalities with a population of 285,500 or greater for the provision of homeless assistance and homeless prevention activities. HB 1 passed in Regular Session by the 89th Texas Legislature authorized state general revenue funding totaling $12,599,968 over the biennium for HHSP. Rider 14 requires that of the total authorized funds, $3,000,000 is set-aside for provision of HHSP homeless assistance to youth under the age of 25. The Department programmed $9,455,968 of the funds to be awarded to HHSP eligible subrecipients and retained the remaining $144,000 ($72,000 per year) for its administration.

The Department administers HHSP in accordance with Tex. Gov't Code §2306.2585 and 10 TAC Chapters 1 and 2, and Chapter 7, Subchapters A and B. Allowable activities include case management for households experiencing or at-risk of homelessness; construction, conversion, or rehabilitation of structures targeted to serving Homeless persons or persons at-risk of homelessness; essential services for Homeless persons or persons at risk of homelessness; provision of direct services; operation of emergency shelters or administrative facilities; and other Homeless-related activity, as approved by the Department in writing. For the HHSP youth set aside funds, Rider 16 specifically lists eligible services as case management, emergency shelter, street outreach, and transitional living.

In accordance with 10 TAC §7.21, Purpose and Use, HHSP provides funding to areas in municipalities with populations of 285,500 or greater, as determined by the most recent available One Year American Community Survey (ACS). HHSP is allocated to Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Plano, and San Antonio. The allocation formula, as outlined in 10 TAC §7.23, resulted in the allocations listed in Attachment A to each municipality. The most recent full Point-In-Time Count as referenced in 10 TAC §7.23, which includes a full demographic count for sheltered and unsheltered persons, was conducted in 2024; therefore, the Department utilized the 2024 Point-In-Time Count in allocating the HHSP funds.

During the Board meeting of July 24, 2025, the Board approved HHSP SFY 2026 awards for all eligible municipalities and their designee, except for the City of Corpus Christi, as the City had

not yet submitted its application and required documentation.

Since that meeting, the City of Corpus Christi has submitted the required application materials and met the initial eligibility criteria under 10 TAC Chapter 7. The Previous Participation Review Approval Process (PPRAP) was completed on August 25, 2025, resulting in a recommendation for award with no conditions. Program staff is recommending that the City receive its allocation of both HHSP general funds and youth set-aside funds, consistent with the allocation formula in 10 TAC §7.23.

The effective contract term for both HHSP general funds and HHSP youth set-aside funds will be September 1, 2025, through August 31, 2026, unless an alternative term is requested by the Subrecipient and approved by the Department. In all cases, contracts must be executed and begin no later than November 30, 2025. Staff is also requesting authorization that if the contract with the City is not executed by the Subrecipient's signature authority on or before November 30, 2025, that staff have authority to reallocate awarded funds to other HHSP eligible subrecipients to ensure their timely use.

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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1130 **Agenda Date:** 9/4/2025 **Agenda #:** 3.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Bird Creek Senior Living (HTC #24045)

RECOMMENDED ACTION

WHEREAS, Bird Creek Senior Living (Development) received an award of 9% Housing Tax Credits (HTCs) in 2024 for the new construction of 102 multifamily units for the elderly population in Temple, Bell County;

WHEREAS, Temple TXHP LP (Applicant) requests approval for a significant modification of the architectural design, including a reduction of the size of and change in configuration of the floor plan of the sole building, and increase in the number of floors from three to having portions of both four and five floors, resulting in no change in net rentable area and a slight increase in the common area;

WHEREAS, the Applicant requests approval for a significant modification of the site plan, including a 16.66% decrease in site area from 6.667 acres to 5.556 acres, associated with the driveway being built on an access easement on site area for which the site seller retained ownership rather than built on a purchased site area as proposed at Application, which results in a 20.00% increase in residential density, from 15.30 units per acre to 18.36 units per acre;

WHEREAS, Board approval is required for a significant modification of the site plan, a significant modification of the architectural design of the Development, and a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(1), (5), and (6), and in 10 TAC §10.405(a)(4)(A), (E), and (F), and the Applicant has complied with the amendment requirements therein; and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the Application, or impact the HTC award;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Housing Tax Credit Application for Bird Creek Senior Living is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Bird Creek Senior Living was approved for a 9% HTC award in 2024 for the construction of 102 units, of which all are designated as low-income units, of multifamily housing for the elderly population in Temple, Bell County. In a letter dated July 22, 2025, Sallie Burchett, the representative of the Applicant, requested approval for a material amendment to the Application for a significant modification of the site plan, a significant modification of the architectural design, and a density increase of 20.0%, from 15.30 units per acre to 18.36 units per acre.

The significant modifications of the architectural design include a redesign of the sole building from three floors to four and five floors height in different portions and a smaller building footprint. There are no requested changes to the Net Rentable Area (NRA), unit count, unit mix, or set-asides. Additionally, the changes to the architectural design of the Development result in a slight increase to the Common Area, from 17,082 square feet at Application to 17,456 square feet.

The significant modifications of the site plan include a 16.7% reduction of the site area, from 6.667 acres to 5.556 acres. As originally proposed, the site purchase was to include area for a driveway connecting from the northeast corner of the site to West K Avenue to the east of the site, and the Applicant was to construct the driveway and then dedicate the driveway area to the City of Temple. Due to the City of Temple's preference, the driveway area has been moved southward from connecting between West K Avenue and the northeast corner of the site to connecting between West K Avenue and the southeast corner of the site. The seller consented to this change but requested that the seller retain ownership of the driveway area on an access easement rather than on land purchased by the Applicant. The reduction in site area increases density 20.0%, from 15.30 units per acre to 18.36 units per acre. The Applicant indicated that the reason for the request to modify the site plan is that the City of Temple (the City) prefers moving the access driveway southward because the City states doing so maximizes safety and integration into the City's existing street network.

The Applicant indicated that the reason for the request to modify the architectural design of the building is that the engineering process revealed that due to the sloped site it was preferable to make the building four floors on the street side and five floors on the downhill creek side, versus the extensive grading and retaining walls that would have been necessary to maintain the design as three floors on grade.

The Applicant reports that the price paid for the site did not change, and that the changes have no financial impact on the Development. Staff confirmed that the revised design plans and parking would continue to meet accessibility requirements. Additionally, staff reviewed the original Application and scoring documentation against this amendment request, and has concluded that none of the changes would have affected the scoring or selection of the Application in the competitive round.

Staff recommends approval of the Application amendment as presented herein.

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July 22, 2025

Mr. Jonathan Chilson
Asset Manager (Regions 8, 11, & 12)
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Via: jonathan.chilson@tdhca.texas.gov

Re: Bird Creek Senior Living, TDHCA #24045, Temple, TX

Dear Mr. Chilson:

Please accept this formal request for a material amendment to #24045 Bird Creek Senior Living. For full construction documents, the design needed modifications that resulted in 3 amendment components: site plan, architectural design, and density increase. The amendment will not have a financial impact on the Development.

Changes Requested

The changes requested are threefold. Due to these changes, the Applicant is requesting approval for the following material amendment components:

1) Significant modification of the site plan | An alternate connection to Avenue K that will be an easement, rather than a dedicated public street at the request of the land seller.
2) Significant modification of the architectural design | The footprint of the building is now smaller with 5 stories on the creek side and 4 stories on the streetside rather than a larger 3 story building.
3) Density increase of at least 5% | The site acreage has been reduced from 6.667 acres to 5.556 acres (see item 1) Accordingly, the density is increasing from 15.30 units per acre to 18.36 units per acre.

Reason the Change is Necessary & Good Cause for the Change

1) Following Application, the Applicant has maintained steady communication with the City of Temple about the Development. Based on the City's review, the City advised the Applicant to modify the connection to the existing street network for improved safety. The final connection moved south per the City's Transportation requirements. The Seller was amenable to the change, but requested the connector be an easement rather than a full transfer of property. As a result, the acreage decreased. The residential density at Application was 15.299 units per acre. With the reduction in acreage, the residential density will increase to 18.359 units per acre. This is 3.06 units per acre density increase of approximately 20.00%.
2) Associated with full engineering documents, the building – built on a slope – needed to shift slightly. The Development has a modified site plan and architectural design to meet the development code. The original 3-story building design is now 4-stories on the streetside of the building, and 5-stories on the downhill creek side.

Explanation of Foreseeable or Preventable Nature

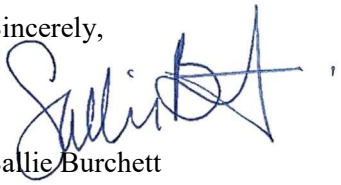
1) At the time of Application, the Applicant planned for the northeast corner of the Development Site to serve as the Development's entry point. The City of Temple's requirement for access at a different location was unknown at the time of Application.
2) Full engineering documents revealed a smaller and cost effective footprint for the building built into the slope rather than significant grading and retaining walls. Thus the design resulted in a 4 to 5 story building in lieu of 3 stories.

Common Area

With the aforementioned changes, the total common area in the revised architectural plans increased. The common area is 2.1% more than at Application. Because the change is an increase in common area and is not more than 3% change, the Applicant does not need to request an amendment for this change and is instead notifying the Department.

As required, we are submitting the $2,500 material amendment fee. Thank you for marshaling the amendment request through the system. Please feel free to contact me if you have any additional questions.

Sincerely,



Sallie Burchett
Consultant to the Project

Attachments
A – Amendment Request Form
B.1 – Survey at Closing
B.2 – Survey at Application
C.1 – Site Plan at Closing
C.2 – Site Plan at Application
D.1 – Architectural Plans: Building Floor Plans at Closing
D.2 – Architectural Plans: Building Floor Plans at Application
E.1 – Architectural Plans: Elevations at Closing
E.2 – Architectural Plans: Elevations at Application
F.1 – Common Area Calculation at Closing
F.2 – Common Area Calculation at Application
G – No Financial Impact Letter

B.1 At Amendment

SCHEDULE "B" EXCEPTIONS:

TITLE COMMITMENT NO 8000552400005A, EFFECTIVE DATE FEBRUARY 4, 2025 AT 8:00AM, ISSUED BY CHICAGO TITLE OF TEXAS, LLC, AS AGENT FOR CHICAGO TITLE INSURANCE COMPANY.

10(g) INTENTIONALLY DELETED.

10(h) INTENTIONALLY DELETED.

10(i) INTENTIONALLY DELETED.

10(j) TERMS AND PROVISIONS CONTAINED IN EASEMENT AGREEMENT FOR UTILITIES DATED JULY 30, 2010, FROM JAMES K. MOHLER, II AND SHELIA M. MOHLER, TO THE CITY OF TEMPLE, TEXAS, RECORDED AT DOCUMENT NO. 2010030344 VOLUME 7592, PAGE 145. OFFICIAL PUBLIC RECORDS OF BELL COUNTY, TEXAS.
SHOWN ON PLAT RECORDED UNDER DOCUMENT NO. 2025002109, PLAT RECORDS, BELL COUNTY, TEXAS.
20' UTILITY EASEMENT AFFECTS TRACT 1 AS SHOWN.

10(k) INTENTIONALLY DELETED.

10(l) INTENTIONALLY DELETED.

10(m)INTENTIONALLY DELETED.

10(n) MATTERS CONTAINED IN THAT CERTAIN DOCUMENT
ENTITLED: ROADWAY EASEMENT AND MAINTENANCE AGREEMENT
DATED: DECEMBER 18, 2024
EXECUTED BY: ATEMP HOLDINGS LLC ALONG WITH TEMPLE TXHP LP
RECORDING DATE: DECEMBER 30, 2024
RECORDING NO: UNDER CLERK'S FILE NO. 2024057469, REAL PROPERTY RECORDS, BELL COUNTY, TEXAS;
AS AFFECTED BY CORRECTION AFFIDAVIT RECORDED FEBRUARY 10, 2025 UNDER CLERK'S FILE NO. 2025006117, REAL PROPERTY RECORDS, BELL COUNTY, TEXAS.
REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.
SHOWN ON PLAT RECORDED UNDER DOCUMENT NO. 2025002109, PLAT RECORDS, BELL COUNTY, TEXAS.
AFFECTS TRACT 1 ANE TRACT 2 AS SHOWN.

10(o) EASEMENTS DISCLOSED BY PLAT.
RECORDING NO.: IN DOCUMENT NO. 2025002109, OFFICIAL PUBLIC RECORDS OF BELL COUNTY, TEXAS
30 FOOT UTILITY EASEMENT–AS SHOWN ON PLAT; 0.409 ACRE DRAINAGE EASEMENT–AS SHOWN ON PLAT.
AFFECTS TRACT 1 AS SHOWN.

20' UTILITY EASEMENT – AS SHOWN ON PLAT.
AFFECTS TRACT 2 AS SHOWN.

10(p) EASEMENT(S) AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: CITY OF TEMPLE
PURPOSE: 10 FOOT UTILITY EASEMENT AS PROVIDED IN SAID DOCUMENT
RECORDING DATE: AUGUST 4, 1978
RECORDING NO: VOLUME 1547, PAGE 145, DEED RECORDS, BELL COUNTY, TEXAS.
SHOWN ON PLAT RECORDED UNDER DOCUMENT NO. 2025002109, PLAT RECORDS, BELL COUNTY, TEXAS.
10' UTILITY EASEMENT AFFECTS TRACT 1 AS SHOWN.

10(q) EASEMENT(S) AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: CITY OF TEMPLE
PURPOSE: AS PROVIDED IN SAID DOCUMENT
RECORDING DATE: JANUARY 1, 1961
RECORDING NO: VOLUME 893, PAGE 373, DEED RECORDS, BELL COUNTY, TEXAS.
SHOWN ON PLAT RECORDED UNDER DOCUMENT NO. 2025002109, PLAT RECORDS, BELL COUNTY, TEXAS.
20' WATER EASEMENT AFFECTS TRACT 1 AS SHOWN.

10(r) EASEMENT(S) AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: CITY OF TEMPLE
PURPOSE: AS PROVIDED IN SAID DOCUMENT
RECORDING DATE: OCTOBER 17, 1958
RECORDING NO: VOLUME 777, PAGE 470, DEED RECORDS, BELL COUNTY, TEXAS.
SHOWN ON PLAT RECORDED UNDER DOCUMENT NO. 2025002109, PLAT RECORDS, BELL COUNTY, TEXAS.
20' SEWER EASEMENT AFFECTS TRACT 1 AS SHOWN.

10(s) INTENTIONALLY DELETED.

10(t) INTENTIONALLY DELETED.

10(w) EASEMENTS DISCLOSED BY PLAT
RECORDING NO. IN DOCUMENT NO. 2022(5795: (A&B), OFFICIAL PUBLIC RECORDS OF BELL COUNTY, TEXAS
15' PRIVATE UTILITY EASEMENT, AS SHOWN ON PLAT; 20' PRIVATE UTILITY EASEMENT, AS SHOWN ON PLAT
AFFECTS TRACT 2 AS SHOWN.

TRACT 1:

LOT 1, BLOCK 1, OF THE STATION COTTAGES REPLAT NO. 1, AN ADDITION TO THE CITY OF TEMPLE, BELL COUNTY, TEXAS ACCORDING TO THE PLAT OF RECORD IN DOCUMENT NO. 2025002109, OFFICAL RECORDS OF REAL PROPERTY, BELL COUNTY, TEXAS.

TRACT 2: EASEMENT ESTATE

NON–EXCLUSIVE EASEMENT ESTATE CREATED IN ROADWAY EASEMENT AND MAINTENANCE AGREEMENT, DATED DECEMBER 18, 2024, FILED OF RECORD DECEMBER 30, 2024 AND RECORDED UNDER CLERK'S FILE NO. 2024057469, REAL PROPERTY RECORDS, BELL COUNTY, TEXAS, AND AS AFFECTED BY CORRECTION AFFIDAVIT DATED FEBRUARY 6, 2025, FILED ON FEBRUARY 10, 2025 AND RECORDED UNDER CLERK'S FILE NO. 2025006217.

LESS AND EXCEPT THE RIGHT–OF–WAY DEDICATED TO THE CITY AS TRACT A, RESULTING IN A 0.429 ACRE EASEMENT AREA AS SHOWN ON THE REPLAT, FILED OF RECORD JANUARY 14, 2025, AND RECORDED UNDER CLERK'S FILE NO. 2025002109 AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT 1/2" IRON ROD WITH CAP STAMPED "RPLS 2475" FOUND BEING AN INTERIOR ELL CORNER IN THE SOUTHERLY BOUNDARY LINE OF LOT 2, BLOCK 1, SAID STATION COTTAGES REPLAT NO. 1 AND BEING A NORTHWEST CORNER OF WEST AVENUE K RIGHT–OF–WAY FOR CORNER;

THENCE DEPARTING THE SOUTHERLY BOUNDARY LINE OF THE SAID LOT 2, BLOCK 1 AND THE SAID WEST AVENUE K RIGHT–OF–WAY LINE AND OVER AND ACROSS THE SAID LOT 2, BLOCK 1 THE FOLLOWING FOUR (4) CALLS:

1. N. 21° 51' 23" W., 11.95 FEET TO A POINT FOR CORNER;
2. N. 59° 57' 35" W., 57.21 FEET TO A POINT FOR CORNER;
3. N. 37° 28' 30" W., 225.21 FEET TO A POINT FOR CORNER;
4. N. 59° 11' 30" W., 17.98 FEET TO A POINT IN THE SOUTHERLY BOUNDARY LINE OF THE SAID LOT 1, BLOCK 1 AND BEING IN THE NORTHERLY BOUNDARY LINE OF THE SAID LOT 2, BLOCK 1 FOR CORNER;

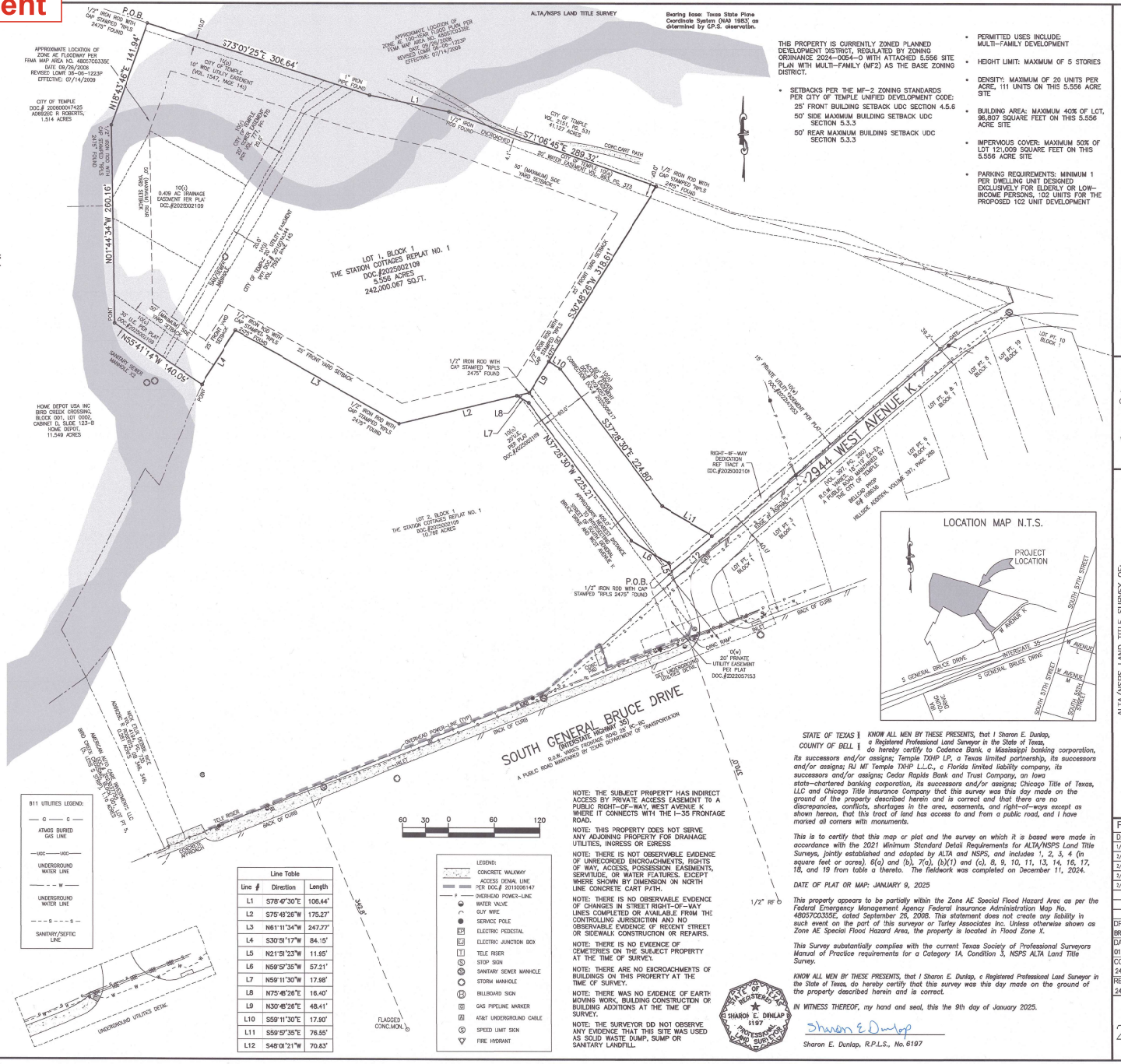
THENCE WITH THE SOUTHERLY BOUNDARY LINE OF THE SAID LOT 1, BLOCK 1 AND WITH THE NORTHERLY BOUNDARY LINE OF THE SAID LOT 2, BLOCK 1 THE FOLLOWING TWO (2) CALLS:

1. N. 75° 48' 26" E., 16.40 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "RPLS 2475" FOUND FOR CORNER;
2. N. 30° 48' 26" E., 48.41 FEET TO A POINT FOR CORNER;

THENCE DEPARTING THE SOUTHERLY BOUNDARY LINE OF THE SAID LOT 1, BLOCK 1 AND THE NORTHERLY BOUNDARY LINE OF THE SAID LOT 2, BLOCK 1 AND OVER AND ACROSS THE SAID LOT 2, BLOCK 1 THE FOLLOWING THREE (3) CALLS:

1. S. 59° 11' 30" E., 17.90 FEET TO A POINT FOR CORNER;
2. S. 37° 28' 30" E., 224.80 FEET TO A POINT FOR CORNER;
3. S. 59° 57' 35" E., 74.55 FEET TO A POINT IN THE SOUTHERLY BOUNDARY LINE OF THE SAID LOT 2, BLOCK 1 AND IN THE NORTH RIGHT–OF–WAY LINE OF THE SAID WEST AVENUE K FOR CORNER;

THENCE S. 48° 01' 21" W., 70.83 FEET WITH THE SOUTHERLY BOUNDARY LINE OF THE SAID LOT 2, BLOCK 1 AND WITH THE SAID NORTH RIGHT–OF–WAY LINE TO THE POINT OF BEGINNING AND CONTAINING 0.429 ACRES OF LAND, MORE OR LESS.



THIS PROPERTY IS CURRENTLY ZONED PLANNED DEVELOPMENT DISTRICT, REGULATED BY ZONING ORDINANCE 2024–0054–D WITH ATTACHED 5.556 SITE PLAN WITH MULTI–FAMILY (MF2) AS THE BASE ZONING DISTRICT.

- SETBACKS PER THE MF–2 ZONING STANDARDS PER CITY OF TEMPLE UNIFIED DEVELOPMENT CODE:
  - 25' FRONT BUILDING SETBACK UDC SECTION 4.5.6
  - 50' SIDE MAXIMUM BUILDING SETBACK UDC SECTION 5.3.3
  - 50' REAR MAXIMUM BUILDING SETBACK UDC SECTION 5.3.3
- PERMITTED USES INCLUDE: MULTI–FAMILY DEVELOPMENT
- HEIGHT LIMIT: MAXIMUM OF 5 STORIES
- DENSITY: MAXIMUM OF 20 UNITS PER ACRE, 111 UNITS ON THIS 5.556 ACRE SITE
- BUILDING AREA: MAXIMUM 40% OF LOT, 96,807 SQUARE FEET ON THIS 5.556 ACRE SITE
- IMPERVIOUS COVER: MAXIMUM 50% OF LOT 121,009 SQUARE FEET ON THIS 5.556 ACRE SITE
- PARKING REQUIREMENTS: MINIMUM 1 PER DWELLING UNIT DESIGNED EXCLUSIVELY FOR ELDERLY OR LOW–INCOME PERSONS, 102 UNITS FOR THE PROPOSED 102 UNIT DEVELOPMENT

NOTE: THE SUBJECT PROPERTY HAS INDIRECT ACCESS BY PRIVATE ACCESS EASEMENT TO A PUBLIC RIGHT–OF–WAY, WEST AVENUE K WHERE IT CONNECTS WITH THE I–35 FRONTAGE ROAD.

NOTE: THIS PROPERTY DOES NOT SERVE ANY ADJOINING PROPERTY FOR DRAINAGE UTILITIES, INGRESS OR EGRESS

NOTE: THERE IS NOT OBSERVABLE EVIDENCE OF UNRECORDED ENCROACHMENTS, RIGHTS OF WAY, ACCESS, POSSESSION EASEMENTS, SERVITUDE, OR WATER FEATURES, EXCEPT WHERE SHOWN BY DIMENSION ON NORTH LINE CONCRETE CART PATH.

NOTE: THERE IS NO EVIDENCE OF CEMETERIES ON THE SUBJECT PROPERTY AT THE TIME OF SURVEY.

NOTE: THERE ARE NO ENCROACHMENTS OF BUILDINGS ON THIS PROPERTY AT THE TIME OF SURVEY.

NOTE: THERE WAS NO EVIDENCE OF EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS AT THE TIME OF SURVEY.

NOTE: THE SURVEYOR DID NOT OBSERVE ANY EVIDENCE THAT THIS SITE WAS USED AS SOLID WASTE DUMP, SUMP OR SANITARY LANDFILL.

STATE OF TEXAS }
COUNTY OF BELL }

KNOW ALL MEN BY THESE PRESENTS, that I Sharon E. Dunlap, a Registered Professional Land Surveyor in the State of Texas, do hereby certify to Cadence Bank, a Mississippi banking corporation, its successors and/or assigns; Temple TXHP LP, a Texas limited partnership, its successors and/or assigns; RJ MT Temple TXHP L.L.C., a Florida limited liability company, its successors and/or assigns; Cedar Rapids Bank and Trust Company, an Iowa state–chartered banking corporation, its successors and/or assigns; Chicago Title of Texas, LLC and Chicago Title Insurance Company that this survey was this day made on the ground of the property described herein and is correct and that there are no discrepancies, conflicts, shortages in the area, easements, and right–of–ways except as shown hereon, that this tract of land has access to and from a public road, and I have marked all corners with monuments.

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes 1, 2, 3, 4 (in square feet or acres), 6(a) and (b), 7(a), (b)(1) and (c), 8, 9, 10, 11, 13, 14, 16, 17, 18, and 19 from table a thereto. The fieldwork was completed on December 11, 2024.

DATE OF PLAT OR MAP: JANUARY 9, 2025

This property appears to be partially within the Zone AE Special Flood Hazard Area as per the Federal Emergency Management Agency Federal Insurance Administration Map No. 48057C0355E, dated September 26, 2008. This statement does not create any liability in such event on the part of this surveyor or Turley Associates Inc. Unless otherwise shown as Zone AE Special Flood Hazard Area, the property is located in Flood Zone X.

This Survey substantially complies with the current Texas Society of Professional Surveyors Manual of Practice requirements for a Category 1A, Condition 3, NSPS ALTA Land Title Survey.

KNOW ALL MEN BY THESE PRESENTS, that I Sharon E. Dunlap, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that this survey was this day made on the ground of the property described herein and is correct.

IN WITNESS THEREOF, my hand and seal, this the 9th day of January 2025.

STATE OF TEXAS
SHARON E. DUNLAP
6197
REGISTERED PROFESSIONAL LAND SURVEYOR

Sharon E. Dunlap

Sharon E. Dunlap, R.P.L.S., No. 6197

TURLEY
ENGINEERING & SURVEYING
TURLEY ASSOCIATES, INC.
3warren Ave.
Temple, TX 76501
ENGINEERING FIRM NO. 1658
SURVEY FIRM NO. 10194009
MAIL@TURLEY-INC.COM
WWW.TURLEY-INC.COM
254-773-2400

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ALTA/NSPS LAND TITLE SURVEY OF:
2944 WEST AVENUE K
CITY OF TEMPLE, BELL COUNTY, TEXAS 76504
LOT 1, BLOCK 1
THE STATION COTTAGES REPLAT NO. 1
DOC.# 2025002109

PREPARED FOR:
TEMPLE TXHP LP
SALLIE BURCHETT

REVISIONS

DATE	DESCRIPTION	DFTR
1/28/25	UPDATE TITLE/COMMENTS	BRC
2/12/25	UPDATE TITLE/COMMENTS	AMJ
2/14/25	UPDATE TITLE/COMMENTS	AMJ
2/17/25	UPDATE TITLE/COMMENTS	AMJ
2/18/25	UPDATE TITLE/COMMENTS	AMJ

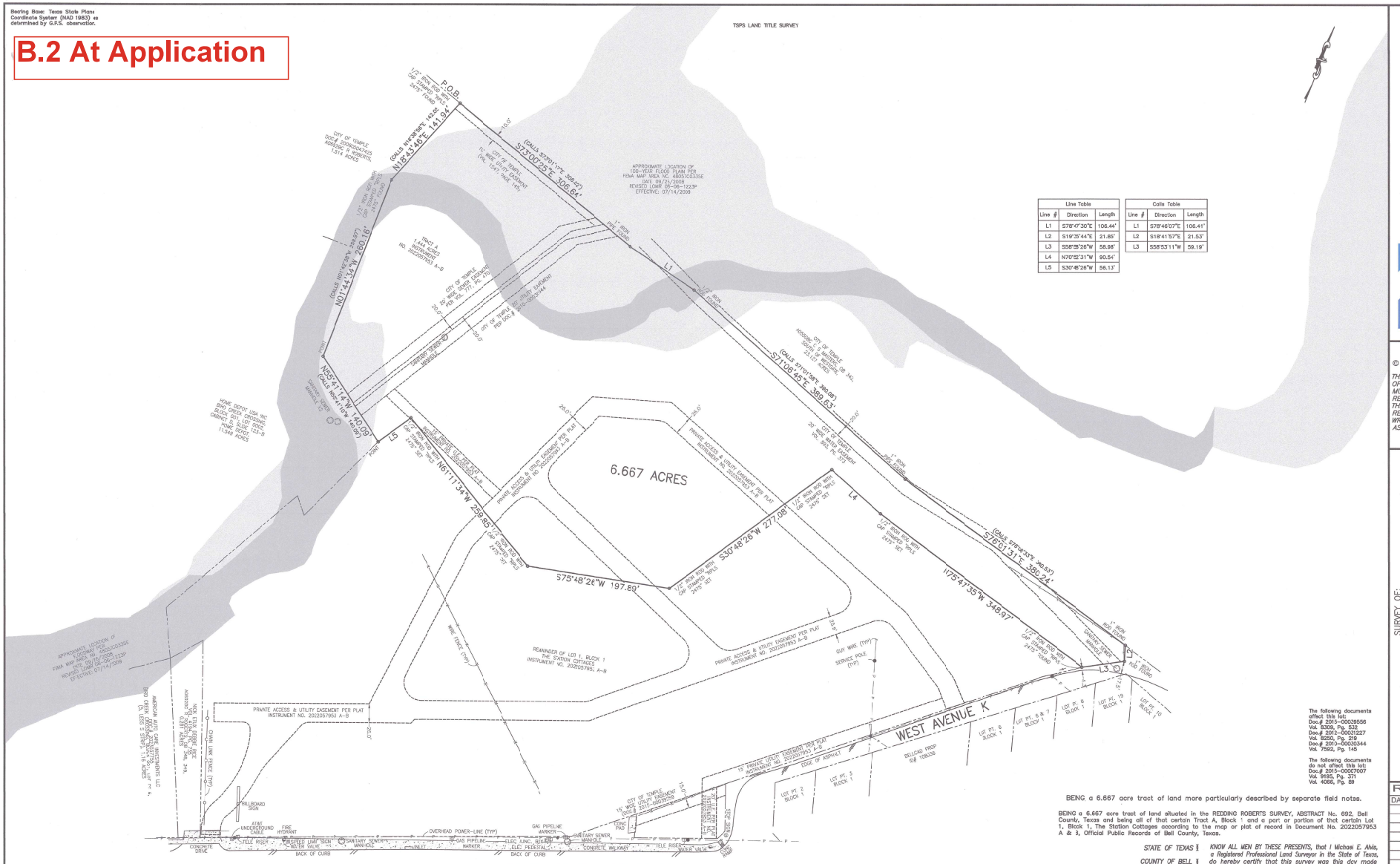
DRAFTSMAN: BRC
DATE: 01/09/2025
COMPUTER FILE NAME: 24-3449 CERT.dwg
REFERENCE DRAWING NUMBERS: 24-2727 & 24-1957

JOB NUMBER 24-3449
PAGE# 01

B.2 At Application

Bearing Base: Texas State Plane Coordinate System (NAD 1983) as determined by G.P.S. observation.

TSPS LAND TITLE SURVEY



Line Table		
Line #	Direction	Length
L1	S78°47'30"E	106.44'
L2	S19°35'44"E	21.85'
L3	S58°59'26"W	58.98'
L4	N70°52'31"W	90.54'
L5	S30°48'26"W	56.13'

Calls Table		
Line #	Direction	Length
L1	S78°46'07"E	106.41'
L2	S18°41'57"E	21.53'
L3	S58°53'11"W	59.19'

The following documents affect this lot:
Doc.# 2013-00038556 Vol. 8308, Pg. 532
Doc.# 2012-00031227 Vol. 8250, Pg. 219
Doc.# 2013-00030344 Vol. 7982, Pg. 145

The following documents do not affect this lot:
Doc.# 2013-00027007 Vol. 9185, Pg. 371 Vol. 4066, Pg. 89

BEING a 6.667 acre tract of land more particularly described by separate field notes.

BEING a 6.667 acre tract of land situated in the REDDING ROBERTS SURVEY, ABSTRACT No. 692, Bell County, Texas and being all of that certain Tract A, Block 1 and a part or portion of that certain Lot 1, Block 1, The Station Cottages according to the map or plat of record in Document No. 2022057953 A & B, Official Public Records of Bell County, Texas.

STATE OF TEXAS ‖ KNOW ALL MEN BY THESE PRESENTS, that I Michael E. Alvis, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that this survey was this day made on the ground of the property described herein and is correct and that there are no discrepancies, conflicts, shortages in the area, easements, and right-of-ways except as shown hereon, that this tract of land has access to and from a public road, and I have marked all corners with monuments. This Survey substantially complies with the current Texas Society of Professional Surveyors Manual of Practice requirements for a Category 1A, Condition 3, TSPS Land Title Survey.

COUNTY OF BELL ‖

This Property Appears to be within the Special Flood Hazard Area as per the Federal Emergency Management Agency Federal Insurance Administration Map No. 48027C0335E, dated September 26, 2008. This statement does not imply that this tract will never flood, nor does it create any liability in such event on the part of this surveyor or Turley Associates Inc.

IN WITNESS THEREOF, my hand and seal, this the 13th day of February 2024.

STATE OF TEXAS REGISTERED MICHAEL E. ALVIS 5402 PROFESSIONAL LAND SURVEYOR

Michael E. Alvis, R.P.L.S., No. 5402

60 30 0 60 120

TURLEY ENGINEERING & SURVEYING

TURLEY ASSOCIATES, INC. 301 N. 3RD ST. TEMPLE, TEXAS 76501

ENGINEERING FIRM NO. 1658 SURVEY FIRM NO. 10056000

WWW.TURLEY-INC.COM 254-773-2400

© TURLEY ASSOCIATES, INC.

THIS DRAWING IS THE PROPERTY OF TURLEY ASSOCIATES INC. AND MUST BE SURRENDERED UPON REQUEST. THE INFORMATION THEREON MAY NOT BE REPRODUCED WITHOUT THE WRITTEN PERMISSION OF TURLEY ASSOCIATES INC.

SURVEY OF: 6.667 ACRES
SOUTH GENERAL BRUCE DRIVE
REDDING ROBERTS SURVEY, ABSTRACT NO. 692
BELL COUNTY, TEXAS

PREPARED FOR: SALLIE BURCHETT

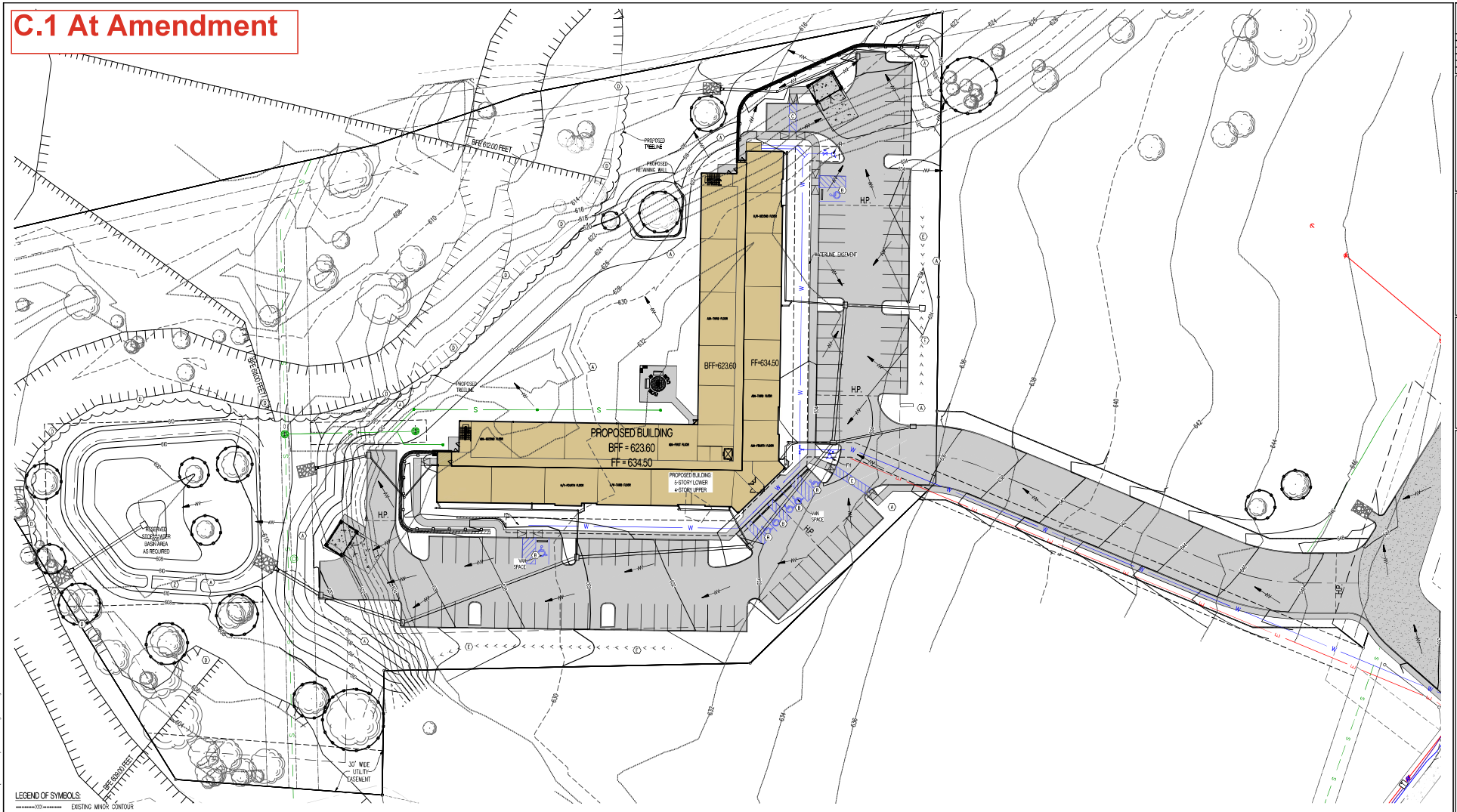
REVISIONS

DATE	DESCRIPTION	DF'R

DRAFTSMAN: BRC
DATE: 02/13/2024
COMPUTER FILE NAME: 24-328 CERT
REFERENCE DRAWING NUMBERS:

JOB NUMBER: 24-328
DRAWING NUMBER: 24328D
PAGE # 01

C.1 At Amendment



LEGEND OF SYMBOLS:

- EXISTING MINOR CONTOUR
- EXISTING MAJOR CONTOUR
- PROPOSED MINOR CONTOUR
- PROPOSED MAJOR CONTOUR
- FF=XXX.X — FINISHED FIRST FLOOR OF STRUCTURE
- BFF=XXX.X — FINISHED FLOOR OF BASEMENT
- XXX.XX TC — PROPOSED TOP OF CURB ELEVATION TC = (TP+6") UNLESS NOTED OTHERWISE
- XXX.XX TP — PROPOSED TOP OF PAVEMENT ELEVATION
- XXX.XX FG — PROPOSED FINISHED GRADE ELEVATION
- XXX.XX FF — PROPOSED FINISHED FLOOR AT DOOR
- XXX.XX TW — PROPOSED FINISHED GRADE AT TOP OF WALL
- H.P. — HIGH POINT IN PAVEMENT
- L.P. — LOW POINT IN PAVEMENT
- STORMWATER RUNOFF FLOW DIRECTION
- STORMWATER SWALE LOCATION AND DIRECTION

LEGEND OF LABELS

(A) FINE GRADE AS SHOWN BY PROPOSED CONTOURS. PLACE MINIMUM OF 6" TOP SOIL. SEED AND MULCH ALL DISTURBED AREAS.

(B) GRADE ACCESSIBLE PARKING STALLS AND ROUTES AS SHOWN. SLOPE OF THE PAVEMENT AT ALL ACCESSIBLE PARKING STALLS SHALL NOT EXCEED 1:50 IN ALL DIRECTIONS. ALL ACCESSIBLE ELEMENTS SHALL COMPLY WITH THE REQUIREMENTS OF THE AMERICANS WITH DISABILITIES ACT.

(C) GRADE ACCESSIBLE CROSS WALKS AS SHOWN WHERE SLOPE OF THE PAVEMENT SHALL NOT EXCEED 1:50 TRANSVERSALLY NOR 1:20 LONGITUDINALLY.

(D) NO GRADING OR LAND DISTURBANCE TO OCCUR WITHIN THE FEMA FLOODWAY OR PLAIN. NO FILL DIRT TO BE PLACED IN THE FEMA 100 YEAR FLOODPLAIN AREA. DO NOT CROSS LIMITS OF DISTURBANCE LINE DURING CONSTRUCTION.

(E) GRADE SWALE IN THE DIRECTION OF THE ARROWS AS SHOWN AT 1% MIN.

GENERAL GRADING NOTES:

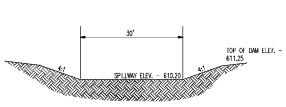
1) ALL FINISHED GRADE ELEVATIONS AROUND EACH BUILDING SHALL BE 6" BELOW FINISH FLOOR ELEVATION AND HAVE POSITIVE DRAINAGE AWAY FROM THE BUILDING EXCEPT FINISH GRADES WITHIN THE ISLANDS CREATED BY THE SIDEWALKS AT THE FRONT OF THE UNITS.
2) NO FINISHED GRADE SLOPES SHALL EXCEED A 3:1 SLOPE.
3) NO DRAINAGE SWALES TO BE LESS THAN 1% SLOPE.
4) REFER TO ADA ROUTING PLANS FOR ADA PATHWAY INFORMATION.

GENERAL FLOODPLAIN NOTES:

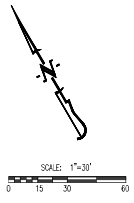
1) NO DISTURBANCE OF ANY KIND TO OCCUR IN THE FLOODPLAIN.

GEOTECHNICAL NOTES:

1) REFER TO UES PROFESSIONAL SOLUTIONS 63, LLC, JOB # 24-1130 DATED OCTOBER 15, 2024, FOR GEOTECHNICAL REPORT AND DETAILS PRIOR TO EXCAVATION, FILL DIRT, PAVEMENT, OR OTHER DIRT WORK.
2) REFER TO STRUCTURAL PLANS FOR MATERIAL UNDERNEATH THE FOOTINGS AND SLABS AS WELL AS FOUNDATION PLANS.
3) REFER TO THE GEOTECHNICAL ENGINEER FOR INFORMATION ON USING THE EXISTING SOIL UNDERNEATH THE PROPOSED BUILDINGS.
4) CONTRACTOR TO PROVIDE UNIT RATE QUANTITIES FOR ROCK REMOVAL, UNSUITABLE SOIL REMOVAL, SOIL IMPORT.
5) ALL SITE WALLS ARE TO BE DESIGNED BY OTHERS.



(2) DETENTION BASIN SPILLWAY CROSS SECTION



REVISIONS:

NO.	DATE
PERMIT SET	11/07/2024

THIS SHEET WAS SIGNED, SEALED AND DATED ELECTRONICALLY

TIMOTHY D. CROCKETT
TX LICENSE-109125

PREPARED BY:
CROCKETT
Engineering Consultants, LLC
1001 W. Whitestone Blvd., Suite 190
Cedar Park, Texas 78613
(512) 477-2014
www.crockettengineering.com
Crockett Engineering Consultants, LLC
Texas Certification # F-20179

DEVELOPER:
JDM VENTURES, LLC
1700 BROADWAY, SUITE 2100
LUBBOCK, TX 79401

BIRD CREEK SENIOR LIVING
TEMPLE, BELL COUNTY, TEXAS

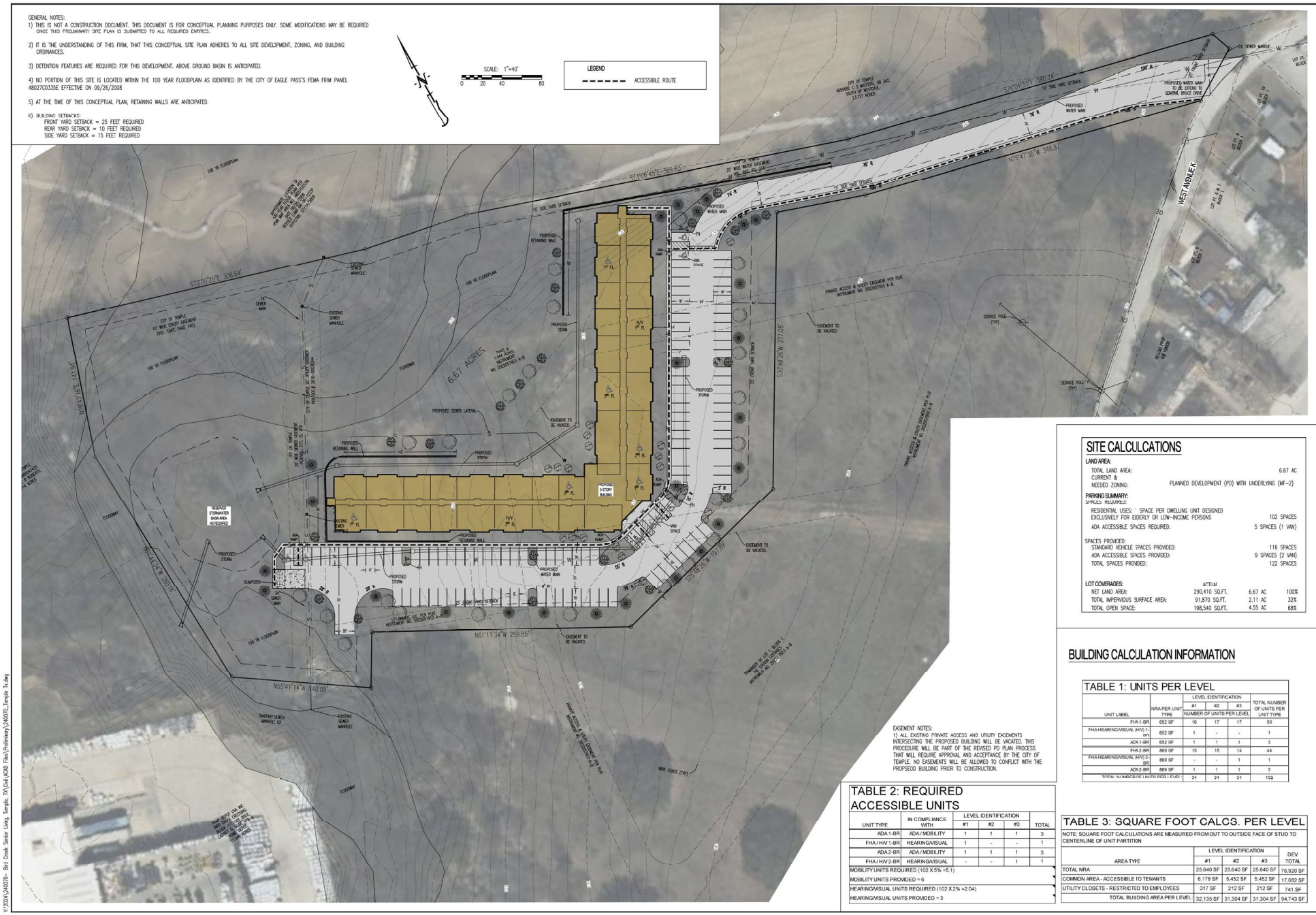
DRAWING INCLUDES:

GRADING PLAN

DESIGNED:	KRM
DRAWN:	KRM
PROJECT NO.:	240070
SHEET:	CE 3

X:\2024\240070 - Bird Creek Senior Living, Temple, TX\Civil\ADAD Files\Construction Plans\240070_Temple TX_Grading Base.dwg

C.2 At Application



SITE CALCULCATIONS

LAND AREA:

TOTAL LAND AREA:	6.67 AC
CURRENT & NEEDED ZONING:	PLANNED DEVELOPMENT (PD) WITH UNDERLYING (MF-2)

PARKING SUMMARY:

SPACES REQUIRED:

RESIDENTIAL USES: ' SPACE PER DWELLING UNIT DESIGNED EXCLUSIVELY FOR ELDERLY OR LOW-INCOME PERSONS	102 SPACES
ADA ACCESSIBLE SPACES REQUIRED:	5 SPACES (1 VAN)

SPACES PROVIDED:

STANDARD VEHICLE SPACES PROVIDED:	116 SPACES
ADA ACCESSIBLE SPACES PROVIDED:	9 SPACES (2 VAN)
TOTAL SPACES PROVIDED:	122 SPACES

LOT COVERAGES:

	ACTUAL		
NET LAND AREA:	290,410 SQ.FT.	6.67 AC	100%
TOTAL IMPERVIOUS SURFACE AREA:	91,870 SQ.FT.	2.11 AC	32%
TOTAL OPEN SPACE:	198,540 SQ.FT.	4.55 AC	68%

BUILDING CALCULATION INFORMATION

TABLE 1: UNITS PER LEVEL

UNIT LABEL	NRA PER UNIT TYPE	LEVEL IDENTIFICATION #1	#2	#3	TOTAL NUMBER OF UNITS PER UNIT TYPE
		NUMBER OF UNITS PER LEVEL			
FHA 1-BR	652 SF	16	17	17	50
FHA HEARING/VISUAL (H/V) 1-BR	652 SF	1	-	-	1
ADA 1-BR	652 SF	1	1	1	3
FHA 2-BR	869 SF	15	15	14	44
FHA HEARING/VISUAL (H/V) 2-BR	869 SF	-	-	1	1
ADA 2-BR	869 SF	1	1	1	3
TOTAL NUMBER OF UNITS PER LEVEL		34	34	34	102

EASEMENT NOTES:
1) ALL EXISTING PRIVATE ACCESS AND UTILITY EASEMENTS INTERSECTING THE PROPOSED BUILDING WILL BE VACATED. THIS PROCEDURE WILL BE PART OF THE REVISED PD PLAN PROCESS THAT WILL REQUIRE APPROVAL AND ACCEPTANCE BY THE CITY OF TEMPLE. NO EASEMENTS WILL BE ALLOWED TO CONFLICT WITH THE PROPSECD BUILDING PRIOR TO CONSTRUCTION.

TABLE 2: REQUIRED ACCESSIBLE UNITS

UNIT TYPE	IN COMPLIANCE WITH	LEVEL IDENTIFICATION #1	#2	#3	TOTAL
ADA 1-BR	ADA / MOBILITY	1	1	1	3
FHA / H/V 1-BR	HEARING/VISUAL	1	-	-	1
ADA 2-BR	ADA / MOBILITY	1	1	1	3
FHA / H/V 2-BR	HEARING/VISUAL	-	-	1	1

MOBILITY UNITS REQUIRED (102 X 5% =5.1)	
MOBILITY UNITS PROVIDED = 6	
HEARING/VISUAL UNITS REQUIRED (102 X 2% =2.04)	
HEARING/VISUAL UNITS PROVIDED = 3	

TABLE 3: SQUARE FOOT CALCS. PER LEVEL

NOTE: SQUARE FOOT CALCULATIONS ARE MEASURED FROM OUT TO OUTSIDE FACE OF STUD TO CENTERLINE OF UNIT PARTITION

AREA TYPE	LEVEL IDENTIFICATION #1	#2	#3	DEV TOTAL
TOTAL NRA	25,640 SF	25,640 SF	25,640 SF	76,920 SF
COMMON AREA - ACCESSIBLE TO TENANTS	6,178 SF	5,452 SF	5,452 SF	17,082 SF
UTILITY CLOSETS - RESTRICTED TO EMPLOYEES	317 SF	212 SF	212 SF	741 SF
TOTAL BUILDING AREA PER LEVEL	32,135 SF	31,304 SF	31,304 SF	94,743 SF

REVISIONS:

NO.	DATE
ORIGINAL	07/31/2024

THIS SHEET WAS BEEN SIGNED, SEALED AND DATED ELECTRONICALLY

PRELIMINARY (NOT FOR CONSTRUCTION)

PREPARED BY:
CROCKETT ENGINEERING CONSULTANTS
1001 W. Wilson Blvd., Bldg. 1
Columbia, MO 65203
(573) 447-2556
www.crockettengineering.com
Crockett Engineering Consultants, LLC
Missouri #2010015181 Authority

OWNER:
JDM VENTURES, LLC
11705 MENOMONA CIRCLE
LENWOOD, KS 66216

BIRD SENIOR LIVING
TEMPLE, BELL COUNTY, TEXAS

DRAWING INCLUDES:
CONCEPTUAL SITE PLAN

DESIGNED: KRM
DRAWN: KRM
PROJECT NO.: 240070
SHEET: CP-1

V:\2024\240070 - Bird Creek Senior Living, Temple, TX\Civil\ACAD Files\Preliminary\240070_Temple_Tx.dwg

E.1 At Amendment

MATERIAL LEGEND

NOTE: DIMENSIONS INDICATE ESTIMATED LOCATION/HEIGHT & WIDTH

01	ROOF - (ONLY @ PORCH ROOF) METAL SLATE DARK GRAY/BLACK	
02	ROOF - ASPHALT SHINGLES, 30-YEAR ROOF (GRAND SEQUOIA ROOF)	
03	FASCIA - DARK GRAY/BLACK MATTE FINISH (SIM. TO SW 6994 GREEN/BLACK)	
04	GUTTER & DOWNSPOUTS - DARK GRAY/BLACK MATTE FINISH (SIM. TO SW 6994 GREEN/BLACK)	
05	SHINGLE SHAKE SIDING - JAMES HARDIE - LIGHT MIST	
06	VERTICAL BOARD & BATTEN SIDING - JAMES HARDIE, GRAY SLATE	
07	HORIZONTAL CEMENT BOARD SIDING - JAMES HARDIE, IRON GRAY	
08	SIDING TRIM - TO MATCH SIDING COLOR SELECTION, SMOOTH FINISH	
09	STUCCO - STAINED GREEN FINISH (SIM. TO SW 6178 CLARY SAGE)	
10	STONE CAP - TO MATCH STONE FINISH MATERIAL SELECTION	
11	STONE VENEER - SEMCO - CHATEAU BAY	
12	ALUMINUM RAILING - DARK GRAY/BLACK MATTE FINISH (SIM. TO SW 6994 GREEN/BLACK)	
13	BALUSTERS, COLUMNS & BALCONY TRIM - NATURAL STAIN, LIGHT WOOD TONE	
14	ENERGY STAR RATED VINYL WINDOWS - DARK GRAY/BLACK MATTE FINISH (SIM. TO SW 6994 (GREEN/BLACK)	
15	FIBERGLASS DOORS - DARK GRAY/BLACK MATTE FINISH (SIM. TO SW 6994 GREEN/BLACK)	
16	ALUMINUM STOREFRONT WINDOWS - DARK GRAY/BLACK MATTE FINISH (SIM. TO SW 6994	
17	DECORATIVE LOUVER - DARK GRAY/BLACK MATTE FINISH (SIM. TO SW 6994 GREEN/BLACK)	
18	VINYL RAILINGS - DARK GRAY/BLACK MATTE FINISH (SIM. TO SW 6994 GREEN/BLACK)	

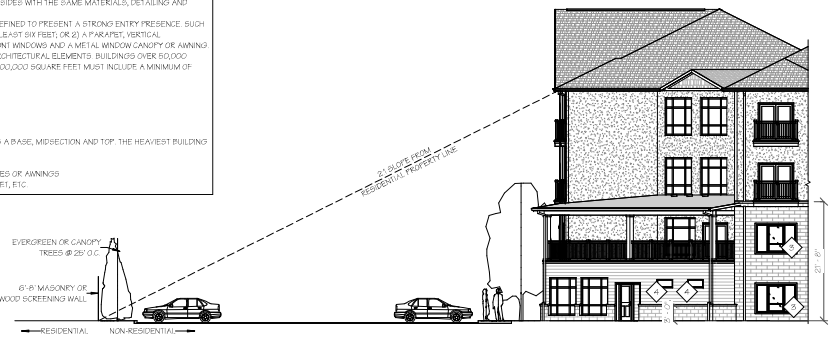
EXTERIOR APPEARANCE OF BUILDING AND STRUCTURES

A. ALL BUILDINGS, INCLUDING ACCESSORY BUILDINGS, MUST BE ARCHITECTURALLY FINISHED ON ALL SIDES WITH THE SAME MATERIALS, DETAILING AND FEATURES WITH A HIGHER LEVEL OF FINISH ON THE PRIMARY FACADES.

C. PRIMARY BUILDING (EXCLUDING ACCESSORY BUILDING) ENTRANCES MUST BE ARTICULATED AND DEFINED TO PRESENT A STRONG ENTRY PRESENCE. SUCH ENTRIES MUST INCLUDE EITHER 1) AN INSET OR OFFSET FROM THE FRONT BUILDING PLANE - BY AT LEAST SIX FEET; OR 2) A PARAPET, VERTICAL ARCHITECTURAL ELEMENT, AT LEAST 3'- FEET TALLER THAN THE ROOF LINE - OR DISPLAY/STOREFRONT WINDOWS AND A METAL WINDOW CANOPY OR AWNING.

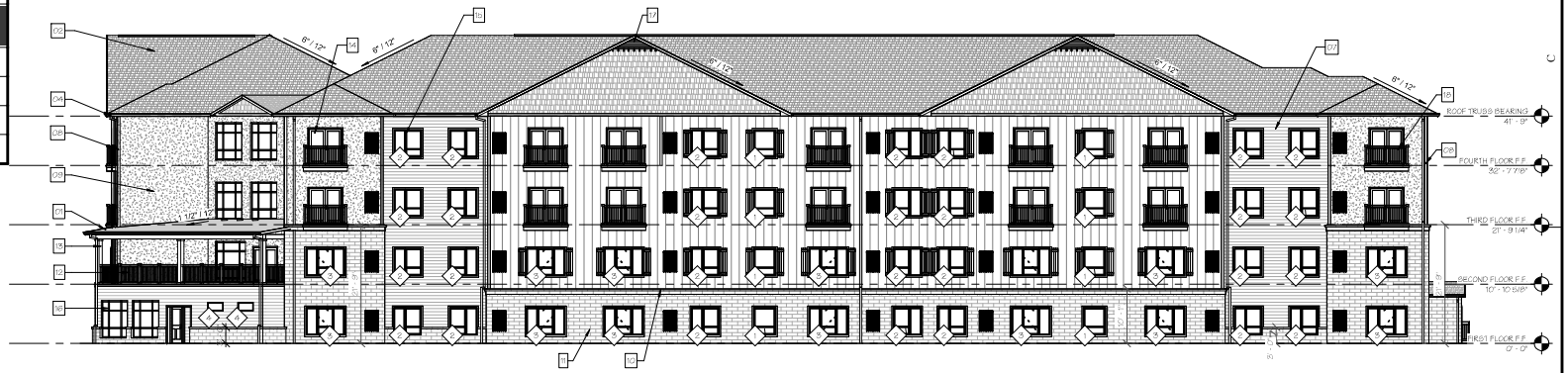
D. ALL BUILDINGS MUST BE DESIGNED TO INCORPORATE NO LESS THAN THREE OF THE FOLLOWING ARCHITECTURAL ELEMENTS: BUILDINGS OVER 50,000 SQUARE FEET MUST INCLUDE A MINIMUM OF FIVE OF THE FOLLOWING ELEMENTS: BUILDINGS OVER 100,000 SQUARE FEET MUST INCLUDE A MINIMUM OF SEVEN OF THE FOLLOWING ELEMENTS:
- iii. BUILDING WALL PLANE OR PROJECTIONS (MINIMUM OF 2-FEET DEEP AND 10-FEET LONG)
- v. PEAKED ROOF FORMS
- x. ARTICULATED GROUND FLOOR LEVELS OR BASE, SUCH AS MASONRY WAINSCOT
- xi. ARTICULATED CORNICE LINE
- xii. ACCENT MATERIALS (MINIMUM 10 PERCENT OF EXTERIOR FACADE)

E. ALL BUILDINGS MUST BE DESIGNED AND CONSTRUCTED IN TRI-PARTITE ARCHITECTURE TO EXPRESS A BASE, MIDSECTION AND TOP. THE HEAVIEST BUILDING MATERIAL MUST BE USED AS THE BASE. ALL FACADES MUST INCLUDE:
- i. ARTICULATED GROUND FLOOR LEVELS, SUCH AS WITH A MASONRY WAINSCOT.
- ii. A MIDSECTION THAT CAN BE DEFINED BY STOREFRONT DISPLAY WINDOWS AND WINDOW CANOPIES OR AWNINGS
- iii. A TOP THAT CAN BE DEFINED BY ARTICULATED CORNICE LINES, A CHANGE IN MATERIAL, PARAPET, ETC.



A3.0 — MINIMUM RESIDENTIAL SITE LINE
SCALE: 3/32" = 1'-0"

A3.0 — MAIN ENTRY ELEVATION
SCALE: 3/32" = 1'-0"
"FRONT" 4-STORY SIDE OF BUILDING MEETS SECTION 2.C



"FRONT" 4-STORY SIDE OF BUILDING

EXTERIOR APPEARANCE OF BUILDING AND STRUCTURES
MEETS SECTION 2.A., 2.C.
MEETS SECTION D. iii., v., x., xi., xii.
MEETS SECTION E. i., ii., iii.

A3.0 — FRONT RIGHT WING ELEVATION
SCALE: 3/32" = 1'-0"
"FRONT" 4-STORY SIDE OF BUILDING MEETS SECTION 2.C.

"FRONT" 4-STORY SIDE OF BUILDING

EXTERIOR APPEARANCE OF BUILDING AND STRUCTURES
MEETS SECTION 2.A., 2.C.
MEETS SECTION D. iii., v., x., xi., xii.
MEETS SECTION E. i., ii., iii.

A3.0 — FRONT LEFT WING ELEVATION
SCALE: 3/32" = 1'-0"
"FRONT" 4-STORY SIDE OF BUILDING MEETS SECTION 2.C

ISSUE SET

REGISTERED ARCHITECT MICHAEL J. KLEPPNER #27991 STATE OF TEXAS
01 NOV 2024
MIKE KLEPPNER ARCHITECT
LICENSE #27991

BIRD CREEK SENIOR LIVING
TEMPLE, BELL COUNTY, TEXAS

Wallace ARCHITECTS LLC
Columbia, MO
P 573.886.2200
TEXAS STATE CERTIFICATE OF AUTHORITY: BR 159

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1ST ISSUE
01 NOV 2024

ISSUE/REVISIONS

01 NOV 2024	ISSUE SET

SHEET NO: A3.0

JOB NO: 4803

11/13/2024 9:20:55 AM

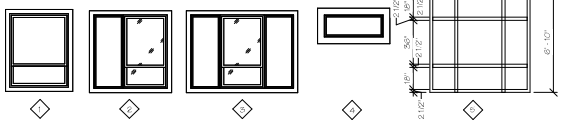
WINDOW SCHEDULE TYPE MARK

TYPE MARK	WIDTH X HEIGHT	GLAZING	HARDWARE	COMMENTS
1	4' - 0" X 5' - 0"	LOW "E", U-FACTOR = 0.32 MAX; SHGC = 0.23 MAX	STANDARD	ENERGY STAR RATED, VINYL WINDOWS, BLACK EXTERIOR FINISH, WHITE INTERIOR
2	5' - 0" X 5' - 0"	LOW "E", U-FACTOR = 0.32 MAX; SHGC = 0.23 MAX	STANDARD	ENERGY STAR RATED, VINYL WINDOWS, BLACK EXTERIOR FINISH, WHITE INTERIOR
3	7' - 0" X 5' - 0"	LOW "E", U-FACTOR = 0.32 MAX; SHGC = 0.23 MAX	STANDARD	ENERGY STAR RATED, VINYL WINDOWS, BLACK EXTERIOR FINISH, WHITE INTERIOR
4	4' - 0" X 1' - 6"	LOW "E", U-FACTOR = 0.32 MAX; SHGC = 0.23 MAX	NONE	ENERGY STAR RATED, VINYL WINDOWS, BLACK EXTERIOR FINISH, WHITE INTERIOR
5	6' - 10" X 6' - 10"	LOW "E", U-FACTOR = 0.32 MAX; SHGC = 0.40 MAX	NONE	STORE FRONT WINDOW

WINDOW NOTES

(1)	CONTRACTOR SHALL CERTIFY THAT BEDROOM WINDOWS INSTALLED PROVIDE EGRESS OPENING OF 5.0 SQ.FT. (MIN.) 5.7SQ.FT. (MIN.) @ 2ND, 3RD & 4TH FLOORS, CLEAR HEIGHT OF 24" AND IN CLEAR WIDTH OF 20"
(2)	GLAZING WITHIN 24" OF DOORS SHALL BY SAFETY GLASS
(3)	MAX SILL HGT. @ 36" A.F.F.
(4)	INSTALL WINDOW RESTRICTORS FOR 1ST REAR, 2ND, 3RD & 4TH FLOOR WINDOWS
(5)	REFER TO WALL SECTIONS FOR SPECIFIC STONE OR SIDING DETAILS AROUND WINDOW OPENINGS
(6)	INSTALL BLINDS AT ALL WINDOWS (FULL WIDTH X FULL HEIGHT)

WINDOW ELEVATIONS



1 A3.1 REAR RIGHT WING ELEVATION
SCALE: 3/32" = 1'-0"

2 A3.1 REAR LEFT WING ELEVATION
SCALE: 3/32" = 1'-0"

ISSUE SET

REGISTERED ARCHITECT
MICHAEL J. KLEPPNER
27991
STATE OF TEXAS
01 NOV 2024
MIKE KLEPPNER ARCHITECT
LICENSE #27991

BIRD CREEK SENIOR LIVING
TEMPLE, BELL COUNTY, TEXAS

Wallace ARCHITECTS LLC
Columbia, MO
P: 573.256.7200
TEXAS STATE CERTIFICATE OF AUTHORITY: BR 159

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1ST ISSUE
01 NOV 2024

ISSUE/REVISIONS
1 01 NOV 2024 ISSUE SET
2
3
4
5

SHEET NO. A3.1

JOB NO. 4803

11/1/2024 9:22:04 AM

E.2 At Application

1 AP8 LEFT SIDE EXTERIOR ELEVATION
SCALE: 3/32" = 1'-0"

2 AP8 RIGHT SIDE EXTERIOR ELEVATION
SCALE: 3/32" = 1'-0"

3 AP8 FRONT EXTERIOR ELEVATION
SCALE: 3/32" = 1'-0"

4 AP8 REAR EXTERIOR ELEVATION
SCALE: 3/32" = 1'-0"

FEBRUARY 2024

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JCM VENTURES

STL DEVELOPMENT

BIRD CREEK SENIOR LIVING
TEMPLE, BELL COUNTY, TEXAS

SHEET NO.
AP8

JOB NO.
4803

2/26/2024 7:22:11 AM

F.1 Common Area at Amendment

Bird Creek Senior Living Common Area Calculations

Amenities:	Common Area	Not in Common Area	Notes
Ground Floor			
Common Area	351		
Enclosed Corridors	2404		
Elevator	63		
Stairwells	282		
Trash Chute	59		
1st Floor			
Leasing/Manager's Office	191		
Office Closet		43	
Mail Lobby	158		
Restrooms (unisex)	57		
Common Area	241		
Enclosed Corridors	2712		
Stairwells	286		
Entry Porch	56		
Mechanical		63	
Storage		15	
Trash Chute	59		
2nd Floor			
Kitchenette	302		
Kitchen Closet	18		
Sitting Area	68		
Patio	609		
Enclosed Corridors	2577		
Stairwells	286		
Elevator Mechanical		63	
Trash Chute	59		
3rd Floor			
Library	117		
Computer Room	179		
Computer Room Closet	19		
Sitting Area	68		
Enclosed Corridors	2577		
Stairwells	288		
Elevator Mechanical		63	
Trash Chutes	59		
4th Floor			
Game Room	302		
Game Room Closet	19		
Sitting Area	68		
Trash Room	59		
Mechanical		63	
Stairs	286		
Corridors	2577		
	17456	310	Not in common area
		17766	Net area (TDHCA common area + other area not included in NRA)

F.2 Common Area at Application

Bird Creek Senior Living Common Area Calculations

	Common area	Not in common area	
Amenities:			
1st Floor			See floor plans for breakdown of spaces
Leasing/Manager's Office	181		
Lobby	144		
Mail Lobby	149		
Kitchen	343		
Restrooms (unisex)	57		
Enclosed Corridors	3955		
Elevator	71		
Stairwells	447		west stairwell = 151 sf, central = 145 sf, east = 151 sf
Entry Porch	457		
Outdoor Gathering Area	374		
Mechanical		40	
Sprinkler Room		58	
Storage		47	
Elevator Mechanical		52	
Trash Chute		120	east and west (60 sf each)
2nd Floor			
Fitness Center	510		
Business Center	228		
Community Room	202		
Restrooms (unisex)	57		
Enclosed Corridors	3937		
Elevator	71		
Stairwells	447		west stairwell = 151 sf, central = 145 sf, east = 151 sf
Storage		40	
Elevator Mechanical		52	
Trash Chute		120	east and west (60 sf each)
3rd Floor			
Library	355		
TV Lounge	511		
Community Room	202		
Restrooms (unisex)	57		
Enclosed Corridors	3809		
Elevator	71		
Stairwells	447		west stairwell = 151 sf, central = 145 sf, east = 151 sf
Strorage		40	
Elevator Mechanical		52	
Trash Chutes		120	east and west (60 sf each)
	17082	741	Not in common area
		17823	Net area (TDHCA common area + other area not included in NRA)

G. No Financial Impact Letter

Temple TXHP LP

July 11, 2025

Mr. Jonathan Chilson
Asset Manager
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Via: jonathan.chilson@tdhca.state.tx.us

Re: Bird Creek Senior Living, TDHCA #24045, Temple, TX

Dear Mr. Chilson:

As the owner of Bird Creek Senior Living, I hereby certify that no sources, terms, conditions, or amounts of financing are impacted or changed by the amendment request. Please feel free to contact me if you have any questions.

Sincerely,

Sarah Andre
Owner

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1131 **Agenda Date:** 9/4/2025 **Agenda #:** 4.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Sun Pointe (HTC #21130/23932)

RECOMMENDED ACTION

WHEREAS, Sun Pointe (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2021 and Supplemental Credits in 2023 to rehabilitate 146 units of multifamily housing in El Paso, El Paso County;

WHEREAS, EP Sun Pointe, LP (the Development Owner or Owner) requests approval for changes in the unit mix, replacing one one-bedroom and one three-bedroom units with two two-bedroom units; a 9,782 square foot (6.13%) reduction in the Net Rentable Area (NRA) from the NRA represented in the Application; and an increase in the size of the Development site from 10.21 acres to 10.8281 acres, which results in a 5.71% decrease in residential density from 14.30 units per acre to 13.48 units per acre;

WHEREAS, Board approval is required for a modification of the bedroom mix of units, for a reduction of 3% or more in the square footage of the units or common area, and for a modification of the residential density of at least 5%, as directed in Tex. Gov't Code §2306.6712 (d)(2), (4), and (6) and 10 TAC §10.405(a)(4)(B), (D), and (F), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the Application, or affect the amount of funding awarded;

NOW, therefore, it is hereby

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

BACKGROUND

Sun Pointe received an award of 9% Housing Tax Credits in 2021 and Supplemental Credits in 2023 to rehabilitate 146 units of multifamily housing originally constructed in 1973. Rehabilitation of the Development has been completed, and the cost certification

documentation is currently under review by the Department. In a letter dated May 13, 2025, Alyssa Carpenter, the Owner's representative, stated the need for a material amendment stemming from three separate changes.

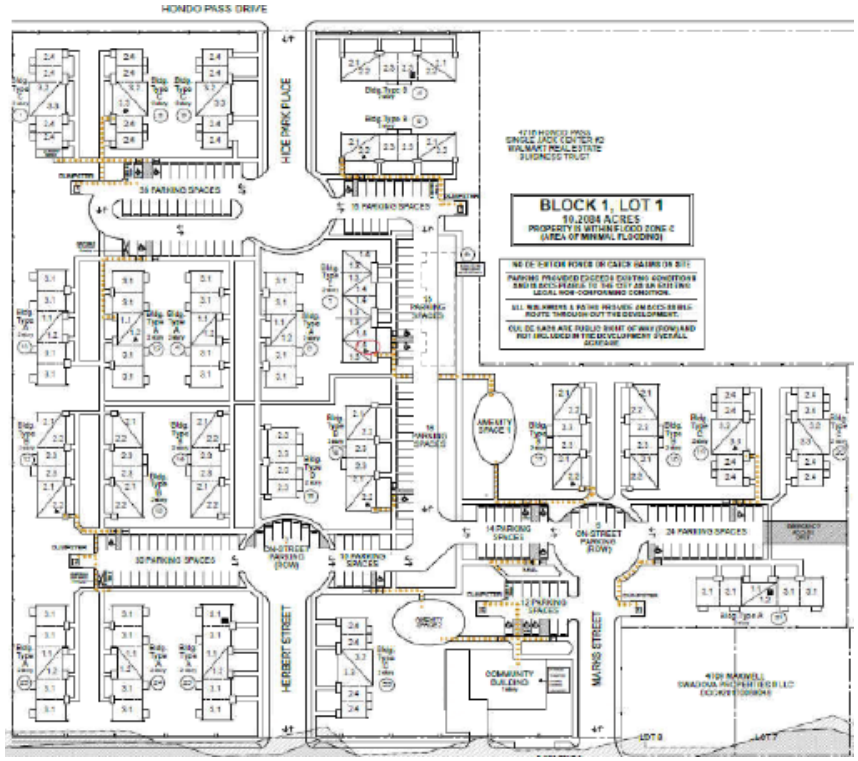
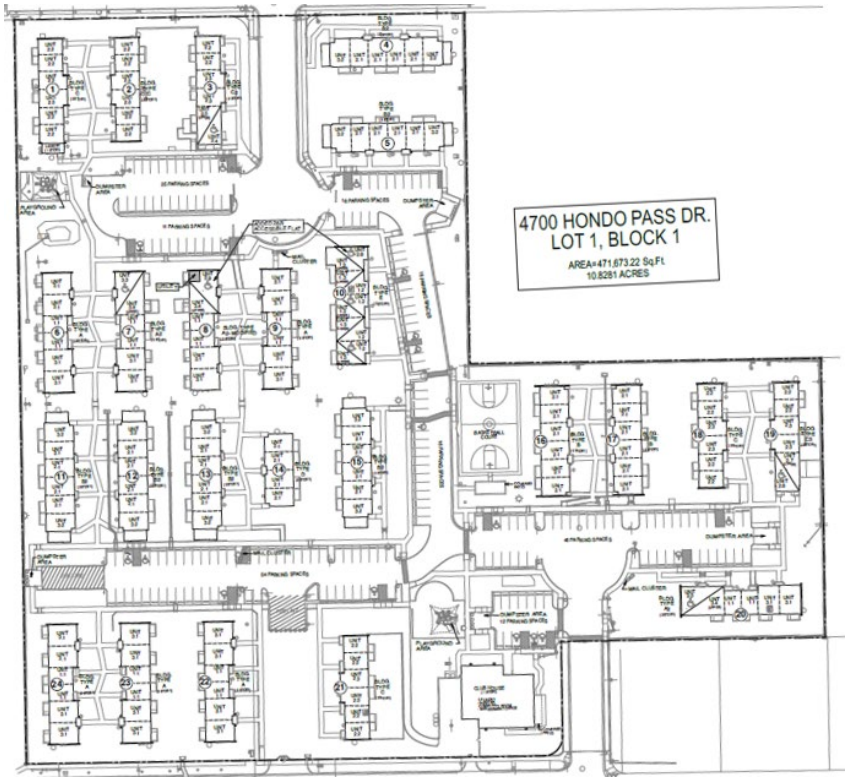
At Application, the acreage did not include any of the area of the three right-of-way cul-de-sacs that served the Development. During the redevelopment process, the City of El Paso vacated one cul-de-sac and part of a second cul-de-sac along Maxwell Street and that area is now part of the Development site, resulting in an increase in the Development's acreage from 10.21 acres to 10.8281 acres. This represents an increase of 0.6181-acre, resulting in a 5.71% decrease in residential density from 14.30 units per acre to 13.48 units per acre. The additional acreage for the cul-de-sacs released from the right-of-way further allowed for increased parking capacity on the Development site. Total parking increased from 172 on-site and 13 street/cul-de-sac parking spaces to 195 total on-site parking spaces. The enclosed table compares the site plans of the Development at Application and the revised site plan at project completion.

At Application, the proposed bedroom mix was 26 one-bedroom, 76 two-bedroom, and 44 three-bedroom units. Two one-bedroom, four two-bedroom, and two three-bedroom units were proposed as mobility units. In order to comply with the need to distribute accessible units across the unit sizes, the unit mix was modified by converting a one-bedroom and a three-bedroom unit to be configured as two additional two-bedroom units resulting in a total of 25 one-bedroom, 78 two-bedroom, and 43 three-bedroom units.

Initially, the plan was to reconfigure a portion of the two-story townhomes into flats to provide adequate mobility accessible units. In order to alter some townhouse units, the original Application proposed additions to each building that would add a small amount of square footage in order to maintain adequate unit and bedroom sizes in the new flat units. However, this proved to be cost prohibitive. Keeping the existing townhouse footprints and eliminating the new construction additions in most of the buildings reduced the Net Rentable Area (NRA) from 159,676 square feet to 149,894 square feet. This results in a reduction of 9,782 square feet (6.13%) from the proposed NRA at Application.

The requested changes do not materially alter the Development in a negative manner and were not reasonably foreseeable or preventable by the Development Owner at the time of Application. The final HTC amount will be determined upon finalization of the cost certification review process.

Staff recommends approval of the amendment request as presented herein. If this amendment is approved, the Land Use Restriction Agreement will be amended to reflect the increased acreage for the Development.

Material Alterations as defined in Texas Gov't Code §2306.6712(d) (2), (4), and (6) and 10 TAC §10.405(a)(4)(B), (D), and (F)	
Application	**Amendment**
Density: 14.30 units/acre (146 units on a 10.21-acre tract) Unit Mix: 1/1 – 26 units 2/1 – 76 units 3/1.5 – 44 units Net Rentable Area (NRA): 159,676 square feet Parking Spaces: 172 on-site and 13 street/cul-de-sac parking spaces 	Density: 13.483 units/acre (146 units on a 10.8281-acre tract) Unit Mix: 1/1 – 25 units 2/1 – 78 units 3/1.5 – 43 units NRA: 149,894 square feet (reduction of 9,782 square feet or 6.13%) Parking Spaces: 195 on-site parking spaces 

May 13, 2025

Karen Treadwell
Asset Management
TDHCA
P.O. BOX 13941
Austin, TX 78711-3941

Re: HTC 23932_21130 Sun Pointe Material Application and LURA Amendment Request

Dear Ms. Treadwell:

This letter concerns a material application and LURA amendment request for HTC 23932_21130 Sun Pointe in El Paso. Sun Pointe is the rehabilitation of an existing multifamily development that was originally awarded in 2021 and received supplemental credits in 2023. Due to challenging financial market conditions and cost increases during and after COVID, changes were made throughout the development process to maintain feasibility. This amendment concerns changes to the development acreage and residential density, net rentable area, and bedroom mix. The amendment fee check has been mailed to TDHCA.

Change in Acreage and Residential Density
At Application, the development site was proposed to be 10.2084 acres, which did not include any of the area of the three City right-of-way culdesacs that served the development. During the redevelopment process, the City of El Paso vacated the entirely of one culdesac and part of the second culdesac along Maxwell Street and that area is now part of the development site. The development site is now 10.8281 acres as shown in the attached architectural site plan and survey. Residential density at application was 14.30. With the increase in acreage, residential density is now 13.48. This is a decrease in density of approximately 5.73%.

The additional area of the culdesacs also enabled some changes to the site layout including the total number of parking spaces. Total parking has increased from 172 on-site and 13 street/culdesac parking spaces to 195 total on-site parking spaces.

Change to Net Rentable Area
Sun Pointe was an existing multifamily property comprised of all 2-story townhouse units. The original TDHCA Application proposed to reconfigure some units and also alter some townhouse units in each building so that each building had some flat units. In order to alter some townhouse units, the original application proposed additions to each building that would add a small amount of square footage in order to maintain adequate unit and bedroom sizes in the new flat units. With the building additions, at Application, the NRA of the development was 159,676.

Engineering and architectural work subsequent to Application found that the conversion from townhouse to flat units would be prohibitively costly considering the existing construction of the buildings. Combined with construction cost increases at the time, in order to maintain feasibility of the project, the existing townhouse construction was maintained in all buildings except those that required accessible units. Keeping the existing townhouse footprints and eliminating the new construction additions in most of the buildings reduced the NRA to 149,894. This is a reduction of 6.1%. Please see the attached architectural plans with the new site plan, new building floor plans, and new unit plans. Please also find a revised Building Unit Type Configuration form with the new unit and building information.

Change to Bedroom Mix
At Application, the proposed Bedroom Mix was 26 one-bedroom, 76 two-bedroom, and 44 three-bedroom units for 146 total units. The Application also proposed 2 mobility accessible one-bedroom units, 4 mobility accessible two-bedroom units, and 2 mobility accessible three-bedroom units.

Even though the development plan changed to maintain all townhouse units because of feasibility and cost concerns, the mobility accessible units would still be required to be flat units. Due to an oversight during design and construction, the accessible unit mix was erroneously changed to 3 mobility accessible one-bedroom units, 2 mobility accessible two-bedroom units, and 3 mobility accessible three-bedroom units.

When informed of the mobility accessible unit error, we were unable to simply adapt 2 existing two-bedroom units into mobility accessible units because all other two-bedroom units were townhouse units. In order to most efficiently and cost-effectively correct the error, the 2 additional two-bedroom mobility accessible units were added through the conversion of 1 existing three-bedroom mobility accessible unit and by building a bedroom addition to 1 existing one-bedroom mobility accessible unit. That change keeps the originally proposed total of 2 mobility accessible one-bedroom units, 4 mobility accessible two-bedroom units, and 2 mobility accessible three-bedroom units.

However, that change also modified the overall bedroom mix by adding 2 two-bedroom units and removing 1 one-bedroom unit and 1 three-bedroom unit from the totals. The new unit mix is 25 one-bedroom, 78 two-bedroom, and 43 three-bedroom units for 146 total units. This is reflected in the new architectural plans.

Explanation and Good Cause for the Amendment Request
The market conditions and building cost increases during and after COVID were unforeseen at the time of Application. In order to continue with the project and maintain feasibility, changes were made during the design and construction process that included a reduction in NRA and a change to the bedroom mix to correct an oversight of the mobility accessible unit mix. These changes have been implemented and development cost information, financial exhibits, and application forms are included in the Cost Certification submission. The good cause for this amendment request is to maintain the current feasibility of the development.

LURA Amendment
Due to a change in the site acreage, please see the attached new legal description that may be used to amend the LURA.

Thank you for your attention and please contact us with any questions.

Regards,

Alyssa Carpenter

SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

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

Specifications and Amenities (check all that apply)

Building Configuration (Check all that apply):		Single Family Construction		SRO		Transitional (per §42(i)(3)(B))		Duplex
		Scattered Site		Fourplex	x	> 4 Units Per Building	x	Townhome

Development will have:		Fire Sprinklers		Elevators		# of Elevators		Wt. Capacity

	Free	Paid		Free	Paid	
Number of Parking Spaces(consistent with Architectural Drawings):			Shed or Flat Roof Carport Spaces			Detached Garage Spaces
			Attached Garage Spaces	195		Uncovered Spaces
			Structured Parking Garage Spaces			

Floor Composition/Wall Height:	95	% Carpet/Vinyl/Resilient Flooring	8'1"	Ceiling Height
	5	% Ceramic Tile	8'1"	Upper Floor(s) Ceiling Height (Townhome Only)
		% Other	*Describe:*	

You are not required to distinguish the HC or AV Units from other Units that are the same size/floor plan.

Unit Type				Building Label	A	A2	A2 Mod	B	B2	C	C2	C3	D	E	Total # of Residential Buildings	
				Number of Stories	2	2	2	2	2	2	2	2	2	2		
				Number of Buildings	5	2	1	2	6	4	1	1	1	1	24	
Unit Label	# of Bed-	# of Baths	Sq. Ft. Per Unit		Number of Units Per Building										Total # of Units	Total Sq. Ft for Unit Type
1.1	1	1	827		2	2	2								16	13,232
1.2	1	1	675											4	4	2,700
1.3	1	1	793											5	5	3,965
2.1	2	1	1,040					6	4				4		40	41,600
2.2	2	1	825							4	2	2			20	16,500
2.3	2	1	1,019							2	2	2			12	12,228
2.4	2	1	836								1				1	836
2.5	2	1	939								1				1	939
2.6	2	1	858									1			1	858
2.7	2	1	956									1			1	956
2.8	2	1	853											1	1	853
2.9	2	1.5	1,040				1								1	1,040
3.1	3	1.5	1,253		4	2	2								26	32,578
3.2	3	2	1,288						2						12	15,456
3.3	3	1.5	1,161			1									2	2,322
3.4	3	1.5	1,277			1	1								3	3,831
															-	-
															-	-
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				Totals	30	12	6	12	36	24	6	6	4	10	146	149,894

If a revised form is submitted, date of submission: NA

Net Rentable Square Footage from Rent Schedule:

Common Area Square Footage (as specified on Architect Certification) : 4,767

Note: 10 TAC §11.9(e)(2) allows 75 square feet of Common Area per unit to be added to NRA for scoring only if the Development is Supportive Housing and only if at least 50 square feet of each 75 square feet of the Common Area added is conditioned space.

The additional square footage allowed for Supportive Housing per 11.9(e)(2) is: NA this is for supp

Use this number to calculate points for **Supportive Housing** under 11.9(e)(2) only if the conditions are met for the number above : NA this is for supp

Sun Pointe – Legal Description

Leasehold estate in and to Lot 1, Block 1, FRANKLIN D. ROOSEVELT MEMORIAL SUBDIVISION, an addition to the City of El Paso, El Paso County, Texas, according to the Plat thereof recorded in Volume 44, Page 4, Plat Records of El Paso County, Texas; SAVE AND EXCEPT those Right-of-Ways of Hide Park Place, and part of Marks Street; as created by Second Amended and Restated Ground Lease Agreement dated November 1, 2022, between the Housing Authority of the City of El Paso, as Lessor, and EP Sun Pointe, LP, as Lessee, as set out in memorandum of lease filed on November 21, 2022, recorded in Clerk's File No. 20220105549, Real Property Records of El Paso County, Texas; being more particularly described by metes and bounds for all purposes intended as more particularly described below.

Commencing at the City Monument found 3.60 feet offset from the centerline intersection of Maxwell Avenue (60 feet Public Right-Of-Way) and Herbert Street (60 feet Public Right-Of-Way); Thence, North 88° 49' 00" East, a distance of 26.97 feet to point; Thence, leaving the centerline of Maxwell Avenue (60 feet Public Right-Of-Way) North 01° 11' 00" West, a distance of 30.00 feet to the "TRUE POINT OF BEGINNING" of this description.

THENCE, South 88° 49' 00" West along Right-Of-Way line of Maxwell Avenue (60 feet Public Right-Of-Way) a distance of 100.00 feet to a boundary corner;

THENCE, South 88° 49' 00" West along said Right-Of-Way line a distance of 225.00 feet to a boundary corner;

THENCE, North 01°·11' 00" West, leaving said Right-Of-Way line, a distance of 781.84 feet to a boundary corner lying on the southerly Right-Of-Way of Hondo Pass Drive (80 feet public Right-Of-Way);

THENCE, North 88° 49' 00" East along said Right-Of-Way line, a distance of 226.03 feet to a boundary corner;

THENCE, along a curve to the right, having a Radius of 20.00 feet, a Delta angle of 90° 00' 00", and whose long Chord bears South 46° 11' 00" East, a distance of 28.28 to a boundary point;

THENCE, South 01° 11' 00" East, a distance of 123.08 feet to a boundary point;

THENCE, along a curve to the left, having a Radius of 30.00 feet, a Delta angle of 41° 24' 35", and whose long Chord bears North 19° 31' 18" West, a distance of 21.21 feet to a boundary point;

THENCE, along a curve to the right, having a Radius of 50.00 feet, a Delta angle of 262° 49' 27", and whose long Chord bears North 88° 49' 00" East, a distance of 75.00 feet to a boundary point;

THENCE, along a curve to the left, having a Radius of 30.00 feet, a Delta angle of 41° 24' 35", and whose long Chord bears North 21° 53' 18" West, a distance of 21.21 feet to a boundary point;

THENCE, North 01° 11' 00" West, a distance of 123.08 feet to a boundary point;

THENCE, along a curve to the right, having a Radius of 20.00 feet, a delta angle of 90° 00' 00", and whose long Chord bears North 43° 49' 00" East, a distance of 28.28 feet to a boundary point;

THENCE, North 88° 49' 00" East, along the Right-Of-Way line of Hondo Poss Drive (80 feet public Right-Of-Way), a distance of 146.81 feet to a boundary corner;

THENCE, South 01° 11' 00" East, a distance of 368.50 feet to a boundary corner;

THENCE, North 88° 49' 00" East, a distance of 368.73 feet to a boundary corner;

THENCE, South 01° 11' 00" East, a distance of 293.34 feet to a boundary corner;

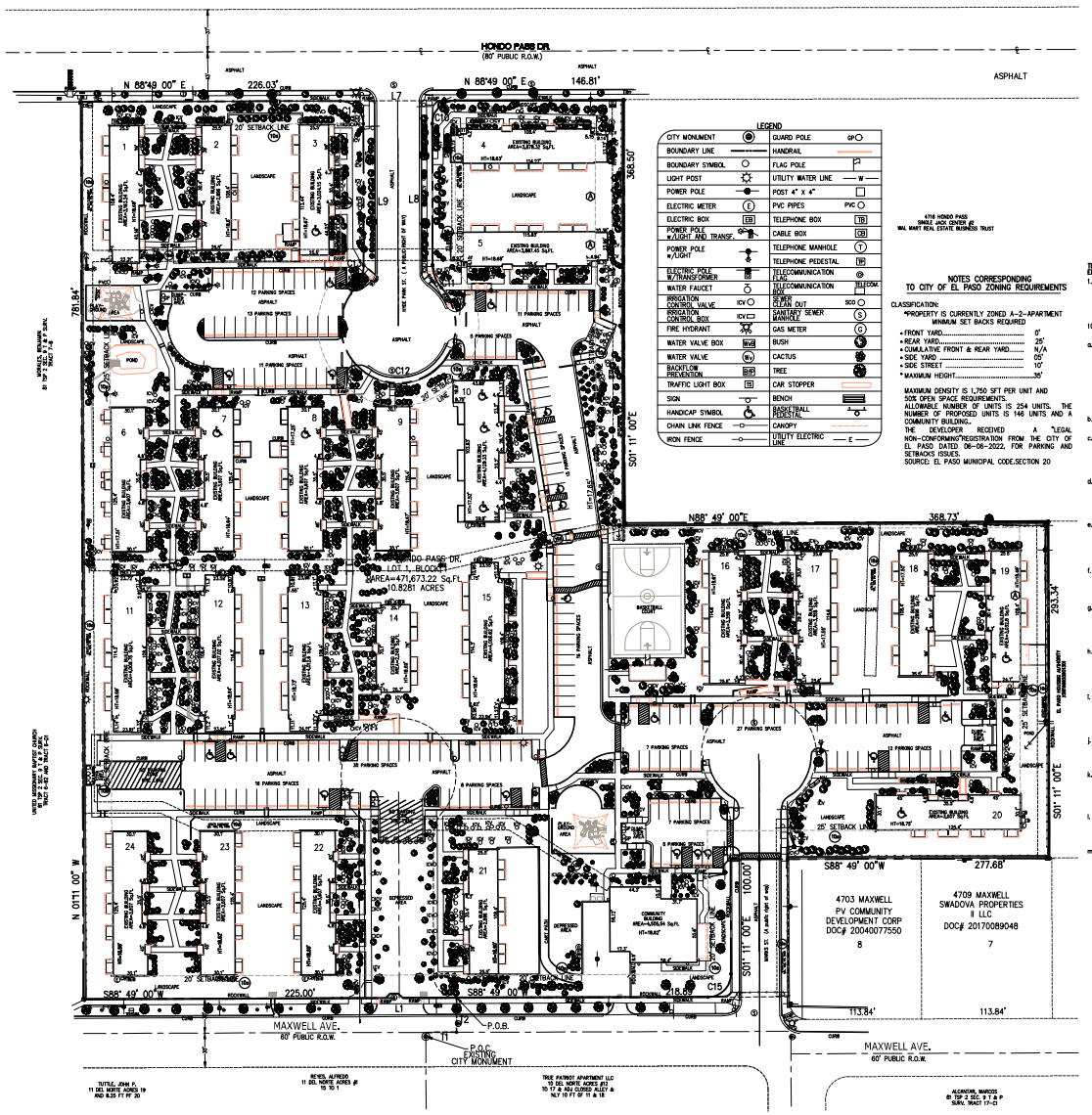
THENCE, South 88° 49' 00" West, a distance of 277.68 feet to a boundary corner;

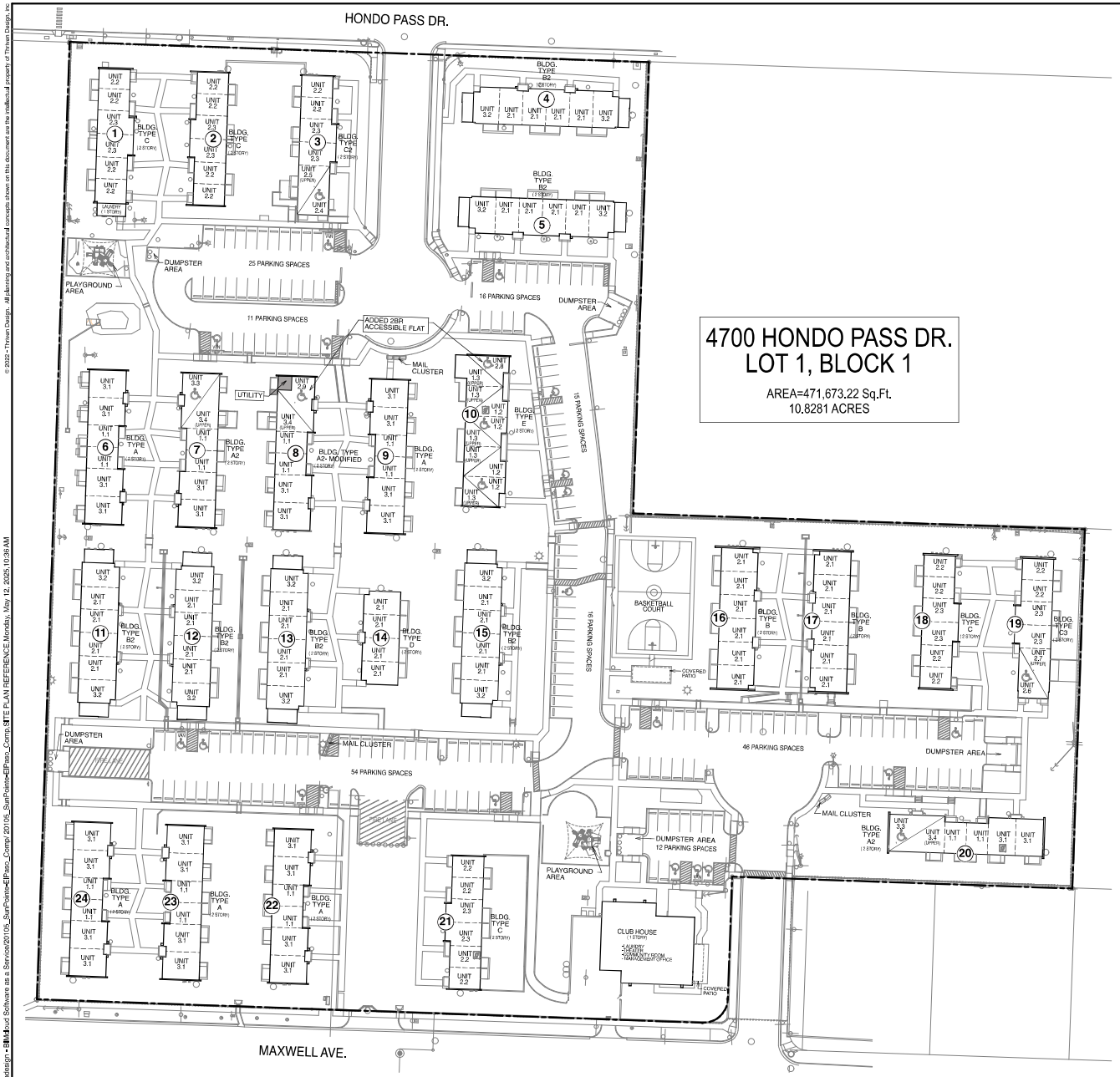
THENCE, South 01° 11' 00" East, a distance of 100.00 feet to a boundary point;

THENCE, along a curve to the right, having a Radius of 20.00 feet, a Delta angle of 90° 00' 00", and whose long Chord bears South 43° 49' 00" West, a distance of 28.28 feet, to a boundary point;

THENCE, South 88° 49' 00" West along the Right-Of-Way line of Maxwell Avenue (60 feet public Right-Of-Way), a distance of 218.89 feet to a boundary corner.

Said parcel of land containing 471,673.22 Sq. Ft. (10.8281 Acres) of land, more or less.


HONDO PASS DR.
(80' PUBLIC R.O.W.)
ASPHALT
N 88°49' 00" E
226.03'
146.81'
368.50'
781.84'
N 01° 11' 00" W
S01° 11' 00"E
N88° 49' 00"E
368.73'
293.34'
277.68'
S88° 49' 00"W
225.00'
MAXWELL AVE.
80' PUBLIC R.O.W.
60' PUBLIC R.O.W.
P.O.B.
P.O.C.
EXISTING CITY MONUMENT
20' SETBACK LINE
25' SETBACK LINE
AREA=471,673.22 Sq.Ft.
10.8281 ACRES
4703 MAXWELL
PV COMMUNITY
DEVELOPMENT CORP
DOC# 20040077550
8
4709 MAXWELL
SWADOVA PROPERTIES
II LLC
DOC# 20170089048
7
LOT 1, BLOCK 1
LOT 2, BLOCK 1
LOT 3, BLOCK 1
LOT 4, BLOCK 1
LOT 5, BLOCK 1
LOT 6, BLOCK 1
LOT 7, BLOCK 1
LOT 8, BLOCK 1
LOT 9, BLOCK 1
LOT 10, BLOCK 1
LOT 11, BLOCK 1
LOT 12, BLOCK 1
LOT 13, BLOCK 1
LOT 14, BLOCK 1
LOT 15, BLOCK 1
LOT 16, BLOCK 1
LOT 17, BLOCK 1
LOT 18, BLOCK 1
LOT 19, BLOCK 1
LOT 20, BLOCK 1
LOT 21, BLOCK 1
LOT 22, BLOCK 1
LOT 23, BLOCK 1
LOT 24, BLOCK 1
POND
BASKETBALL COURT
SWIMMING POOL
COMMUNITY BUILDING AREA=5,328.34 Sq.Ft.
HT=18'
EXISTING BUILDING AREA=1,289.45 SQ.FT.
EXISTING BUILDING AREA=1,289.45 SQ.FT.
EXISTING BUILDING AREA=1,289.45 SQ.FT.



1 SITE PLAN REFERENCE

SCALE: 1" = 40'

NOTE: DRAWING IS FOR REFERENCE ONLY. REFER TO CIVIL PLANS FOR DETAILED SITE CONSTRUCTION INFORMATION.

UNIT STATS

Unit Type	Units	1st Floor NSF	2nd Floor NSF	Total Unit NSF	Occurances	Total NSF
UNIT 1.1	1 BED TH	409	418	827	16	13232
UNIT 1.2	1 BED FLAT	675	0	675	4	2700
UNIT 1.3	1 BED FLAT	0	793	793	5	3965
UNIT 2.1	2 BED TH	510	530	1040	40	41600
UNIT 2.2	2 BED TH	408	417	825	20	16500
UNIT 2.3	2 BED TH	506	513	1019	12	12228
UNIT 2.4	2 BED FLAT	836	0	836	1	836
UNIT 2.5	2 BED FLAT	0	939	939	1	939
UNIT 2.6	2 BED FLAT	858	0	858	1	858
UNIT 2.7	2 BED FLAT	0	956	956	1	956
UNIT 2.8	2 BED FLAT (UNIT #64)	853	0	853	1	853
UNIT 2.9	2 BED FLAT (UNIT #48)	1040	0	1040	1	1040
UNIT 3.1	3 BED TH	616	637	1253	26	32578
UNIT 3.2	3 BED TH	748	530	1288	12	15456
UNIT 3.3	3 BED FLAT	1161	0	1161	2	2322
UNIT 3.4	3 BED FLAT	0	1277	1277	3	3831
TOTAL APARTMENT UNITS					146	
TOTAL NSF						149894

PARKING SPACES STATISTICS

TYPE OF PARKING SPACE	SPACES PROVIDED	SPACES REQUIRED
REGULAR	177	272
ACCESSIBLE	18 (4 VAN SPACES)	07
TOTAL	**195** (legal non conforming)	**279**

COMMON AREA

1 Clubhouse	4,514 SF
1 Building 1 Laundry Annex	253 SF
1 Building 8 Utility Closet	121 SF

BUILDING TYPES

Identification	No of Buildings
Type A	5
Type A2	2
Type A2 Modified	1
Type B	2
Type B2	6
Type C	4
Type C2	1
Type C3	1
Type D	1
Type E	1

ACCESSIBLE UNITS

Mobility ADA

Unit Type	No of Units
1.2 (1 BR Flat)	2
2.4 (2 BR Flat)	1
2.6 (2 BR Flat)	1
2.8 (2 BR Flat)	1
2.9 (2 BR Flat)	1
3.3 (3 BR Flat)	2

Hearing/Visual

Unit Type	No of Units
1.2 (1 BR Flat)	1
2.2 (2 BR TH)	1
3.1 (3 BR TH)	1

thriven design
756 Haddon Avenue
Collingswood, NJ 08108
P: 856.854.1880
thriven.design
Matthew J. Bartner
LIC. # 30616

Date:	05-12-2025
Job #:	20105
Drawn:	JDP
Mngr:	CP

Rev. No.	Name	Date

HOME PENNROSE Bricks & Mortar | Heart & Soul

SUN POINTE APARTMENTS AS-BUILT UNIT MIX

SUN POINTE APARTMENTS
HONDO PASS DRIVE 4700
EL PASO, TX 79904

A1
SITE PLAN REFERENCE

© 2022 - Thriven Design. All planning and architectural concepts shown on this document are the intellectual property of Thriven Design, llc
BIM Cloud: thrivendesign - BIM Cloud Software as a Service\20105_SunPointeElPaso_Comp\20105_SunPointeElPaso_Comp_SITE PLAN REFERENCE.Monday, May 12, 2025, 10:36 AM

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1123 **Agenda Date:** 9/4/2025 **Agenda #: 5.**

Presentation, discussion, and possible approval regarding the establishment of the salary of the Executive Director

PULLED FROM THE AGENDA

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1136 **Agenda Date:** 9/4/2025 **Agenda #:** 6.

Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the Department), a public and official governmental agency of the State of Texas, was created and organized pursuant to and in accordance with the provisions of Tex. Gov't Code, Chapter 2306 (the Code), as amended;

WHEREAS, the Code authorizes the Department, among other things: (a) to make and acquire and finance, and to enter into advance commitments to make and acquire and finance, mortgage loans and finance, participating interests therein, secured by mortgages on residential housing in the State of Texas (the State); (b) to issue its bonds, for the purpose of, among other things, obtaining funds to acquire or finance such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans of participating interests, and to mortgage, pledge or grant security interests in such mortgages of participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds;

WHEREAS, on September 7, 2023, the Governing Board adopted a resolution designating signature authority to reflect the structure of the Department; and

WHEREAS, organizational changes have occurred that remove Homero Cabello as Deputy Executive Director, establish a new Deputy Executive Director - Housing Finance with authority for all department transactions and add Wendy Quackenbush as Director of Multifamily Compliance, such that the Governing Board has now determined that its resolution adopted September 7, 2023, designating signature authority, should be superseded by a new resolution designating signature authority in order to conform to the Department's current organizational structure, working titles, and operations;

NOW, THEREFORE, it is hereby

RESOLVED that the Governing Board makes changes to its resolution adopted September 7, 2023, as shown below.

SECTION 1 - Supersession of the Prior Signature Authority. The Governing Board hereby supersedes its prior resolution, adopted September 7, 2023, designating signature authority by adopting this new resolution.

SECTION 2 - Designation of Signature Authority for Bond and Indenture-Related Transactions. The

Governing Board hereby authorizes and designates the Board Secretary, the Assistant Board Secretary, the Executive Director, the Director of Administration, the Director of Financial Administration, the Deputy Executive Director - Housing Finance, the Director of Multifamily Bonds, and each of them as signatories for single family and multifamily bond and indenture-related transactions as well as transactions under the Department's "to be announced" or TBA program including, but not limited to letters of instruction, officer's certificates, bond transactional documents and all other documents and certificates executed in connection with such transactions. In addition, the Governing Board authorizes and designates the Manager of Single Family Finance and Senior Bond Financial Analysts within the Bond Finance division as signatories for day-to-day operations activities related to advances taken through the Federal Home Loan Bank of Dallas (FHLB) for the purchase of loan participations from the Idaho Housing and Finance Association (IHFA), the Department's Master Servicer, including directing the wiring of such advances from FHLB to IHFA.

SECTION 3 - Designation of Signatory Authority for Real Estate Transactions and Performance Contracts. The Governing Board hereby authorizes and designates the following persons holding the positions described and each of them to execute and deliver, as specified, earnest money contracts, deeds or conveyances of title, leases of real property, settlement statements on purchase or sale of real property, deposits and disbursements on agency bank accounts, real estate transactional documents and all other documents executed in connection with real estate or real estate-related transactions, including but not limited to performance contracts. Every reference to a signatory office or title herein includes any person serving in an acting or interim capacity:

(a) Executive Director, Deputy Executive Director, Director of Administration, Deputy Executive Director - Housing Finance, Board Secretary, and Assistant Board Secretary: All real estate or real estate related transactions, and all transactions administered by the programs under their organizational responsibility;

(b) Director of Financial Administration: All real estate or real estate-related transactions administered by the Financial Administration Division;

(c) Director of Multifamily Programs: All real estate or real estate-related transactions administered by the Multifamily Programs Division;

(d) Director of Multifamily Asset Management: All real estate or real estate-related transactions administered by the Multifamily Asset Management Division;

(e) Deputy Executive Director - Housing Finance: All real estate or real estate-related transactions administered by the Bond Finance Division;

(f) Director of Multifamily Bonds: All real estate or real estate-related transactions administered by the Multifamily Bonds, and 4% Housing Tax Credit transactions.

(g) Director of Texas Homeownership Program: All real estate or real estate-related transactions administered by the Texas Home Ownership Division;

(h) Director of Single Family and Homeless Programs: All real estate or real estate-related transactions administered by the Single Family and Homeless Programs, and all transactions administered by the division which includes HOME, Housing Trust Fund (HTF); Emergency Solutions Grant (ESG); Homeless

Housing and Services Program (HHSP); Ending Homelessness Program (EH); Section 8 Housing Choice Voucher Program; Office of Colonia Initiatives (OCI); and Neighborhood Specialization Program (NSP);

(i) Director of Section 811 Program: All transactions administered by the Section 811 Program;

(j) Director of CDBG CARES: All transactions administered by the Community Development Block Grant CARES Program;

(k) Director of Texas Rent Relief Program: All transactions administered by the Texas Rent Relief Program;

(l) Director of Housing Stability Services: All transactions administered by the Housing Stability Services Program;

(m) Director of the HOME-ARP Program: All transactions administered by the HOME-ARP Program;

(n) Director of the Community Affairs Program: All transactions administered by the Community Services Block Grant Program; the Low Income Home Energy Assistance Program (LIHEAP); and the Weatherization Assistance Program (WAP);

(o) Director of Texas Homeowner Assistance Fund: All transactions administered by the Texas Homeowner Assistance Fund Program;

(p) Director of Multifamily Compliance: All transactions administered by the Multifamily Compliance Division;

(q) Signatory authority on deposits and disbursements on agency bank accounts is limited to those persons designated on the applicable signature cards, as specified by the Executive Director; provided however, that no person may be so designated other than the Executive Director or a Director.

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

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

(a) Director of Administration, or Director of Financial Administration; and

(b) Executive Director, Deputy Executive Director - Housing Finance, or Deputy Executive Director.

SECTION 5 - Execution of Documents. The Governing Board hereby authorizes the Executive Director, or in his absence the Deputy Executive Director, or the Deputy Executive Director - Housing Finance, to execute, on behalf of the Department, any and all documents, instruments reasonably deemed necessary to effectuate this resolution.

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

BACKGROUND

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

the Department and the current working titles for the positions designated. The update allows for the Deputy Executive Director - Housing Finance to have the authority to sign documents related to all Department transactions, adds several programs previously omitted, and keeps previous authorizations the same.

Incumbency Certificate

I, James "Beau" Eccles, the duly appointed and serving Secretary of the Governing Board of the Texas Department of Housing and Community Affairs (the Department), do hereby certify that Robert “Bobby” Wilkinson is the duly appointed Executive Director of the Department, appointed by its governing board and approved by the Governor effective August 15, 2019, and set forth below opposite his name is his true and correct signature:

Bobby Wilkinson _____

Executed and seal of the Department affixed this ____ day of _____, 2025 at Austin, Texas.

_____

James "Beau" Eccles

(S E A L)

Certificate

I, Robert “Bobby” Wilkinson, the duly appointed Executive Director of the Texas Department of Housing and Community Affairs (the Department), do hereby certify that set forth below is a true and correct listing setting forth specific positions within the Department, the name of the person currently designated by me to hold each such position, and, opposite their name, their true and correct signature. Each person listed currently holds the position indicated:

Board Secretary _____
James "Beau" Eccles

Assistant Board Secretary _____
Michael Lyttle

Director of Administration _____
David Cervantes

Director of Financial Administration _____
Jose Guevara

Deputy Executive Director - Housing Finance _____

Scott Fletcher

Director of Multifamily Bonds

_____
Teresa W. Morales

Director of Multifamily Programs

_____
Cody Campbell

Director of Texas Homeownership Program

_____
Lisa Johnson

Director of Multifamily Compliance

_____
Wendy Quackenbush

Director of Multifamily Asset Management

_____
Rosalio Banuelos

Director of Single Family and Homeless Programs

_____
Abigail Versyp

Director of Section 811 Program

_____
Bill Cranor

Director of CDBG CARES

_____
Rudy Bentancourt

Director of Texas Rent Relief Program

_____
Mariana Salazar

Director of Housing Stability Services

_____
Cate Tracz

Director of the HOME-ARP Program

_____
Naomi Cantu

Director of the Community Affairs Program

_____
Michael De Young

Director of Texas Homeowner Assistance Fund

_____
Lizet Hinojosa

Deputy Executive Director

_____
Brooke Boston

Executed this _4_ day of __September_ , 2025 at Austin, Texas.

_____
Bobby Wilkinson, Executive Director
Texas Department of Housing and Community Affairs

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1126 **Agenda Date:** 9/4/2025 **Agenda #:** 7.

Presentation, discussion, and possible action on recommendation to adopt an Agreed Final Order assessing an administrative penalty relating to Walnut Creek (HTC 00024T, HTC 18420, CMTS 59), and Forest Creek f/k/a Ware Meadows, (HTC 22422, CMTS 5861)

RECOMMENDED ACTION

WHEREAS, Walnut Creek (HTC 00024T, HTC 18420, CMTS 59), owned by LIH Walnut Creek Austin LP, and Forest Creek f/k/a Ware Meadows (HTC 22422, CMTS 5861), owned by LIH Forest Creek Preservation, LP, had uncorrected compliance findings relating to the applicable land use restriction agreements and the associated statutory and rule requirements;

WHEREAS, TDHCA identified findings of noncompliance during its regularly scheduled 2024 National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection at Walnut Creek, and referred that noncompliance for an administrative penalty when it was not timely corrected;

WHEREAS, the referred NSPIRE noncompliance was fully resolved on July 28, 2025;

WHEREAS, TDHCA identified findings of noncompliance during its regularly scheduled 2024 file monitoring review at Forest Creek, and referred that noncompliance for an administrative penalty when it was not timely corrected;

WHEREAS, the referred file monitoring noncompliance was fully resolved on May 15, 2025;

WHEREAS, an Enforcement Committee informal conference was held on June 17, 2025, and Owner agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of $1,500.00 for Walnut Creek and $2,000.00 for Forest Creek; and

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

NOW, therefore, it is hereby

RESOLVED, that an Agreed Final Order assessing an administrative penalty of $1,500.00 for Walnut Creek and $2,000.00 for Forest Creek, substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

PROPERTY INFORMATION: Walnut Creek received a 2000 4% HTC award and a 2018 4% HTC award, both for the rehabilitation of 98 units in Austin, Travis County, with all units restricted at 50% AMI. There are nine buildings. The 2018 HTC LURA was effective in 2023. The 15-year

federal HTC Compliance Period expires December 31, 2033, but the state HTC Extended Use Period runs 30 years, and is set to terminate on December 31, 2048.

Forest Creek is a 2022 4% HTC award for the rehabilitation of 104 units in Longview, Gregg County, with 16 of those units restricted at 30% AMI and 88 of those units restricted at 60% AMI. There are eight buildings. The HTC LURA was effective in 2023. The 15-year federal HTC Compliance Period expires December 31, 2038, but the state HTC Extended Use Period runs 30 years, and is set to terminate on December 31, 2053.

OWNERSHIP AND PROPERTY MANAGEMENT: Walnut Creek is owned by LIH Walnut Creek Austin LP, which is controlled by Jacob Levy, the founding partner of LEDG Capital. It purchased the development on November 2, 2018. CMTS lists Jacob Levy as the primary contact for the Owner. Rainey Property Management is the property manager, and is unaffiliated with ownership.

Forest Creek is owned by LIH Forest Creek Preservation, LP. It purchased the development on November 30, 2021. Its general partner is controlled by Commonwealth Multifamily Housing Corporation, a Pennsylvania 501c3 nonprofit corporation, which is controlled by Neighborhood Development Collaborative, a District of Columbia 501c3 nonprofit corporation. Both entities are controlled by David P. Cole. Its limited partner, which has primary control authority, is controlled by LEDG Capital, LLC, a Nevada limited liability company controlled by Jacob Levy and Dmitry Gourkine. CMTS lists Jacob Levy as the primary contact for the Owner. WinnResidential is the property management company, and is unaffiliated with ownership.

REFERRED VIOLATIONS SUBJECT TO ADMINISTRATIVE PENALTIES:

1. **Walnut Creek: National Standards for the Physical Inspection of Real Estate (NSPIRE).** TDHCA conducted a physical inspection on November 5, 2024, and the Compliance Division set a corrective action deadline of February 5, 2025. The property submitted a timely response, but it was incomplete, and Compliance issued a letter on October 4, 2024, setting a further 10-day cure deadline of February 16, 2025. The owner requested a good cause extension, which Compliance granted through April 6, 2025. Most noncompliance was timely corrected, but twelve items remained unresolved and were referred to the Enforcement Committee (the Committee) on April 7, 2025. Further corrective documentation was submitted on May 15, 2025, after intervention by the Committee, resolving all noncompliance except for broken main and secondary vehicle perimeter gates. At the time of the informal conference on June 17, 2025, owner had contracted for the required gate repairs in March, but they were not yet complete. Final evidence of correction was submitted on July 28, 2025. A complete list of referred noncompliance is attached to the Agreed Final Order.

2. **Forest Creek: File Monitoring.** TDHCA conducted a file monitoring review on December 11, 2024, and the Compliance Division set a corrective action deadline of March 16, 2025. Owner failed to reply, and the following noncompliance was referred to the Committee on April 17, 2025: failure to provide evidence of eight points worth of supportive services,

failure to provide the Tenant Rights and Resources Guide to 11 households, and failure to incorporate required lease language for 20 households. Complete evidence of correction was submitted on May 15, 20256, after intervention by the Committee, however, the Tenant Rights and Resources Guide Acknowledgments and lease documents were signed earlier. The majority of lease amendments included in that submission were dated between December 2024 and January 2025, and the Tenant Rights and Resources Guide Acknowledgments were all dated between December 2024 and January 2025.

FACTORS CONSIDERED TO DETERMINE ADMINISTRATIVE PENALTY: The Committee analyzed the required statutory factors for determining an appropriate administrative penalty as follows:

1. **The seriousness, extent, and gravity of the violations, and whether a hazard is posed to the health, safety, or economic welfare of the public:** For Walnut Creek, the security gate noncompliance is a serious safety concern, and the owner received application points for agreeing to provide full perimeter fencing and controlled gate access. However, the property does have onsite security at night from 8:00pm until 6:00am, mitigating the seriousness of the security concern for broken gates. The remainder of the referred violations all related to unit 126, which had been vacant since May 30, 2024. Most of the referred noncompliance for unit 126 was cosmetic, such as interior holes and damaged cabinets caused by the tenant. Per the owner, the unit required extensive repairs totaling $40,000.00 due to damage caused by the tenant, along with delays and expenses for asbestos abatement.

   For Forest Creek, most of the referred noncompliance related to missing language in leases, which is a less serious violation, and the submitted corrections were signed between December 2024 and January 2025, during the original corrective action period. Supportive services are also a less serious violation, although the Committee noted that some of the selected services do have economic benefits to tenants, such as the notary public and food pantry services.

2. **History of previous violations:** LEDG previously signed an Agreed Final Order for final construction inspection noncompliance at Wurzbach Manor Apartments (HTC 19413 / CMTS 3277) in 2023. LEDG complied with the terms of the order by correcting the noncompliance as required, and paying an administrative penalty of $2,500.00.

   Commonwealth previously jointly signed an Agreed Final Order for file monitoring noncompliance at Oso Bay (HTC 20620 / Bond 20620B / CMTS 5670), final construction inspection noncompliance at La Merced Homes (HTC 21424 / CMTS 5733), final construction inspection noncompliance at El Rosario Homes (HTC 21423 / CMTS 5732), and Uniform Physical Condition Standards (UPCS) noncompliance at Las Palmas Apartments (HTC 21438 / 2727) in 2024. All noncompliance was corrected at the time that the order was signed, and Commonwealth complied with the terms of the order by paying an administrative penalty of $4,000.00.

   Two out of 17 additional actively monitored TDHCA properties controlled by LEDG have

been referred for final construction inspection noncompliance and Uniform Physical Condition Standards (UPCS) noncompliance during the past three years, but were resolved informally. No additional actively monitored properties controlled by Commonwealth have been referred during the past three years.

3. **Efforts made to correct the violations:** Only the security gate noncompliance for Walnut Creek remained unresolved at the time of the informal conference. All other referred noncompliance for Walnut Creek and Forest Creek was resolved as of May 15, 2025.

   The Committee noted that owner should have communicated better for Walnut Creek since Compliance would have granted an additional good cause extension if the owner had submitted documentation supporting their need for more time to repair the perimeter gates. Owner did not submit a response within the corrective action period for the file monitoring review for Forest Creek, but did submit complete corrections upon intervention by the Committee, and most of those corrections were signed in December 2024 and January 2025. It appears that communication with TDHCA is the primary problem for both referrals.

4. **Any other matters that justice may require:** Walnut Creek was built in 1972, and rehabilitated in 2000 and 2018. The NSPIRE inspection score was 86 out of 100. Owner states that the broken perimeter gates were damaged by residents running into the gate; the noncompliance was not due to maintenance issues. The cost to repair both gates was approximately $30,000.00, and was contracted in March, but not yet complete at the time of the informal conference. The cost to repair tenant damage and perform asbestos remediation in unit 126 was approximately $40,000.00, and the overall repair timeline for the unit was long due to remediation permitting and inspection requirements. All referred NSPIRE repairs are now complete.

   Owner did not respond to correct any of the 2024 file monitoring noncompliance until after the development was referred for an administrative penalty, suggesting that their internal processes were not working for this development to ensure timely TDHCA responses. The onsite manager has been replaced and LEDG is working more closely with the property management company, with weekly calls to discuss findings of noncompliance, and improvements in tracking and monitoring processes to prevent recurrence. The Committee also identified a disconnect between the general partner (Commonwealth) and the limited partner (LEDG); Commonwealth has been deferring to LEDG, with no clear supervisory structure or defined oversight by the general partner. Both Commonwealth and LEDG appear to be taking this matter seriously, with senior staff and executives for both organizations attending the informal conference.

5. **Amount necessary to deter future violations:** The referral for Walnut Creek was less serious and could have been handled as a good cause extension at the Compliance Division's level if the owner had communicated better about complications such as asbestos remediation and backordered gate parts. LEDG and Commonwealth have each previously

signed an Agreed Final Order, and the Committee was concerned about weak responses to questions regarding interactions and oversight between Commonwealth and LEDG for Forest Creek. The Committee also noted that the noncompliance for Forest Creek was less serious and does not support a large administrative penalty, but there was a period during which there were no supportive services provided despite receiving points at application. All referred noncompliance is now resolved. In light of the above factors, the Committee recommends an Agreed Final Order assessing administrative penalties of $1,500.00 for Walnut Creek and $2,000.00 for Forest Creek. There is no recommended forgivable or probated portion to the administrative penalty.

RECOMMENDATION: Accordingly, after consideration of all appropriate factors, the Enforcement Committee and Executive Director recommend an Agreed Final Order for an administrative penalty in the amount of $1,500.00 against LIH Walnut Creek Austin LP and $2,000.00 against LIH Forest Creek Preservation, LP.

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
LIH WALNUT CREEK AUSTIN LP AND	§	TEXAS DEPARTMENT OF
LIH FOREST CREEK PRESERVATION, LP	§	HOUSING AND COMMUNITY
WITH RESPECT TO WALNUT CREEK	§	AFFAIRS
(HTC 00024T / HTC 18420 / CMTS 59) AND	§	
FOREST CREEK (HTC 22422 / CMTS 5861)	§	

AGREED FINAL ORDER

General Remarks and official action taken:

On this 4th day of September, 2025, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **LIH WALNUT CREEK AUSTIN LP,** a Texas limited partnership (Walnut Creek Owner), and **LIH FOREST CREEK PRESERVATION, LP,** a Texas limited partnership (Forest Creek Owner), (to be collectively known as Respondents).

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

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

WAIVER

Respondents acknowledges the existence of their right to request a hearing as provided by Tex. Gov't Code §2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov't Code §2306.047. Pursuant to this compromise and settlement, the Respondents waive those rights and acknowledge the jurisdiction of the Board over Respondents.

FINDINGS OF FACT (FOF)

Jurisdiction:

1. During 2000, Springdale Apartments, L.P. (Prior Owner) was awarded an allocation of Low Income Housing Tax Credits by the Board to rehabilitate and operate Walnut Creek (HTC 00024T / CMTS 59).

2. During 2018, Walnut Creek Owner was awarded an allocation of Low Income Housing Tax Credits by the Board to rehabilitate and operate Walnut Creek (HTC 18420 / CMTS 59).

3. During 2022, Forest Creek Owner was awarded an allocation of Low Income Housing Tax Credits by the Board to rehabilitate and operate Forest Creek (HTC 22422/ CMTS 5861).

4. The properties are subject to the following land use restriction agreements (LURAs):

    a. Walnut Creek HTC LURA 00024T: Declaration of Land Use Restrictive Covenants Land Use Restriction Agreement for Low Income Housing Tax Credits effective September 4, 2001, and filed of record on December 04, 2001, at Document Number 2001203091 of the Official Records of Real Property of Travis County, Texas.

    b. Walnut Creek HTC LURA 18420: Declaration of Land Use Restrictive Covenants Land Use Restriction Agreement for Low Income Housing Tax Credits effective December 3, 2019, and filed of record on December 27, 2019, at Document Number 2019203934 of the Official Records of Real Property of Travis County, Texas.

    c. Forest Creek HTC LURA 22422: Declaration of Land Use Restrictive Covenants Land Use Restriction Agreement for Low Income Housing Tax Credits effective May 30, 2023, and filed of record on July 24, 2023, at Document Number 202310442 of the Official Records of Real Property of Gregg County, Texas.

5. Respondents are subject to the regulatory authority of TDHCA.

Compliance Violations[1]:

6. The Department conducted a National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection at Walnut Creek on November 5, 2024. The inspection report at Exhibit 1 showed numerous property condition violations, a violation of 10 TAC §

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

10.621 (Property Condition Standards). The Department issued a notification of noncompliance setting a corrective action deadline that was extended through April 6, 2025, but Walnut Creek Owner failed to submit complete corrections and the TDHCA Compliance Division referred the unresolved noncompliance for an administrative penalty. Further corrective documentation was received on May 15, 2025 and July 28, 2025, after intervention by the Enforcement Committee.

7. The Department conducted a file monitoring review at Forest Creek on December 11, 2024, to determine whether the development was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. The Department issued a notification of noncompliance setting a corrective action deadline of March 16, 2025, but Respondents failed to submit corrections and the TDHCA Compliance Division referred the following noncompliance for an administrative penalty:
    a. Forest Creek Owner failed to provide evidence that required supportive services were being provided, a violation of Addendum B of the Forest Creek HTC LURA and 10 TAC §10.619 (Monitoring for Social Services). Acceptable corrective documentation was submitted on May 15, 2025, after intervention by the Enforcement Committee.
    b. Forest Creek Owner failed to provide a Tenant Rights and Resources Guide and get a signed Acknowledgment for units 1-103, 1-108, 1-115, 2-201, 2-207, 2-210, 2-215, 3-302, 4-402, 5-503 and 8-807, a violation of 10 TAC §10.613 (Lease Requirements), which requires owners to provide a copy of the guide to each household during the application process and upon any subsequent change to common amenities, unit amenities, or services. Acceptable corrective documentation was submitted on May 15, 2025, after intervention by the Enforcement Committee.
    c. Although leases were in place, Forest Creek Owner failed to execute required lease provisions or exclude prohibited lease language for units 1-108, 1-115, 2-201, 2-207, 2-215, 3-302, 3-309, 3-314, 4-402, 4-406, 4-413, 4-415, 5-506, 5-510, 6-605, 6-607, 7-701, 7-708, 8-804 and 8-807, a violation of 10 TAC §10.613 (Lease Requirements), which requires leases to include specific language protecting tenants from eviction without good cause and prohibiting owners from taking certain actions such as locking out or seizing property, or threatening to do so, except by judicial process. Acceptable corrective documentation was submitted on May 15, 2025, after intervention by the Enforcement Committee.
8. All violations listed above are considered resolved at the time of this Order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC Chapter 2.

2. Respondents are housing sponsors, as that term is defined in Tex. Gov't Code §2306.004(14).

3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.

4. Pursuant to Tex. Gov't Code Chapter 2306, Subchapter DD and Tex. Gov't Code §2306.185, TDHCA is authorized to make Housing Tax Credit Allocations for the State of Texas and is required to monitor to ensure compliance.

5. Pursuant to 10 TAC §10.621(a), TDHCA has adopted HUD's NSPIRE protocol as the standard for its physical inspections.

6. Walnut Creek Owner violated 10 TAC §10.621 at Walnut Creek in 2024 and I.R.C. §42, as amended, by failing to comply with NSPIRE requirements when major violations were discovered and not timely corrected.

7. Forest Creek Owner violated Addendum B of the Forest Creek LURA and 10 TAC §10.619 in 2024, by failing to provide required supportive services.

8. Forest Creek Owner violated leasing requirements at Forest Creek in 10 TAC §10.613 in 2024, by failing to provide a Tenant Rights and Resources Guide for units 1-103, 1-108, 1-115, 2-201, 2-207, 2-210, 2-215, 3-302, 4-402, 5-503 and 8-807, and have the households sign an acknowledgment form.

9. Forest Creek Owner violated leasing requirements at Forest Creek in 10 TAC §10.613 in 2024, by failing to execute required lease provisions or exclude prohibited lease language for units 1-108, 1-115, 2-201, 2-207, 2-215, 3-302, 3-309, 3-314, 4-402, 4-406, 4-413, 4-415, 5-506, 5-510, 6-605, 6-607, 7-701, 7-708, 8-804 and 8-807.

10. Because Respondents are housing sponsors with respect to the properties, and have violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondents pursuant to Tex. Gov't Code §2306.041 and Tex. Gov't Code §2306.267.

11. Because Respondents are housing sponsors, TDHCA may order Respondents to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondents and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

12. Because Respondents have violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and have violated agreements with the Agency to which Respondents are a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.

13. A collective administrative penalty of $3,500.00 is an appropriate penalty in accordance with 10 TAC Chapter 2, with a $1,500.00 portion allocated to Walnut Creek, and the remaining $2,000.00 portion allocated to Forest Creek.

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

IT IS HEREBY ORDERED that Respondents are assessed a collective administrative penalty in the amount of $3,500.00.

IT IS FURTHER ORDERED that Respondents shall pay and are hereby directed to pay the $3,500.00 administrative penalty by check payable to the Texas Department of Housing and Community Affairs on or before October 6, 2025, to the following address:

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

IT IS FURTHER ORDERED that Respondents shall follow the requirements of 10 TAC §10.406, and obtain approval from the Department prior to consummating a sale of the properties, if contemplated.

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

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on _____, 2025.

By: _____
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared _____, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF _____§

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

1. My name is Jacob Levy, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I am an authorized representative for Respondent, LIH Walnut Creek Austin LP, owner of Walnut Creek, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized to execute this document.
3. The Taxpayer ID for LIH Walnut Creek Austin LP is _____.
4. The mailing address for LIH Walnut Creek Austin LP is _____.
5. LIH Walnut Creek Austin LP knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs.

LIH WALNUT CREEK AUSTIN LP, a Texas limited partnership

LIH WALNUT CREEK GP, LLC, a Texas limited liability company, its general partner

By: _____

Name: Jacob Levy

Title: _____

Given under my hand and seal of office this _____ day of _____, 2025.

_____

Signature of Notary Public

_____

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires:_____

STATE OF TEXAS §
§
COUNTY OF _____§

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

1. My name is Jacob Levy, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I am an authorized representative for Respondent, LIH Forest Creek Preservation, LP, owner of Forest Creek, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized to execute this document.
3. The Taxpayer ID for LIH Forest Creek Preservation, LP is _____.
4. The mailing address for LIH Forest Creek Preservation, LP is _____.
5. LIH Forest Creek Preservation, LP knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs.

LIH FOREST CREEK PRESERVATION, LP, a Texas limited partnership

LIH FOREST CREEK SLP, LLC, a Texas limited liability company, its Class B limited partner

LEDG CAPITAL, LLC, a Nevada limited liability company, its managing member

By: _____

Name: Jacob Levy

Title: _____

Given under my hand and seal of office this _____ day of _____, 2025.

_____

Signature of Notary Public

_____

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires:_____

STATE OF TEXAS §
§
COUNTY OF _____§

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

1. My name is David P. Cole, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I am an authorized representative for Respondent, LIH Forest Creek Preservation, LP, owner of Forest Creek, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized to execute this document.
3. The Taxpayer ID for LIH Forest Creek Preservation, LP is _____.
4. The mailing address for LIH Forest Creek Preservation, LP is _____.
5. LIH Forest Creek Preservation, LP knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs.

LIH FOREST CREEK PRESERVATION, LP, a Texas limited partnership

LONGVIEW AFFORDABLE HOUSING LLC, a Texas limited liability company, its general partner

COMMONWEALTH MULTIFAMILY HOUSING CORPORATION, a Pennsylvania 501c3 nonprofit corporation, its sole member

NEIGHBORHOOD DEVELOPMENT COLLABORATIVE, a District of Columbia 501c3 nonprofit corporation, its sole member

By: _____

Name: David P. Cole

Title: _____

Given under my hand and seal of office this _____ day of _____, 2025.

_____

Signature of Notary Public

_____

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires:_____

Exhibit 1

NSPIRE Inspection Report for Walnut Creek
(see attached)

Red highlighted lines were not timely corrected and were referred for an administrative penalty.

Bldg	Apt	Location	Item	Result	Notes	Severity Level	Date Completed	Completed By
1		Grounds	Fence/Gate – Security	Gate will not close	Main vehicle gate doesn't work	Mod	6/15/2025	Integrity Gates
1		Grounds	Fence/Gate – Security	Gate will not close	Doesn't latch	Mod	6/15/2025	Integrity Gates
2		Grounds	Fence/Gate – Security	Gate will not close	Second vehicle gate doesn't work	Mod	6/15/2025	Integrity Gates
5		Main Entry	Light Fixtures (Exterior)	A permanently installed light fixture is not secure/loose	Wall light on breezeway stairs to unit 235	Mod	1/16/2025	Milton Galvez
7		Side of Building	Roof Drain/Ponding	Gutter component is missing		Mod	1/16/2025	Able Cardenas
2	111	Kitchen	Conductors, Outlets, Switches	Electric outlet inoperable (no visible damage)		Severe	11/5/2024	Able Cardenas
2	111	Kitchen	Infestation	Evidence of cockroaches (Live, Dead, or Other Evidence)		Mod	1/16/2025	Milton Galvez
2	115	Laundry Room	Smoke Alarms	Smoke alarm does not produce an audio or visual alarm when tested		LT	11/5/2024	Able Cardenas
2	214	Bathroom 1	Bathtub/Shower	Bath/shower pan or basin damaged, missing, or inoperable	Tub surface peeling	Mod	1/16/2025	Milton Galvez
3	122	Kitchen	Ventilation/Exhaust	Exhaust system does not respond to control switch		Mod	1/16/2025	Milton Galvez
3	223	Kitchen	Infestation	Evidence of cockroaches (Live, Dead, or Other Evidence)		Mod	1/16/2025	Milton Galvez
4	126	Bathroom 1	Cabinets/Vanity	50%+ of vanity components are missing/damaged/inoperable in a bathroom or laundry		Mod	4/8/2025	Davis Const.
4	126	Bathroom 1	Sharp Edges	Any item or component has a sharp edge that can puncture or cut		Severe	11/5/2024	Able Cardenas
4	126	Bathroom 1	Wall Covering and Finish – Interior	Interior wall has hole greater than 2in.		Mod	4/8/2025	Davis Const.
4	126	Bedroom 1	Smoke Alarms	Smoke alarm not installed in a sleeping room		LT	11/5/2024	Able Cardenas
4	126	Dining Room	Conductors, Outlets, Switches	Exposed electrical conductor		LT	11/5/2024	Able Cardenas
4	126	Dining Room	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		Mod	4/8/2025	Davis Const.
4	126	Kitchen	Cabinetry	50% or more of cabinet components are missing, damaged, or inoperable		Mod	4/8/2025	Davis Const.
4	126	Kitchen	Countertop	10%+ or more of the Countertop is damaged or has exposed substrate		Mod	4/8/2025	Davis Const.
4	126	Kitchen	Mold-Like Substances	Moisture damage on a surface from 1 to 9 S.F. (Units)	Kitchen vliset	Severe	11/5/2024	Able Cardenas
4	126	Kitchen	Refrigerator	Refrigerator is missing		Mod	4/8/2025	Davis Const.
4	126	Kitchen	Ventilation/Exhaust	Exhaust system does not respond to control switch		Mod	4/8/2025	Davis Const.
4	126	Kitchen	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		Mod	4/8/2025	Davis Const.
4	126	Laundry Room	Smoke Alarms	Smoke alarm not installed outside a sleeping room		LT	11/5/2024	Able Cardenas

4	126	Living Room	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		Mod	4/8/2025	Davis Const.
4	126	Living Room	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		Mod	4/8/2025	Davis Const.
5	134	Kitchen	Cooking Appliance	A Stove Burner is Inoperable (with at least one operable burner)	Front right	Mod	1/16/2025	Milton Galvez
7	142	Bathroom 1	Exhaust System	Bathroom ventilation system is inoperable		Mod	1/16/2025	Milton Galvez
7	142	Bedroom 1	Smoke Alarms	Wall-mounted smoke alarm within 4in. of a ceiling		LT	11/5/2024	Able Cardenas
7	142	Bedroom 3	Smoke Alarms	Wall-mounted smoke alarm more than 12in. from a ceiling		LT	11/5/2024	Milton Galvez
7	142	Kitchen	Refrigerator	Refrigerator door seal is damaged		Mod	1/16/2025	Milton Galvez
7	241	Bathroom 1	Sink	Sink is clogged/not draining		Mod	1/16/2025	Milton Galvez
7	241	Bedroom 1	Door – General	A passage door component is damaged/missing/inoperable	Door missing	Low	1/16/2025	Milton Galvez
7	241	Bedroom 1	Smoke Alarms	Wall-mounted smoke alarm more than 12in. from a ceiling		LT	11/6/2024	Able Cardenas
7	241	Kitchen	Refrigerator	Refrigerator door seal is damaged		Mod	1/16/2025	Milton Galvez
8	145	Bathroom (Half)	Exhaust System	Bathroom ventilation system is inoperable		Mod	1/16/2025	Milton Galvez
8	145	Bedroom 1	Smoke Alarms	Wall-mounted smoke alarm more than 12in. from a ceiling		LT	11/5/2024	Able Cardenas
8	145	Kitchen	Refrigerator	Refrigerator door seal is damaged		Mod	1/16/2025	Milton Galvez
8	246	Bathroom 1	Sink	Sink is clogged/not draining		Mod	1/16/2025	Milton Galvez
9	250	Bedroom 2	Smoke Alarms	Smoke alarm does not produce an audio or visual alarm when tested		LT	11/5/2024	Able Cardenas
9	250	Bedroom 2	Smoke Alarms	Wall-mounted smoke alarm more than 12in. from a ceiling		LT	11/5/2024	Able Cardenas
9	250	Kitchen	Fire Extinguisher	The fire extinguisher tag is missing or illegible		LT	1/16/2024	Milton Galvez

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1132 **Agenda Date:** 9/4/2025 **Agenda #:** 8.

Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC §1.8, Plan Requirements, Process and Approval Criteria for Properties Designated for Camping by Political Subdivisions for Homeless Individuals; an order adopting new 10 TAC §1.8, Camping Plans Requirements and Process for Political Subdivisions; and directing their publication in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, the 87th Texas Legislature, Regular Session passed House Bill (HB) 1925 which established new Subchapter PP of Chapter 2306 of the Texas Government Code, entitled Property Designated by Political Subdivision for Camping by Homeless Individuals;

WHEREAS, Subchapter PP provides that a political subdivision may not designate a property to be used by persons experiencing homelessness to camp unless the Department has approved a plan as further described by Subchapter PP;

WHEREAS, 10 TAC §1.8 establishes the rules for political subdivisions on how they can submit such plans, what they must include in the plans, and the criteria by which such plans may be approved;

WHEREAS, the current rule that relates to Camping Plan was last amended in September 2021 and is in need of revisions, and such revisions are being proposed through the repeal of the current rule and a simultaneous new rule to be proposed in its place;

WHEREAS, the needed revisions include an updated email address and minor technical corrections; and

WHEREAS, such proposed rulemaking was published in the *Texas Register* for public comment and no comment was received;

NOW, therefore, it is hereby

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

preambles.

BACKGROUND

During the 87th Regular Legislative Session, the Texas Legislature passed HB 1925 which established prohibitions on camping in public places, created a criminal offense in Texas Penal Code for prohibited camping, and established new Subchapter PP of Chapter 2306 of the Texas Government Code, entitled Property Designated by Political Subdivision for Camping by Homeless Individuals. Governor Greg Abbott signed the bill into law on June 15, 2021.

The new Subchapter PP provides that a political subdivision may not designate a property to be used by persons experiencing homelessness to camp unless the Department has approved a plan as further described by Subchapter PP. The bill became effective on September 1, 2021, and the rule implementing this bill became effective September 22, 2021.

Upon adoption of the rule in 2021, the Department also made available a plan template for use by political subdivisions, and an informational webpage within the Department's website outlining the process, required forms and frequently asked questions. Since the inception of the rule, the Department has not received any plan submissions.

Changes made to the rule include updating an email address and minor technical corrections.

Behind the preamble for the proposed amendment the rule is shown reflecting the proposed changes. This rule was released for public comment and no comment was received.

Attachment 1: Preamble, including required analysis, for repeal of 10 TAC §1.8, Plan Requirements, Process and Approval Criteria for Properties Designated for Camping by Political Subdivisions for Homeless Individuals

The Texas Department of Housing and Community Affairs (the Department) adopts, without changes, the repeal of 10 TAC §1.8, Plan Requirements, Process and Approval Criteria for Properties Designated for Camping by Political Subdivisions for Homeless Individuals. The purpose of the repeal is to correct an email address and make minor technical corrections.

Tex. Gov't Code §2001.0045(b) does not apply to the rule because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the repeal would be in effect:

1. The repeal does not create or eliminate a government program but relates to changes to an existing activity: requirements relating to the Department review of submissions by political subdivisions of properties designated for camping by homeless individuals.

2. The repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The repeal does not require additional future legislative appropriations.

4. The repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The repeal will not expand, limit, or repeal an existing regulation.

7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The repeal will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the changed section would be an updated and more germane rule. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held July 25, 2025 through

August 25, 2025, to receive input on the proposed action. No comments were received.

STATUTORY AUTHORITY. The repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the repeal affects no other code, article, or statute.

10 TAC §1.8, Plan Requirements, Process and Approval Criteria for Properties Designated for Camping by Political Subdivisions for Homeless Individuals

Attachment 2: Preamble, including required analysis, for new 10 TAC §1.8, Camping Plan Requirements and Process for Political Subdivisions

The Texas Department of Housing and Community Affairs (the Department) adopts, without changes, new 10 TAC §1.8, Camping Plan Requirements and Process for Political Subdivisions. This includes a title change from the rule being repealed. The purpose of the rule is to include an updated email address and make minor technical corrections.

Tex. Gov’t Code §2001.0045(b) does not apply to the rule because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV’T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the new section would be in effect:

1. The new section does not create or eliminate a government program but relates to changes to an existing activity: requirements relating to the Department review of submissions by political subdivisions of properties designated for camping by homeless individuals.

2. The new section does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The new section does not require additional future legislative appropriations.

4. The new section will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The new section is not creating a new regulation, except that they are replacing sections being repealed simultaneously to provide for revisions.

6. The new section will not expand, limit, or repeal an existing regulation.

7. The new section will not increase or decrease the number of individuals subject to the rule’s applicability.

8. The new section will not negatively or positively affect the state’s economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV’T CODE §2006.002.

The Department has evaluated the new section and determined that it will not create an

economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The new section does not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the new section as to its possible effects on local economies and has determined that for the first five years the new section would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section would be a more current and germane rule. There will not be economic costs to individuals required to comply with the new section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section is in effect, enforcing or administering the section does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held July 25, 2025 through August 25, 2025, to receive input on the proposed action. No comment was received.

STATUTORY AUTHORITY. The new section is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the new sections affects no other code, article, or statute.

10 TAC §1.8, Camping Plan Requirements and Process for Political Subdivisions

(a) Purpose. Subchapter PP of Chapter 2306, Texas Government Code, Property Designated by Political Subdivision for Camping by Homeless Individuals, was enacted in September 2021. §2306.1122 of the Texas Government Code, provides that a Political Subdivision may not designate a property to be used by homeless individuals to Camp unless the Department has approved a Plan as further described by Subchapter PP. This rule provides the Department's policies for such Plans, including the process for Plan submission, Plan requirements, the review process, and the criteria by which a Plan will be reviewed by the Department.

(b) Applicability.

(1) This rule applies only to the designation and use of a property designated for camping by homeless individuals that first begins that use on or after September 1, 2021, except that the rule and requirements of Subchapter PP, Chapter 2306, Texas Government Code, do not apply to a Proposed Property to be located on/in a Public Park. Public Parks are ineligible to be used as a Camp by homeless individuals per Subchapter PP, Chapter 2306, Texas Government Code.

(2) The designation and use of a Proposed Property described by Subchapter PP, Chapter 2306, Government Code that first began before September 1, 2021, is governed by the law in effect when the designation and use first began, and the former law is continued in effect for that purpose.

(3) A Political Subdivision that designated a property to be used by homeless individuals to Camp before September 1, 2021, may apply on or after that date for approval of a Plan pursuant to this section.

(4) A Political Subdivision that authorizes camping under the authority of §48.05(d)(1), (3) or (4), Texas Penal Code, are not required to submit a Plan for those instances.

(c) Definitions.

(1) Camp--Has the meaning assigned by Section 48.05 of the Texas Penal Code.

(2) Department--The Texas Department of Housing and Community Affairs.

(3) Plan--Specifically an application drafted by a Political Subdivision, submitted to the Department by the Political Subdivision, with the intention of meeting the requirements provided for in subsection (e) of this section (relating to Threshold Plan Requirements).

(4) Plan Determination Notice--The notification provided by the Department to the Political Subdivision stating a Plan's Approval or Denial.

(5) Political Subdivision--A local government as defined in Chapter 2306, Texas Government Code.

(6) Proposed New Campers--Homeless individuals that the Political Subdivision intends to allow to Camp at the Proposed Property for which a Plan is submitted.

(7) Proposed Property--That property proposed for use for Proposed New Campers and submitted in the Plan, owned, controlled, leased, or managed by the Political Subdivision.

(8) Public Park--Any parcel of land dedicated and used as parkland, or land owned by a political subdivision that is used for a park or recreational purpose that is under the control of the political subdivision, which is designated by the political subdivision.

(d) Plan Process.

(1) Submission.

(A) Plans may be submitted at any time. Plan resubmissions may also be submitted at any time.

(B) All Plans must be submitted electronically to campingplans@tdhca.texas.gov.

(C) At least one designated email address must be provided by the Political Subdivision; all communications from the Department to the Political Subdivision regarding the Plan will be sent to that email address. No communication will be sent by traditional postal delivery methods. Up to two email contacts may be provided.

(2) Review Process.

(A) Upon receipt, Department staff will send a confirmation email receipt to the designated email address and initiate review of the Plan. The Plan will be reviewed first to determine that all information specified in subsection (e) of this section (relating to Threshold Plan Requirements) have been included and that sufficient information has been provided by which to evaluate the Plan against the Plan Criteria provided for in subsection (f) of this section (relating to Plan Criteria).

(B) If a Plan as submitted does not sufficiently meet the requirements of §2306.1123, Texas Government Code, and subsection (e) of this section, or does not provide sufficient explanation by which to assess the Plan Criteria provided for in subsection (f) of this section, staff will issue the Political Subdivision a notice of deficiency. The Political Subdivision will have five calendar days to fully respond to all items requested in the deficiency notice.

(i) For a Political Subdivision that satisfies all requested deficiencies by the end of the five calendar day period, the review will proceed.

(ii) For a Political Subdivisions that does not satisfy all requested deficiencies by the end of the five calendar day period, no further review will occur. A Plan Determination Notice will be issued notifying the Political

Subdivision that its Plan has been denied and stating the reason for the denial. The Political Subdivision may resubmit a Plan at any time after receiving a Plan Determination Notice.

(C) Plan Determination Notice.

(i) Upon completion of the review by staff, the Political Subdivision will be notified that its Plan has been Approved or Denied in a Plan Determination Notice.

(ii) Not later than the 30th day after the date the Department receives a plan or resubmitted Plan, the Department will make a final determination regarding approval of the Plan and send a Plan Determination Notice to the Political Subdivision. For a Political Subdivision that had a deficiency notice issued, and that satisfied all requested deficiencies by the end of the five calendar day period, the Department will strive to still issue a final determination notice by the 30th day from the date the Plan was originally received, however the date of issuance of the Plan Determination Notice may extend past the 30th day by the number of days taken by the Political Subdivision to resolve any deficiencies.

(iii) A Political Subdivision may appeal the decision in the Plan Determination Notice using the appeal process outlined in §1.7 of this chapter (relating to Appeals Process).

(D) Reasonable Accommodations may be requested from the Department as reflected in §1.1 of this subchapter (relating to Reasonable Accommodation Requests to the Department).

(e) Threshold Plan Requirements. A Plan submitted for approval to the Department must include all of the items described in paragraphs (1) - (8) of this subsection for the property for which the Plan is being submitted:

(1) pertinent contact information for the Political Subdivision as specified by the Department in its Plan template;

(2) the physical address or if there is no physical address the legal description of the property;

(3) the estimated number of Proposed New Campers to be located at the Proposed Property;

(4) a description with respect to the property of the five evaluative factors that addresses all of the requirements described in subparagraphs (A) - (E) of this paragraph:

(A) Local Health Care. Provide:

(i) A description of the availability of local health care for Proposed New Campers, including access to Medicaid services and mental health services;

(ii) A description of the specific providers of the local health care and mental health services available to Proposed New Campers. Local health/mental health care service providers do not include hospitals or other emergency medical assistance, but contemplate access to ongoing and routine health and mental health care. Providers of such services can include, but are not limited to: local health clinics, local mental health authorities, mobile clinics that have the location in their service area, and county indigent healthcare programs;

(iii) A description or copy of a communication from the Texas Department of Health and Human Services specific to the Political Subdivision and specific to the population of homeless individuals must be provided to establish the availability of access to Medicaid services;

(iv) A map or clear written description of the geographic proximity (in miles) of each of those providers to the Proposed Property;

(v) The cost of such care and services, whether those costs will be borne by the Proposed New Campers or an alternative source, and if an alternative source, then what that source is; and

(vi) A description of any limitations on eligibility that each or any of the providers may have in place that could preclude Proposed New Campers from receiving such care and services from the specific providers.

(B) Indigent Services. Provide:

(i) A description of the availability of indigent services for Proposed New Campers. For purposes of this factor, indigent services are any services that assist individuals or households in poverty with their access to basic human needs and supports. Indigent service providers include, but are not limited to: community action agencies, area agencies on aging, mobile indigent service providers that have the location in their service area; and local nonprofit or faith-based organizations providing such indigent services;

(ii) A description of the specific providers of the services and what services they provide;

(iii) A map or clear written description of the geographic proximity (in miles) of each of those providers to the Proposed Property; and

(iv) A description of any limitations on eligibility that each or any the providers may have in place that could preclude Proposed New Campers from receiving such services from the specific providers.

(C) Public Transportation. Provide:

(i) A description of the availability of reasonably affordable public transportation for Proposed New Campers. Reasonably affordable for the purposes of this Section means the rate for public transportation for the majority of users of that public transportation; if for instance the standard bus fare in an area is $2 per ride, then that rate is considered the reasonable affordable rate for the Proposed Property; Proposed New Campers should not have to pay a rate higher than that standard fare;

(ii) A description of the specific providers of the public transportation services and their prices;

(iii) A description of the closest proximity of the property to a specified entrance to a public transportation stop or station, with a sidewalk or an alternative pathway identified by the Political Subdivision for pedestrians, including a map of the closest stop and public transportation route shown in relation to the Proposed Property;

(iv) A description of the route schedule of the closest proximate public transportation route; and

(v) If public transportation is available upon demand at the property location, identification of any limitations on eligibility that each or any of the providers may have in place that could preclude Proposed New Campers from receiving such transportation services from that specific on-demand provider.

(D) Law Enforcement Resources. Provide:

(i) A description of the local law enforcement resources in the area;

(ii) The description should include a brief explanation of which local law enforcement patrol beat covers the Proposed Property;

(iii) A description of local law enforcement resources and local coverage in several other census tracts or law enforcement beats/areas with similar demographics to that of the beat/area of the Proposed Property to provide a comparative picture;

(iv) a description of any added resources for the area or proposed specifically for the property, and how proximate those resources are; and

(v) any explanation of reduced (or lower than typical of similar demographic areas) local law enforcement coverage in the area.

(E) Coordination with Local Mental Health Authority. Provide:

(i) a description of the steps the Political Subdivision has taken to coordinate with the Local Mental Health Authority to provide services for any Proposed New Campers; and

(ii) a description must include documentation of meetings or conversations, dates when they occurred, any coordination steps resulting from the conversations, and whether any ongoing coordination is intended for the Proposed Property.

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(5) The Political Subdivision must provide evidence that establishes that the property is not a Public Park. Evidence must include documentation addressing the definition of a Public Park as defined in subsection (c)(8) of this section.

(6) Plans should be limited in length. Plans in excess of 15 pages of text, not including documentation and attachments, will not be reviewed.

(7) The Political Subdivision must include documentation that the site will include basic human sanitation services including toilets, sinks, and showers. Such facilities may be temporary fixtures such as portable or mobile toilets, sinks and showers.

(8) Any Plan that is a resubmission of a denied Plan, submitted again for the same Proposed Property, must include a short summary at the front of the Plan explaining what has been changed in the resubmitted Plan from the original denied Plan.

(f) Plan Criteria

(1) Approval. In no case will a Plan be approved if the Department has determined that the Proposed Property referenced in a Plan is a Public Park as defined in subsection (c)(6) of this section. Plans for other properties will be approved if the five factors are satisfied as described in subparagraphs (A) - (E) of this paragraph:

(A) Local health care, including access to Medicaid services (or other comparable health services) and mental health services, are within one mile of the Proposed Property, are accessible via public transportation, can be provided on-site by qualified providers, or transportation is provided (which includes mobile clinics that have the location in their service area), and the Political Jurisdiction commits to a goal that such services are available at little, low or no cost for at least 50% Proposed New Campers (some limited exceptions from providers as may be described in accordance with subsection (d)(5)(A)(v) of this section will not preclude approval for this factor);

(B) There are indigent services providers that have locations within one mile of the Proposed Property, are accessible via public transportation, can provide services on-site, or transportation is provided (which includes mobile indigent service providers that have the location in their service area), and the Political Subdivision commits to a goal that such services are available for at least 50% of Proposed New Campers are expected to be eligible;

(C) The property is within 1/2 mile or less from a public transportation stop or station that has scheduled service at least several times per day for at least six days per week, or there is on demand public transportation available, and the Political Subdivision commits to a goal that at least 50% of the Proposed New Campers are eligible for that on-demand public transportation;

(D) The local law enforcement resources for the patrol zone or precinct that includes the Proposed Property are not materially less than those available in other zones or precincts of the local law enforcement entity, unless the Political Subdivision provides a specific plan for security in and around the property that the Political Subdivision has determined is appropriate for law enforcement services in that area; and

(E) the Political Subdivision has had at least one meeting to discuss initial steps and coordination with the Local Mental Health Authority, specific to this particular Proposed Property and the volume/service needs of Proposed New Campers.

(2) A Plan that meets at least four of the five factors in paragraph (1) of this subsection, may be approved if significant and sufficient mitigation is provided that delivers similarly comprehensive resources as required, to justify how the remaining factor not met will still be sufficiently addressed through some other means.

(3) Denial. An Application that does not meet all of the requirements in paragraph (1) of this subsection, or that does not meet the requirements of paragraph (2) of this subsection will be issued a Plan Determination Notice within 30 days of Plan application (which may be extended by the amount of calendar days the Political Subdivision took to respond to deficiencies) reflecting denial.

(g) Information Sharing. When the Department receives a complaint under §1.2 of this subchapter (relating to

Department Complaint System to the Department) or information that a Political Subdivision is allowing camping by homeless individuals on a property that is not the subject of a Plan approved under this section, the Department will refer such information to the Office of the Attorney General, for possible action under Chapter 364, Local Government Code, or other law.

File #: 1100 **Agenda Date:** 9/4/2025 **Agenda #:** 9.

Presentation, discussion, and possible action on the 2026-2027 Texas Housing Trust Fund Biennial Plan.

RECOMMENDED ACTION

WHEREAS, the General Appropriations Act (GAA) enacted by the 89th Legislature appropriated the Texas Department of Housing and Community Affairs (the Department) $10,058,675 of General Revenue for the Texas Housing Trust Fund (Texas HTF) 2026-2027 biennium;

WHEREAS, Rider 9(c) of the GAA requires the Department to provide a biennial report to the Legislative Budget Board, the House Committee on Appropriations, and the Senate Committee on Finance, no later than October 1 detailing the Department's plan to expend funds from the Texas HTF;

WHEREAS, to promote transparency and the expeditious use of these funds, the Department publishes this biennial report detailing its plan for each year's expenditure of the Texas HTF biennial appropriation;

WHEREAS, the Texas Bootstrap Loan Program (Bootstrap Program) is a Texas HTF program for self-help housing construction in which very low-income households purchase or refinance real property on which to build new housing or repair existing homes by providing at least 65% of the necessary labor;

WHEREAS, the Amy Young Barrier Removal Program (AYBR) is a Texas HTF Program for home modification grants that increase accessibility for homeowners, tenants, and members of their household who are Persons with Disabilities, in addition to correcting other hazardous and unsafe housing conditions, as approved by the Department;

WHEREAS, the Board previously authorized the Department to retain funds in the amount of $250,000 per biennium of additional Texas HTF loan repayments to be able to address unforeseen obstacles that may arise on existing Department contracts, activities, or assets during the course of Single Family program administration, and the Department seeks to retain this authority for the 2026-2027 biennium; and

WHEREAS, staff recommends that the activities noted above warrant continuation through the 2026-2027 Texas HTF Plan as reflected in the attached plan;

NOW, therefore, it is hereby

RESOLVED, that the proposed 2026-2027 Texas Housing Trust Fund Biennial Plan, as presented, is approved and staff is authorized and directed to submit the Texas HTF Plan to appropriate legislative offices and take any other necessary actions to effectuate the foregoing; and

FURTHER RESOLVED, that the Executive Director and his designees be authorized and directed, for and on behalf of the Department, to draft and release Notices of Funding Availability based on programming as outlined in the Texas HTF Plan and Texas HTF Rule.

BACKGROUND

The Texas Legislature established the Housing Trust Fund in 1993 to provide general revenue funds for affordable housing activities. The program receives state appropriations, which include loan repayments from previous Texas HTF projects, to fund the Texas HTF. The Department awards funding in the form of grants and/or loans to nonprofits, units of local government, councils of government, local mental health authorities, other public agencies, and public housing agencies to serve low-income households. State statute does not direct the specific activities that are to be implemented but requires the publication of a plan that details how the Department will program and expend the funds. Over the years, the Department implemented a diversity of programs with Texas HTF resources to varying success. The Texas HTF has now evolved to focus on two successful primary programs: the Bootstrap Program, which satisfies the statutory requirement to operate an owner-builder loan program, and the Amy Young Barrier Removal Program.

The GAA requires that the Department provide a biennial report to the Legislative Budget Board, the House Committee on Appropriations, and the Senate Committee on Finance, no later than October 1 detailing the Department's plan to expend funds from the Texas Housing Trust Fund. The Texas HTF Biennial Plan is summarized below and the Plan is attached.

During the Regular Session of the 89th Legislature, the Texas HTF was appropriated $10,058,675 in General Revenue for the 2026-2027 biennium. The funding shall be utilized as follows:

The Texas HTF plan identifies various requirements from riders in the GAA and in sections of Tex. Gov't Code Chapter 2306 that pertain to the administration of the Texas HTF. These are:

- Rider 8 which requires that $2.8 million in anticipated interest earnings and loan repayments received by the Department be included in the dollar amount appropriated each fiscal year under the Texas HTF;

- Rider 9(a) which requires that all fund deposits to the Texas HTF must be made to the Texas Treasury Safekeeping Trust Company during September of each fiscal year;
- Tex. Gov't Code §2306.111(d-1) which describes when the Regional Allocation Formula is applicable to the Texas HTF; and
- Tex. Gov't Code §2306.202 which specifies that the first $2.6 million of Texas HTF funds must be made available exclusively to units of local government, public housing authorities, and nonprofit organizations.

The Texas HTF plan includes program descriptions for the two Texas HTF-funded programs, program budgets, maximum assistance amounts, eligibility requirements, administrative funding, and applicability of regional allocation of funding.

The Texas HTF plan also describes administrative processes and funding considerations that facilitate Single Family operations over the course of the biennium. For example, the Texas HTF plan utilizes no more than $250,000 per biennium of the Texas HTF loan repayments that exceed the requirements under Rider 8 of the GAA for practical solutions and development workouts that are not readily addressed with federal funds. The Texas HTF plan also establishes the use of late fees collected from Texas HTF borrowers for conducting certain Single Family asset management transactions for which there are few other Department funds available. Such administrative elements of the Texas HTF Plan allow the Department to better manage risk and fulfill its mission.

The Texas HTF Plan authorizes staff to proceed with issuing Notices of Funding Availability (NOFAs) to expedite utilization of funds, as long as those NOFAs are reflective of the Texas HTF Plan and Texas HTF Rules. Staff will commit and expend funds via contracts and reservation agreements and may amend NOFAs from time to time. Funds will be released consistent with the annual appropriations of $5,028,454 for FY 2026 and $5,030,221 for FY 2027 (less funds for state administrative expenses), with additional funding available from interest and earnings as described in the Texas HTF Plan.

Staff recommends that the board approve, or approve with amendments, the proposed 2026-2027 Texas HTF Biennial Plan for staff to submit to the Legislative Budget Board, the House Appropriations committee, and the Senate Finance committee, and authorize staff to draft and release NOFAs based on programming outlined in the Texas HTF Plan and Texas HTF Rule.

Texas Department of Housing and Community Affairs

2026-2027 Texas Housing Trust Fund Biennial Plan

Bobby Wilkinson, Executive Director
PO Box 13941
Austin, TX 78711-3941
Phone: (512) 475-3800
Fax: (512) 475-3746
www.tdhca.texas.gov

Approved by the Board of
The Texas Department of Housing and Community Affairs
September 4, 2025

Introduction and Purpose

During the Regular Session of the 89th Legislature, the Department was appropriated General Revenue for the Texas Housing Trust Fund (Texas HTF) in the amount of $10,058,675 for the 2026-2027 Biennium. Rider 9(c) of the General Appropriations Act (GAA) requires the Department to provide an annual report to the Legislative Budget Board, the House Appropriation Committee, and the Senate Finance Committee no later than October 1st detailing the Department's plan to expend funds from the Texas HTF. The Department generates this plan biennially to promote strategic long-term planning and the expeditious use of these funds.

The Texas HTF was established in 1991 by the 72nd Texas Legislature, Senate Bill 546, to provide loans, grants, or other comparable forms of assistance to income-eligible individuals and households to finance, acquire, rehabilitate, and develop decent, safe and sanitary housing. Funding sources consist of appropriations or transfers made to the fund, unencumbered fund balances, and public or private gifts or grants.

Appropriation Details

The Department annually receives loan repayments and accrued interest that contribute to the Texas HTF. Rider 8 of the GAA clarifies that an estimated $2,800,000 per year in interest earnings and loan repayments are included in funds appropriated each year under the Texas HTF for Strategies A.1.3 (Texas Bootstrap Loan Program) and A.1.4. (Amy Young Barrier Removal Program).

Rider 9(a) of the GAA requires that all funds above those retained for administrative purposes in the 2026-2027 biennium shall be deposited in the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, during September of each fiscal year. The Department shall withhold approximately $1,005,867 (10%) for the biennium for Department administrative costs.

In addition to appropriations of state general revenue, the Texas HTF is funded by loan proceeds from loans generated by the Texas HTF. While Tex. Gov't Code §2306.205 requires a portion of the Housing Finance Division's unencumbered fund balances to be transferred into the Texas HTF, these transfers generally do not occur as the threshold outlined in the statute which would allow the transfer is not met.

Estimated 2026-2027 Biennial Funds for Texas Housing Trust Fund

Use of Funds	SFY 2026	SFY 2027	Amount
Total Biennial Appropriation[1]	**$5,028,454**	**$5,030,221**	**$10,058,675**
Programming Plan			
Texas Bootstrap Loan Program Appropriation	**$3,300,480**	**$3,300,480**	**$6,600,960**
Department Administration	**($330,048)**	**($330,048)**	**($660,096)**
Funds for Programming	**($2,970,432)**	**($2,970,432)**	**($5,940,864)**
Remaining Balance	**$0**	**$0**	**$0**
Amy Young Barrier Removal Program Appropriation	**$1,727,974**	**$1,729,741**	**$3,457,715**
Department Administration	**($172,797)**	**($172,974)**	**($345,771)**
Funds for Programming	**($1,555,177)**	**($1,553,767)**	**($3,111,944)**
Remaining Balance	**$0**	**$0**	**$0**

Statutory Considerations for Texas HTF Programming

Requirement to Operate an Owner-Builder Loan Program

Tex. Gov't Code §2306.758 requires that the Department establish an owner-builder loan program. This requirement is satisfied by the Department's implementation of the Texas Bootstrap Loan (Bootstrap) Program. Further, the statute requires that the Department must dedicate at least $3 million per fiscal year to the program. Up to 10% of these funds may be utilized for capacity building for eligible organizations. While the statute allows use of funds from either the Texas HTF or from federal block grants for this purpose, the Department has determined that the Texas HTF is the best resource to accomplish the goals of the statute because of the regulatory relief that is provided by utilizing state, rather than federal, funding. The Texas HTF is the most practical source available for the Department to meet the owner-builder loan program requirement.

The statute further requires that all money received by the Department as part of the owner-builder loan program, including all loan proceeds, must be utilized exclusively for the owner-builder loan program, so all proceeds of Bootstrap Program loans are set-aside for this purpose.

Eligible Entities to Receive Funds

Pursuant to Tex. Gov't Code Section 2306.202, the Department must target funds for specific types of eligible entities. Section 2306.202(a) requires that the first $2.6 million available through the Texas HTF for loans, grants, or other comparable forms of assistance is available exclusively for local units of government, public housing authorities, and nonprofit organizations. After the requirement for the first $2.6M million is satisfied, at least 45 percent of available funds must be made available to nonprofit organizations for the purpose of acquiring, rehabilitating, and developing decent, safe, and sanitary housing. The remaining 55 percent must be distributed to nonprofit organizations, for-profit organizations, and other eligible entities for eligible activities.

Eligible entities to administer the Owner-Builder Loan Program as required under Tex. Gov't Code

[1] This amount includes an estimate of $2,800,000 per year in interest earnings and loan repayments. Up to $250,000 will also be reserved from interest earnings and repayments for Single Family workout activities as further described herein.

§2306.758 are further limited by Tex. Gov't Code §2306.752 to colonia self-help centers or nonprofit organizations.

Texas HTF Plan Administration

In approving the Texas HTF plan, the Board authorizes staff to proceed with issuing Notices of Funding Availability (NOFA) and make any needed amendments to the NOFAs to expedite utilization of funds. Funds may be committed and expended via contracts and reservation agreements. Texas HTF programs may utilize various income determination methods noted in the general program descriptions in the Texas HTF plan or outlined in the Texas HTF Rule.

Using no more than $400,000 per biennium of the Texas HTF loan repayments not subject to the requirements of Tex. Gov't Code §2306.758(d) and interest earnings *that exceed the requirements under Rider 8 of the GAA* (see Rider 8 of the GAA under "Appropriation Details" on page 2), the Texas HTF may be used to respond to unanticipated, unique challenges that may arise while implementing approved Single Family program contracts, activities, or assets. For example, if a household has been displaced for the rehabilitation of their home, and the Department faces subsequent eligibility concerns with the contractor performing that rehabilitation, these funds could expedite the completion of the rehabilitation so that the household may return to a safe, completed home as soon as possible.

If a balance exists from the previous biennium, the Department shall transfer only the necessary amount to replenish this fund to a maximum balance of $250,000 at the start of the biennium. The Department anticipates that the need to use Texas HTF excess loan repayments and interest earnings for Single Family Program workouts will be infrequent and used as a last resort only, such as when it poses severe practical challenges, or it is impossible to use federal funds. These funds will be for internal disposition, and neither households nor program administrators will be able to apply for these funds.

In approving the Texas HTF plan, the Board authorizes the use of any funds from loan repayments, interest earnings, deobligations, and any other additional Texas HTF funds as allowed by statute in excess of those funds required under Rider 8, to be programmed into current Department activities or activities approved in the Texas HTF Plan. Prior to any programming, the Department shall withhold 10% of such funds for Department administrative costs.

Lastly, in approving the Texas HTF plan, the Board authorizes the use of late fees collected from Texas HTF borrowers for Single Family asset management activities. These funds will allow the Department to budget for the necessary transactions that arise in the course of Single Family asset management, such as paying off first lien holders on delinquent single family properties on which the Department is in second or lower lien position; paying off taxing authorities to avoid tax foreclosure; securing and preparing abandoned properties to return to the marketplace; related travel and administrative costs, etc. The Texas HTF will utilize these late fees for Single Family asset management activities only when the appropriate solution cannot reasonably be addressed with other funds.

Texas Bootstrap Loan Program: $6,600,960 from the 2026-2027 Appropriation

Program Description: The Bootstrap Program makes funds available to Administrators, which include eligible nonprofit organizations and Colonia Self-Help Centers, to purchase or refinance real property on which to build or improve residential housing through self-help construction with very low-income households (Owner-Builders). The Bootstrap Program may also enter into an agreement with a nonprofit organization for provision of capacity building services to expand and enhance the utilization of the Bootstrap Program. Tex. Gov't Code Section 2306.7581(d) requires the Department to utilize a minimum of $3,000,000 each fiscal year for the Bootstrap Program, of which not more than 10% may be utilized for capacity building activities and 10% may be utilized for TDHCA Administration of the Bootstrap Program. Administrators of the Bootstrap Program perform origination of mortgage loans to households with income not exceeding 80% of Area Median Family Income (AMFI) or the statewide income limits, whichever is greater. Funding is available until August 31, 2027, or until all funding has been reserved.

Maximum Loan Amount: Bootstrap loans shall not exceed $45,000 per household. Eligible entities must apply to access a reservation system that makes funds available on a first-come, first-served basis.

Eligibility Requirement: Administrators must be either Colonia Self-Help Centers or Nonprofit Organizations that have demonstrated capacity to operate an owner-builder loan program. Program beneficiaries must have a household income not exceeding 80% of the AMFI or the statewide income limits, whichever is greater; must have resided in Texas for the preceding six months; and must have successfully completed an Owner-Builder education class and HUD-approved housing counseling. Owner-Builders must agree to provide at least 65% of the labor necessary to build or rehabilitate the proposed housing. The Department will define household income limits in accordance with the U.S. Department of Housing and Urban Development HOME Investment Partnership Program Income Limits.

Administrative Fees[i]: The Department will pay an administrative fee equal to 10% of the loan amount to Administrators upon project completion.

Geographic Dispersion: Tex. Gov't Code §2306.753(d) requires two-thirds of the funds made available in the under a Notice of Funding Availability (NOFA) must be set aside for activities in census tracts with median incomes not exceeding 75% of the state median income per the most recent statistics available. The remaining one-third will be released for use statewide. Furthermore, the remaining one-third of the fund balance may not exceed the $3,000,000 ceiling cited in Tex. Gov't Code Section 2306.111(d-1)(3).

Other Considerations: If balances exist from previous Bootstrap Program funding cycles, those funds will be made available to Bootstrap Program activities. This use of funds achieves the statutory requirements for funding an owner-builder loan program and for targeting nonprofit organizations. This activity achieves significant leveraging of other public and private funding sources, promotes the Department's mission, and provides for repayment to the Texas HTF.

Amy Young Barrier Removal Program: $3,457,715 from the 2026-2027 Appropriation

Program Description: This AYBR Program provides one-time grants of up to $22,500 to Persons with Disabilities with household income not exceeding 80% of the AMFI or the statewide income limits, whichever is greater. The AYBR Program funds home modifications that increase accessibility for homeowners, tenants, and members of their households who have a disability, in addition to correcting hazardous and unsafe housing conditions, as approved by the Department. Funding is available until August 31, 2027, or until all funding has been reserved.

Maximum Grant Amount: One-time grants will not exceed $22,500 per household. Eligible entities must apply to access a reservation system that makes funds available on a first-come, first-served basis adjusted for the geographic dispersion process noted below. The maximum number of reservations per Administrator is further detailed in the Program NOFA.

Eligibility Requirements: Administrators may include Units of General Local Government, Councils of Governments, Nonprofit Organizations, Local Mental Health Authorities, and Public Housing Authorities. Administrators must demonstrate competence in accessibility standards and applicable building codes further detailed in the Texas HTF Rule. Program beneficiaries must have a household income not exceeding 80% of the AMFI or the statewide income limits, whichever is greater. The Department will define household income limits in accordance with the U.S. Department of Housing and Urban Development HOME Investment Partnership Program Income Limits.

Administrative Fees: The Department will pay an administrative fee equal to 10% of the hard and soft costs to Administrators upon project completion.

Geographic Dispersion: As specified in Tex. Gov't Code Section 2306.111(d-1), funds are not required to be allocated according to the RAF if the funds or credits are allocated by the department primarily to serve Persons with Disabilities. The Amy Young Barrier Removal (AYBR) Program serves only households in which at least one member is a Person with a Disability; however, to promote geographic dispersion of the competitive AYBR Program funds, the funds will be released geographically to maximize opportunity for regions with historically low involvement to participate.

Each year of the biennium, each state region will receive at least $100,000 (enough for four fully funded activities). The remaining funds shall be released as prescribed by the Texas HTF Rule. Over the course of the biennium, any additional funds beyond the original program allocations that derive from Texas HTF loan repayments, interest earnings, deobligations, and other Texas HTF funds in excess of those funds required under Rider 8 of the GAA may be programmed to the current NOFA or made available statewide, and not geographically dispersed.

[i] Administrative Fees for programs provided under the Texas HTF (Bootstrap and AYBR) are permitted to the extent that the Statewide Procurement Division allows a variance to the Uniform Assurances or Standard Financial Management Conditions.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1118 **Agenda Date:** 9/4/2025 **Agenda #:** 10.

TDHCA Quarterly Status Report on Temporary Allocations - September 2025

BACKGROUND

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TDHCA Quarterly Status Report on Temporary Allocations – September 2025

This report reflects one-time or temporary federally awarded allocations of funds, including those focused specifically on the Department's COVID-19 pandemic response. Programs previously funded, but now closed[1], are now reflected only in this front page grand total, but are no longer summarized in the following pages. Only programs that remain actively open or unclosed are reflected in the following pages. The totals on this page exclude funds that TDHCA already had in house that were then reprogrammed in the initial months of the pandemic.[2]

PERFORMANCE TO DATE ACROSS ALL OPEN AND CLOSED PROGRAMS

Cumulative Performance to Date Across All Programs Reported			
Total of All Funding	**Total Funds Obligated**	**Total Funds Spent**	**Total Served to Date[3]**
$4,634,602,451	**$4,447,263,743 (95.96%)**	**$4,312,596,518 (93.05%)**	**520,739 households 4,753,497 persons 1,142,204 meals[4] provided 394 units[5] committed**

1 *Closed programs reflected in these totals include LIHEAP (CARES, ARP and 2023 Continuing Resolution), LIHWAP, Housing Choice Voucher Administration and Additional MVP vouchers, ESG CARES, and CSBG CARES.*
2 These included ~$11M of HOME TBRA, ~$1.4M of CSBG Discretionary, and minimal amounts of HHSP; those activities assisted 2,612 households and 9,930 persons, not otherwise reflected in the totals above.
3 Based on reporting requirements, some programs report households and some report persons. Persons reported above do not comprise the members of the households reported, but are separate persons assisted.
4 Meals served through the HSS Program not otherwise reflected in either the count of households or persons served.
5 Units committed are from HOME-ARP and ERA Multifamily activities.

OPEN PROGRAMS

Program (Expend. Deadline)	Brief Overview	Program Status	Served to Date	Total Program Funds	Funds Obligated*	Funds Expended*
CDBG *(November 3, 2026)*	*Funded through the CARES Act via HUD. Funds were used for a variety of activities including rental assistance, mortgage payment assistance, assisting providers of persons with disabilities, and food expenses. Remaining activities are the Community Resiliency Program (CRP) and legal services for persons with disabilities.*	*Since last quarter, 2 contracts have closed out. The CRP now has 11 active contracts with small rural communities for activities such as community/senior/ health centers, and ambulances and 1 contract for Legal Services. Program is on target to expend all funds by the November 2026 deadline.*	3,533,842 Persons	$141,846,258	$141,846,258 100%	$121,238,509 85.47%
Texas Rent Relief *(September 30, 2025)*	*Funded through the Consolidated Appropriations Act for ERA1 and the American Rescue Plan for ERA2, via Treasury, provided up to 18 months of rental and utility assistance. Households facing eviction were prioritized for processing. Total of all ERA received across ERA1, ERA2, and reallocations was $2,687,062,464. A portion of ERA funds are for Housing Stability Services (row below). $6M of ERA2 funds are for affordable rental housing.*	*Program closed July 7, 2023 with final payments to approved households issued on October 6, 2023. TRR staff continues working on audit, reporting, and closeout. All ERA1 funds were expended by deadline.* *Figures are subject to some adjustments as staff continues to work on reconciliation and closeout.*	324,146 House-holds 63 Units	$2,466,516,459	$2,466,516,459 100%	$2,464,731,010 99.93%
Housing Stability Services (HSS) *(September 30, 2025)*	*Programmed from the ERA funds noted on the row above, a portion of funds were authorized for housing stabilization. Program provides funds to local communities or nonprofits with services to help households maintain or obtain stable housing including legal services, outreach services, shelter services, community services, veterans services, and services offered at permanent supportive housing properties.*	*Under ERA1 funds, 28 contracts were completed. Under ERA 2 funds, 47 contracts were awarded; currently 26 have closed and 21 remain open. Program is on target to expend all funds by the September 2025 deadline.*	1,142,204 Meals 135,680 Households	$220,546,004	$220,546,004 100%	$210,555,360 95.47%
HOME ARP *(September 30, 2030)*	*Funded through ARPA via HUD, funds are to be used to the benefit of homeless, at risk of homelessness, those fleeing domestic violence, and populations with housing instability. Funds have been programmed for development of rental housing and non-congregate shelter, and operating costs/capacity building for nonprofit organizations.*	*Awarded $53.1 M to 12 rental developments. Of those 10 have closed loans. Awarded $3.2M in nonprofit capacity building/operating (NCO). 2025 NCO NOFA open for $750K. Non-congregate shelter (NCS) Invitation to Apply released for approx. $64M.*	331 Units	$ 133,474,575	$68,722,714 51%	$43,687,605 33%

HAF *(September 30, 2026)*	*Funded through ARPA via Treasury, the bulk of funds helped households avoid displacement through payments for mortgage, utility, property taxes, insurance premiums and HOA fees. Approximately $16 million was also provided to local organizations to assist households in accessing HAF funds, to provide housing counseling services and to provide legal services; separate from the total households served with HAF, more than 9,100 households were served and 1,600 outreach events hosted.*	*Program closed to new applications October 10, 2023; final subrecipient contract was completed in June 2024.* *Final HAF Payments made as of April 15, 2025.* *HAF staff continues working on reconciliation, reporting, and closeout.*	58,536 households	$842,214,006	$842,214,006 100%	$840,302,409 99.77%
Emergency Housing Vouchers (EHV) ***(****obligate by September 30, 2030*)	*Funded through ARPA, via HUD, dedicates vouchers for emergency rental TDHCA was allocated 798 vouchers by HUD, with additional funds to provide services. Vouchers are for households who are: (1) homeless, (2) at risk of homelessness, (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or (4) recently homeless.*	*Assistance was provided in the Balance of State Continuum of Care (COC), Heart of Texas Homeless Coalition area, and Tarrant County Homeless Coalition area. These partners are in the final stages and all vouchers have been issued. 953 vouchers were issued; after vouchers declined, more than 808 households have been housed.*	808 households housed	$11,490,348	$21,138,329.21 183.97%	$21,108,122.21 183.70%
LIHEAP (IIJA) *(September 30, 2026)*	*Funded through the Infrastructure Investment and Jobs Act (IIJA), via USHHS, for home energy costs. Funds released in annual increments over 5 years. Estimated 5-Year total is $37.6 million. Funds are made available to each state as part of its annual LIHEAP allocation; the Department therefore handles these as part of our annual allocation.*	*For the first several annual allocations a statewide provider was utilized; their portal was closed September 2023. Remaining Funds are now directed through the regular LIHEAP network of providers. Because funds are received annually, expenditures will be reflected slowly over 5 years. To date, four annual allocations have been received.*	45,394 persons	$32,348,848	$32,348,848 100%	$24,808,575 76.69%
BIL WAP *(No deadline)*	Funded through the Bipartisan Infrastructure Law Weatherization Assistance Program of the IIJA, via Department of Energy, for home weatherization activities. While there is no deadline DOE has encouraged expenditure within 5 years.	*Allows for single family and multifamily weatherization of units through a network of existing providers. Efforts to also utilize a statewide vendor have been pursued, but as of yet are not successful. 50% of funds have been released to the state by DOE.*	1,395 units	$173,162,598	$48,485,527 28%	$19,208,270 11.09%

** Funds obligated and expended include funds used for administrative expenses. Funds expended are a percentage of total program funds.*

*** This grand total of TRR funds includes the Other Rental Assistance activities and excludes the HSS found on the following row.*

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1134 **Agenda Date:** 9/4/2025 **Agenda #:** 11.

Media Analysis and Outreach Report, July 2025

Report follows this page.

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TDHCA Outreach and Media Analysis, July 2025

A compilation of TDHCA media analysis designed to enhance the awareness of TDHCA programs and services among key stakeholder groups and the general public, and outreach activities, such as trainings and webinars. The following is an analysis of print, online and broadcast news, and social media reporting for the time period of July 1-31, 2025 (news articles that specifically mentioned TDHCA generally or along with Department programs).

Total number of articles referencing TDHCA: 51
Breakdown by Medium:[1]

- Print: 11 (Editorials/Columnists = 1)
- Broadcast: 17
- Trade, Government or Internet-Based Publications: 23

Figure 1 News Tone

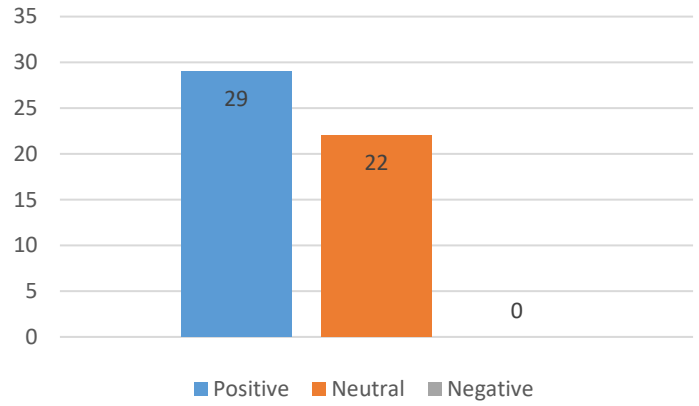
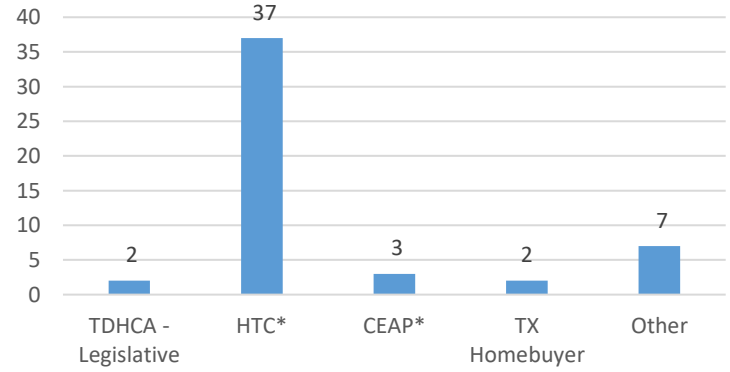
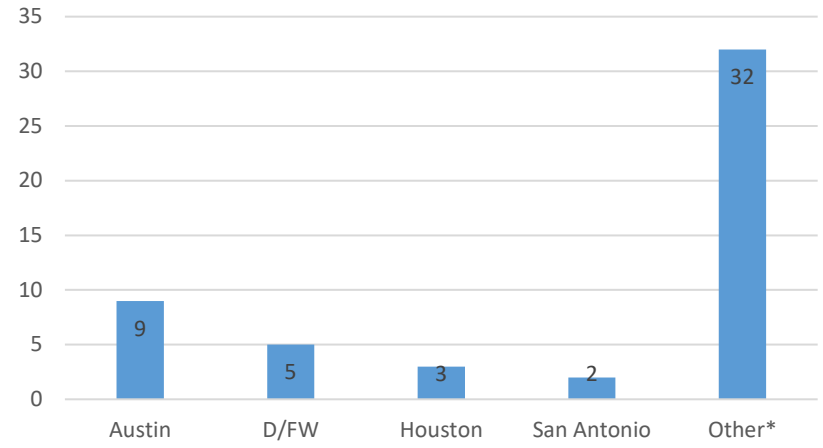


Figure 2 News Topic[2]



[1] *Broadcast numbers may represent times in which TDHCA was referenced on a television or radio station's website, rather than in a broadcast segment.* [2] *News Topics: Programs include Housing Tax Credit, Comprehensive Energy Assistance Program.*

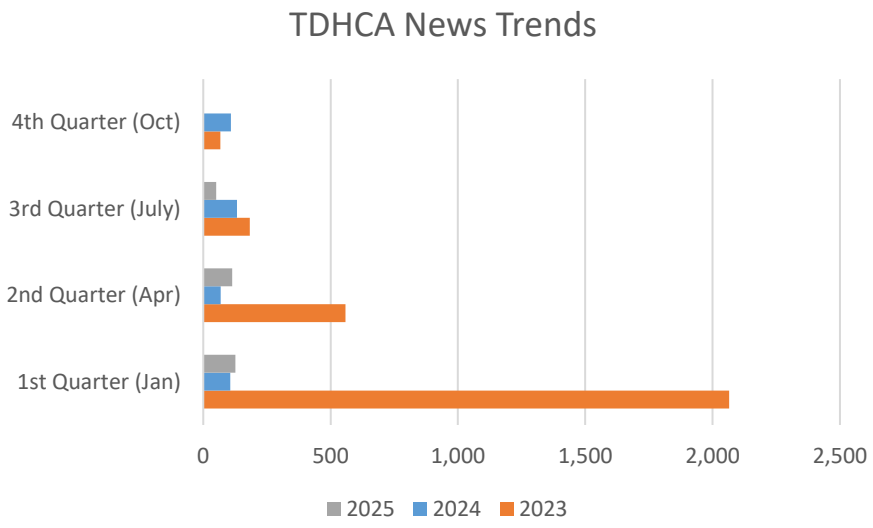
Figure 3 Media Market



Summary:
Reporting on TDHCA activities by the news media totaled 51 references in July 2025. The Governor Abbott press release issued for TDHCA's 2025 9% HTC award cycle dominated the news cycle.

News mentions during the month were lower than July 2024 (63 total). Please note, July flooding events around the state dominated the overall news cycle, and may be a factor in the lower TDHCA news mentions.

The following table illustrates the number of news mentions during each month or quarter of 2025 compared to 2024 and 2023. Through the first month of the third quarter of 2025 (July-September), total news mentions tracked higher (280 total) compared to the number of mentions during the same timeframe of 2024 (238 total), but lower than 2023 (2,715 total). Please note, some pandemic-related programs for which TDHCA had oversight were still operating and accepting applications in 2023; however, news mentions in 2025 are tracking higher than 2019 (pre-pandemic), which totaled 124 articles through the same timeframe.



Social media:
Through July 2025, TDHCA has 3,731 followers to its X account and 7,723 fans to its Facebook page. TDHCA's YouTube channel had 5,541 views in July. The following is a summary analysis of TDHCA's efforts to inform stakeholders and the public on federal and state resources, initiatives, and programs.

Month/Yr	Posts	Clicks	Engagements	Shared posts	Reactions
January 2025	48	0	57 (includes Comments)	4	50
February 2025	39	0	18 (includes Comments	3	12
March 2025	59	0	60 (includes Comments	1	53
April 2025	47	0	46 (includes Comments)	2	40
May 2025	45	0	12 (includes Comments)	1	8
June 2025	72	0	27 (includes Comments)	4	19
July 2025	99	17	54 (includes Comments)	5	44

* Clicks = number of times an individual clicked on a link provided in a post; however, FB only tracks clicks for posts that reach a minimum engagement level of 30. Engagements = any action a person takes on our post including shares, comments and reactions.

Month/Yr	Posts	Clicks	Engagements	Retweets	Liked posts
January 2025	45	0	10	2	6
February 2025	42	11	9	1	3
March 2025	57	0	7	2	5
April 2025	47	0	3	1	2
May 2025	45	0	2	0	2
June 2025	72	0	3	0	2
July 2025	100	29	9 (includes Replies)	1	6

* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post

Month	Views	Watch time (hours)	Avg. view duration	Avg. % viewed	Unique viewers
January 2025	6,118	521.9	5:07	17.6%	5,158
February 2025	4,979	471.4	5:40	15.8%	4,066

March 2025	5,471	405.6	4:26	15.1%	4,553
April 2025	5,867	563.5	5:45	18.1%	4,715
May 2025	4,886	487.3	5:59	21.2%	3,897
June 2025	6,345	496.2	4:41	20.4%	5,355
July 2025	5,541	539.5	5:50	21.0%	4,630

Understanding the YouTube Analytics

- **Views:** number of times your videos were viewed
- **Watch Time:** total number of hours your videos were watched by viewers
- **Average View Duration:** total watch time of your video divided by the total number of video plays, including replays. This metric measures your video's ability to engage viewers. The higher the view duration, the more engaging the videos.
- **Average Pct Viewed:** the percent of each video the average viewer watched. It measures your video's ability to hold viewers' attention for its entirety. YouTube generally rewards videos that can hold people's attention with higher search and recommendation rankings.
- **Unique viewers:** the estimated number of individuals who watch your videos over a certain period of time. It helps determine the size of our audience.

Top 25 videos for July 2025

Content / Duration / Publish date	Views	Watch time (hours)	Average view duration	Average percentage viewed	Unique viewers
Total	**5,541**	**539.5**	**5:50**	**21.0%**	**4,630**
3:24 Help For Texans	4,037 72.9%	105.2 19.5%	1:33	46.0%	3,738 80.7%
0:52 Texas Homebuyer Program introduction	288 5.2%	3.6 0.7%	0:45	87.2%	280 6.1%
5:43:58 Income Determination Training Webinar - Jan. 4, 2024	73 1.3%	95.0 17.6%	1:18:04	22.7%	29 0.6%
4:48:58 Income Determination Training	56 1.0%	14.2 2.6%	15:15	5.3%	40 0.9%
1:35:29 Housing Opportunity Through Modernization Act of 20...	44 0.8%	19.8 3.7%	26:58	28.2%	38 0.8%
1:47:05 Assets and the Changes from HOTMA	44 0.8%	12.1 2.2%	16:30	15.4%	32 0.7%
1:44:37 Reasonable Accommodations and the Fair Housing Ac...	36 0.7%	8.2 1.5%	13:43	13.1%	28 0.6%
1:38:54 Office Hours - NSPIRE	36 0.7%	12.7 2.4%	21:08	21.4%	31 0.7%
1:13:46 2025 Income Determination Training Lunch & Learn: Th...	31 0.6%	8.2 1.5%	15:56	21.6%	26 0.6%

Content	Duration	Publish date	Views		Watch time (hours)		Average view duration	Average percentage viewed	Unique viewers	
Let's Talk About Forms	1:32:18		30	0.5%	14.9	2.8%	29:53	32.4%	19	0.4%
Transfers and Household Additions Training	1:19:05		28	0.5%	9.8	1.8%	20:54	26.4%	24	0.5%
Fair Housing 101: The Basics of Fair Housing in Texas	1:45:18		28	0.5%	4.0	0.7%	8:30	8.1%	20	0.4%
Fair Housing 101: An Overview of Fair Housing in Texa...	1:42:33		28	0.5%	4.2	0.8%	9:03	8.8%	25	0.5%
Monitoring Reviews: Beginning to End	1:19:11		27	0.5%	11.0	2.0%	24:21	30.8%	17	0.4%
Supportive Services, LURA discussion webinar	1:31:25		26	0.5%	16.1	3.0%	37:04	40.6%	15	0.3%
Tax Exempt Bond Program (BOND) Training	2:46:29		26	0.5%	9.1	1.7%	20:56	12.6%	21	0.5%
2025 Income Determination Training Lunch & Learn: C...	1:26:00		25	0.5%	8.0	1.5%	19:07	22.3%	17	0.4%
Common Issues of Noncompliance Training	1:42:33		24	0.4%	9.3	1.7%	23:08	22.6%	20	0.4%
Frequently Asked Questions about Utility Allowances	1:04:27		22	0.4%	0.9	0.2%	2:20	3.6%	18	0.4%
2025 Income Determination Training "Lunch and Learn:...	1:14:55		22	0.4%	8.0	1.5%	21:51	29.2%	17	0.4%
IDT Lunch & Learn: Calculating Common Assets	1:28:59		21	0.4%	5.1	1.0%	14:36	16.4%	20	0.4%
Utility Allowance Training - July 6, 2023	1:39:07		20	0.4%	3.5	0.7%	10:28	10.6%	15	0.3%
811 PRA: Maintaining Compliance with Unit Vacancy a...	1:25:32		19	0.3%	14.2	2.6%	44:56	52.5%	8	0.2%
Adjusted Income Webinar - Jan. 12, 2024	1:25:24		16	0.3%	13.9	2.6%	52:18	61.2%	5	0.1%
IDT Lunch & Learn: Special Circumstances for Income	1:17:01		16	0.3%	4.5	0.8%	16:47	21.8%	14	0.3%

TDHCA Outreach July 2025

A compilation of outreach activities such as meetings, trainings and webinars.

Department	Meeting Date	Meeting Title	Attendees (includes organizer)
Compliance	July 2	Lunch and Learn Session 4: Income Special Circumstances	255
Legal	July 2	Fair Housing Summit/Violence Against Women Act 2022 Update	50
Compliance	July 9	Lunch and Learn Session 5: Calculating Common Assets	213
Community Affairs/CEAP/CSBG	July 10	Onsite Training Session/ STDC	15
Community Affairs/CEAP	July 14	Onsite Training Session/ Multiple Subs	20

Compliance	July 17	Lunch and Learn Session 6: Calculating Uncommon Assets	204
Community Affairs/CEAP	July 20	Virtual Training Session/ Multiple Subs	20
Compliance	July 21-23	Texas Affiliation of Affordable Housing Providers (TAAHP) Conference	**100+**
Community Affairs/CEAP/CSBG	July 21	Onsite Training Session/CFW	10
Community Affairs/CEAP/CSBG	July 22	Onsite Training Session/CFW	10
Housing Resource Center/Legal	July 22	Fair Housing Seminar at the TAAHP Conference	100+
Community Affairs/CEAP/CSBG	July 23	Onsite Training Session/CFW	10
Compliance	July 23	Lunch and Learn Session 7: Calculating Real Estate and Disposed of Assets	192
Community Affairs/WAP	July 30	Virtual Training Session/Multiple Subs	20+
Compliance	July 31	Lunch and Learn Session 8: Case Study on Calculations	177

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1137 **Agenda Date:** 9/4/2025 **Agenda #:** 12.

Executive Director's Report

ORAL PRESENTATION

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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1138 **Agenda Date:** 9/4/2025 **Agenda #:** 13.

Report on the Meeting of the Internal Audit and Finance Committee

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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1122 **Agenda Date:** 9/4/2025 **Agenda #:** 14.

Presentation, discussion and possible action on the appointment of Colonia Resident Advisory Committee members

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, pursuant to Tex. Gov't Code §2306.582, the Department is required to establish, operate, monitor and fund Colonia Self-Help Centers (CSHCs) in El Paso, Hidalgo, Starr, and Webb counties, and in Cameron County to serve Cameron and Willacy counties;

WHEREAS, in 2001 the Department opened two additional CSHCs in Maverick and Val Verde counties, as authorized by Tex. Gov't Code §2306.582, to address the needs of colonias in those counties;

WHEREAS, in 2021 the Department opened another CSHC in Nueces County as authorized by Tex. Gov't Code §2306.582 to address the needs of colonias in this county;

WHEREAS, pursuant to Tex. Gov't Code §2306.585 the Colonia Resident Advisory Committee (C-RAC) is required to advise the Department's Governing Board on the needs of colonia residents and activities to be undertaken through the CSHCs;

WHEREAS, pursuant to Tex. Gov't Code §2306.584 C-RAC members are required to be appointed by the Texas Department of Housing and Community Affairs Governing Board; and

WHEREAS, all C-RAC member terms expire on September 2, 2025;

NOW, therefore, it is hereby

RESOLVED, that 18 Texas colonia residents named herein are hereby appointed to the C-RAC to represent their respective county in the CSHC Program for four-year terms that expire on September 3, 2029.

BACKGROUND

The Department is required to establish CSHCs under Tex. Gov't Code §2306.582 to provide on-site technical assistance to improve the quality of life for colonia residents located in five counties (El Paso, Hidalgo, Starr, Webb, and Cameron/Willacy). Additionally, the Department is authorized to establish other CSHCs if it

determines it is necessary and appropriate. Since the creation of the program in 1995, three additional CSHCs have been established in Maverick, Val Verde, and Nueces counties.

Each county selects five of their colonias to receive concentrated technical assistance in housing rehabilitation, new construction, surveying and platting, construction skills training, tool library access, credit and debt counseling, employment and financial skills development, grant preparation, infrastructure construction, contract-for-deed conversions, and capital access for mortgages and other improvements.

The Department's Governing Board is required under Tex. Gov't Code §2306.584 to appoint at least five persons who are residents of colonias to serve on the C-RAC. These members must reside in a colonia in a county designated to have a CSHC, and may not be a board member, contractor, or employee of, or have any ownership interest in an entity that is awarded a contract under the CSHC Program. Each county recommends individuals to the Department for C-RAC membership with input from local nonprofit organizations.

The C-RAC evaluates the needs of colonia residents; reviews programs and activities that are proposed for or operated through the CSHCs; and advises the Department's Governing Board in order for the CSHC Program to better serve colonia residents. The C-RAC is required to meet 30 days before any CSHC contract is scheduled to be awarded or amended by the Department's Governing Board and may meet at other times as needed. The C-RAC is currently composed of two persons from each CSHC Program county. The C-RAC term of service is four years, and the term limits for all current C-RAC members end on September 2, 2025.

Each county has recommended two colonia residents to serve on the C-RAC starting September 4, 2025, through September 3, 2029. Each proposed C-RAC member has been reviewed for previous participation, and no issues were identified. Approval of the following recommendations will allow the Department to carry out the statutory requirements of the CSHC Program and C-RAC:

COLONIA RESIDENT ADVISORY COMMITTEE ROSTER

COUNTY	NAME	CITY	COLONIA
Cameron	Carmen Julia Martinez	Brownsville	Cameron Park
Cameron	Belinda Vasquez	Rio Hondo	Arroyo Colorado Estates
El Paso	Francisca Hernandez	El Paso	Dairyland
El Paso	Soledad Jimenez	El Paso	Agua Dulce
Hidalgo	Gloria Gale	Edinburg	Hoehn Drive
Hidalgo	Sabina Hernandez	Weslaco	Chapa #3
Maverick	Hilda Nohemi Chavez	Eagle Pass	Chula Vista
Maverick	Monica D. Avalos	Eagle Pass	Loma Linda
Nueces	Rene Vasquez	Robstown	Bluebonnet
Nueces	Orlando Trevino	Banquete	Banquete
Starr	Imelda Montalvo	Rio Grande City	La Puerta
Starr	Jose Garza	Rio Grande City	El Refugio
Val Verde	Enriqueta Zuniga Vela	Comstock	Comstock

Val Verde	Maria de Jesus Rodriguez	Del Rio	Cienegas Terrace
Webb	Bella Angelica Garcia	Laredo	Los Altos
Webb	Elvira Torres	Laredo	Los Altos
Willacy	Daniel Garcia	Lyford	Sebastian
Willacy	Rosamaria Cantu Rivera	Sebastian	Sebastian

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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1121 **Agenda Date:** 9/4/2025 **Agenda #:** 15.

Presentation, discussion, and possible action on a Colonia Self-Help Center Program Award to Cameron County in accordance with Tex. Gov't Code §2306.582 through Community Development Block Grant Funding

RECOMMENDED ACTION

WHEREAS, the Department is required to establish Colonia Self-Help Centers (CSHCs) in Cameron/Willacy, El Paso, Hidalgo, Starr, Nueces, and Webb counties;

WHEREAS, in 2001 the Department opened two additional CSHCs in Maverick and Val Verde counties as authorized by Tex. Gov't Code §2306.582 to address the needs of colonias in these counties;

WHEREAS, in accordance with Tex. Gov't Code §2306.585(b) the Department is required to meet with the Colonia Resident Advisory Committee (C-RAC) at least 30 days prior to the Board's consideration of a CSHC award;

WHEREAS, on August 1, 2025, the Department met with the C-RAC to discuss a funding proposal for Cameron County, and the C-RAC recommended to award funds to the county; and

WHEREAS, these awards will make Community Development Block Grant (CDBG) funding available to serve Cameron County colonias with the CSHC Program;

NOW, therefore, it is hereby

RESOLVED, Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to take any and all such actions as they or any of them may deem necessary or advisable to effectuate the award of CDBG funding under the CSHC Program to Cameron County in the amount of $800,000 from Program Year 2024 ($205,880.59), and Program Year 2025 ($594,119.41) subject to the executed HUD grant agreement for the 2025 allocation.

BACKGROUND

The Department is required to establish CSHCs under Tex. Gov't Code §2306.582 to provide on-site technical assistance to improve the quality of life for colonia residents located in five counties (El Paso, Hidalgo, Starr, Webb, and Cameron/Willacy). Additionally, the Department is authorized to establish

other CSHCs if it determines it is necessary and appropriate. Since the creation of the program in 1995, two additional CSHCs have been established in Maverick, and Val Verde counties. Effective September 1, 2021, HB 2893 required that a third additional CSHC be established in Nueces County.

The CSHC contracts have a term of four years per Tex. Gov't Code §2306.587, and a limit of $1,000,000 in accordance with 10 TAC §25.5. The CSHCs are funded through a 2.5% set-aside (approximately $1.5 million per year) of the annual Community Development Block Grant (CDBG) non-entitlement allocation to the State of Texas. The Texas Department of Agriculture (TDA) receives the allocation from the U.S. Department of Housing and Urban Development (HUD), and TDA and TDHCA together manage CDBG funds and implement the CSHC Program through a Memorandum of Understanding.

TDHCA's Colonia Resident Advisory Committee (C-RAC) reviews proposals from participating counties that include a Performance Statement and Budget for the activities to be implemented in their respective designated colonias. On August 1, 2025, the C-RAC convened for presentation of the Cameron County proposal. The C-RAC recommends to the Board that it award the proposal in full. Funds are proposed to be utilized as follows:

Public Service Activities:
Operation of one tool lending library where persons may check out tools for home construction or improvement, which will benefit at least 400 colonia residents, 300 of which have low to moderate income.

Operation of a technology center where persons may access computers and the internet, which will benefit at least 400 colonia residents, 300 of which must have low to moderate income.

Implementation of at least 10 solid waste removal activities, with an estimated collection goal of 20,000 lbs. of solid waste removed from the targeted colonias, and benefitting at least 3,955 households, 2,986 of which have low to moderate income.

Provision of at least five services related to correction and regularization of contracts for deed, clouded or otherwise impaired title, which will benefit at least 15 colonia residents, 11 of which are low to moderate income.

Housing Activities:
Reconstruction of at least six housing units and/or manufactured home replacements, which will benefit at least 12 colonia residents with low to moderate income.

On August 25, 2025, TDHCA's Previous Participation Review Approval Process (PPRAP) recommended approval of the new CSHC contract with Cameron County with no conditions. The Contract Term is anticipated to begin on a mutually agreed upon date, but not later than December 31, 2025.

In order to meet required commitment deadlines, staff recommends an award of $205,880.59 in funding from the 2024 allocation of funds, and an award of $594,119.41 from the 2025 allocation of funds. The award from the 2025 allocation of funds is conditioned on receipt of the federal fiscal year 2025 grant agreement from HUD.

EXHIBIT A

CAMERON COUNTY COLONIA SELF-HELP CENTER AWARD DESCRIPTION

Subrecipient: Cameron County
Contact: The Honorable Eddie Trevino, Jr., Cameron County Judge
Colonias: Valle Hermosa (M0310162)
Olmito (M0310111)
Arroyo Colorado Estates (M0310011)
Santa Maria (M0310135)
Sebastian (M2450014) in Willacy County

Cameron County proposes the following housing and community development activities to benefit an estimated 3,955 persons, of which 2,986 or 75% are of low- to moderate-income:

Performance Activity	**Quantity**	**Budget**
Public Service (10%)		**$80,000.00**
Tools Library	400 checkouts	
Technology Access	400 visits	
Solid Waste	10	
Title Related Service	5	
Reconstruction (Not Feasible for rehab)	6 homes	**$600,000.00**
Administration (15%)		**$120,000.00**
TOTAL		**$800,000.00**

File #: 1144 **Agenda Date:** 9/4/2025 **Agenda #:** 16.

Presentation, discussion, and possible action on Program Year 2025 Emergency Solutions Grants Program Awards

RECOMMENDED ACTION

WHEREAS, the Department received an allocation of $10,308,471 in Emergency Solutions Grants Program (ESG) funds for Fiscal Year 2025 from the U.S. Department of Housing and Urban Development (HUD) of which $9,844,590 was made available in accordance with 10 TAC Chapter 7, Subchapter C, Section 7.33, Apportionment of ESG Funds;

WHEREAS, the Board authorized release of the Notice of Funding Availability (NOFA) for the ESG Program totaling $9,844,590 on May 8, 2025;

WHEREAS, HUD regulations require the Department to award ESG funds within 60 days of HUD's execution of the grant agreement, anticipated to be received within the next 30 days;

WHEREAS, pursuant to 10 TAC §7.34, Continuing Awards, the Department evaluated 35 eligible Applications in accordance with established rules and criteria, and approved all 35 Applicants to receive Continuing Award offers totaling $6,805,427;

WHEREAS, the Department received 79 Applications from eligible Applicants under a Competitive Application cycle in response to the NOFA, with requests totaling $10,250,028;

WHEREAS, the Applications received under the NOFA have been reviewed and ranked in accordance with the requirements of 10 TAC §7.38(b); and

WHEREAS, the Previous Participation Review and Approval Process (PPRAP) has reviewed the compliance history of all Applicants, and recommends approval with conditions for Family Gateway, Houston Area Women's Center, and Project VIDA, and recommends approval with no conditions for all other Applicants;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director, his designees, and each of them be and they hereby are authorized, empowered, and directed, for and on behalf of the Department, to take any and all such actions as they or any of them may deem necessary or advisable to effectuate awards totaling $9,844,590 for ESG funding recommended under the ESG NOFA as detailed in Attachment B, as recommended by PPRAP.

BACKGROUND

The ESG Program is a HUD-funded program designed to assist people experiencing homelessness or at-risk of homelessness to regain stability in permanent housing quickly after experiencing a housing crisis and/or homelessness. The program components under ESG include street outreach, emergency shelter, rapid re-housing, homelessness prevention, Homeless Management Information System (HMIS), and administration. Rapid re-housing and homelessness prevention may be used for housing relocation and stabilization services and short-term and medium-term rental assistance.

On May 8, 2025, the Board approved the release of a NOFA notifying prospective Applicants of availability of PY2025 ESG funds; the NOFA closed on June 23, 2025. The NOFA resulted in 35 offers for a Continuing Award and 26 Award offers under the Competitive Application cycle. The distribution of the Regional allocation between the Continuing Awards and the Competitive Cycle is summarized in Attachment C.

Applicants were assigned a random number as a tiebreaker for use in case of a tied score, per 10 TAC §7.38(d). Applicants were ranked by score and then by tiebreaker number, with the high numbers ranking higher than lower numbers. Recommendation of a Continuing Award is not determined by a score, therefore these Applications will not note scores or a tie breaker number. The final scores were determined after a staff review, which when necessary and requested by staff allowed the opportunity for Applicants to provide clarification, correction, or non-material missing information. This information was requested to resolve inconsistencies in the original Application or to assist staff in evaluating the Application, per 10 TAC §7.37(b).

After completion of the scoring and ranking process, award recommendations were determined in accordance with the process outlined in 10 TAC §7.38 through two levels of funding. Level one of funding is for the highest ranked Applicants within each CoC region, until the funding is exhausted or until there is an offer of a partial award. Level two pools unused funds from level one of funding and offers the pooled funds to the highest ranked Applications statewide.

The Department received two appeals related to the 2025 ESG NOFA. Need A Break's Application had been terminated for late submission and missing required volumes; the Applicant appealed citing unintentional omission and good-faith efforts to comply. After review, staff confirmed the Application was incomplete and submitted after the deadline, the termination was upheld. Nortex Regional Planning Commission's Application had been terminated for submitting its 2024 CAPER report after the required deadline. The Applicant argued that the threshold rule had not been adopted at the time of the report. The Department determined that, although 10 TAC §7.36(a)(13) was the governing rule at the Application deadline, it will not be applied retroactively to the 2025 ESG NOFA Applicants. The appeal was granted, and the Application was reinstated.

The total amounts available by CoC region, and the total requests received are listed in Attachment A. The requirements set forth in 24 Code of Federal Regulations (CFR) §576.100(b)(1) mandates that no more than 60% of the state's ESG allocation be used for street outreach and emergency shelter. As a result, in some cases, higher scoring Applicants with emergency shelter or street outreach Applications were offered a partial award to ensure that the state would not exceed this cap. The Emergency Shelter and Street Outreach Cap per Region is

summarized in Attachment A.

All Applications recommended for award under the NOFA and through direct award have undergone previous participation review. On August 25, 2025, the Previous Participation Review Approval Process (PPRAP) recommended conditional approval for Family Gateway, Houston Area Women's Center, and Project VIDA. As a condition of award, each Applicant must submit a response to the Single Audit Management Letter for their respective fiscal year end by the specified deadline:

- Family Gateway - FYE December 31, 2022; response due September 18, 2025
- Houston Area Women's Center - FYE March 31, 2023; response due September 16, 2025
- Project VIDA - FYE August 31, 2024; response due September 6, 2025

Depending on the results of the response letter, the Department may require additional information be provided within 30 days. Awards are contingent upon satisfaction of these conditions, and failure to comply may result in reallocation of funds. PPRAP recommended approval with no conditions for all other Applicants. The results of the NOFA, including funding recommendations, are included for approval as Attachment B for the Regional competition and Attachment D for the Statewide Competition.

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Attachment A: Allocation Amount and Requests by CoC Region

CoC #	CoC Name	2025 Allocation Amount	ES/SO Cap	Total Requests	Amount Over/Under Subscribed
TX-500	San Antonio/ Bexar County	$833,343	$500,006	$908,343	-$75,000
TX-503	Austin/Travis County	$645,019	$387,011	$1,581,709	-$936,690
TX-600	Dallas City & County/Irving	$1,222,152	$733,291	$2,451,928	-$1,229,776
TX-601	Fort Worth/Arlington/Tarrant County	$654,986	$392,992	$815,130	-$160,144
TX-603	El Paso City & County	$296,594	$177,956	$266,935	$29,659
TX-604	Waco/McLennan County	$113,152	$67,891	$84,864	$28,288
TX-607	Texas Balance of State	$4,016,201	$2,409,721	$8,421,140	-$4,404,939
TX-611	Amarillo	$138,683	$83,210	$181,262	-$42,579
TX-624	Wichita Falls/Wise, Palo Pinto, Wichita, Archer Counties	$121,151	$72,691	$242,302	-$121,151
TX-625	Lubbock/Lubbock County	$167,711	$100,627	$92,060	$75,651
TX-700	Houston, Pasadena, Conroe/Harris, Ft. Bend, Montgomery Counties	$1,471,858	$883,115	$1,902,914	-$431,056
TX-701	Bryan/College Station/Brazos Valley	$163,740	$98,244	$163,740	$0
Total		**$9,844,590**	**$5,906,755**	**$17,112,327**	**-$7,267,737**

Attachment B: Continuing Awards and Regional Competition Award Recommendations

TX-500 San Antonio/ Bexar County **$0 of regional allocation transferred to Statewide Competition**

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2550001-CR	Beat AIDS Coalition Trust	Rapid Re-Housing				$ 188,431.00	$ 188,431.00
2550002-CE	Family Violence Prevention Services, Inc.	Emergency Shelter				$ 121,236.00	$ 121,236.00
2550002-CR	Family Violence Prevention Services, Inc.	Rapid Re-Housing				$ 162,323.00	$ 162,323.00
2550003-CE	Haven for Hope of Bexar County	Emergency Shelter				$ 73,241.00	$ 73,241.00
2550003-CS	Haven for Hope of Bexar County	Street Outreach				$ 79,776.00	$ 79,776.00
2550005-E	Thrive Youth Center	Emergency Shelter	67	59	49	$ 208,336.00	$ 208,336.00
2550004-R	Haven for Hope of Bexar County	Rapid Re-Housing	51	47	27	$ 75,000.00	$ -
					Total	**$ 908,343.00**	**$ 833,343.00**

$0 of regional allocation transferred to Statewide Competition in accordance with 10 TAC §7.38(g)

TX-503 Austin/Travis County

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2550301-CE	Youth and Family Alliance dba Lifeworks	Emergency Shelter				$ 148,960.00	$ 148,960.00
2550301-CR	Youth and Family Alliance dba Lifeworks	Rapid Re-Housing				$ 96,239.00	$ 96,239.00
2550305-H	The Other Ones Foundation	Homeless Prevention	57	57	78	$ 151,487.00	$ 151,487.00
2550305-E	The Other Ones Foundation	Emergency Shelter	53	53	53	$ 206,000.00	$ 206,000.00
2550306-H	The SAFE Alliance*	Homeless Prevention	54	52	14	$ 42,333.00	$ 42,333.00
2550306-R	The SAFE Alliance	Rapid Re-Housing	52	50	56	$ 159,050.00	$ -
2550307-S	Youth and Family Alliance dba Lifeworks	Street Outreach	49	49	65	$ 130,692.00	$ -
2550306-E	The SAFE Alliance	Emergency Shelter	51	49	36	$ 125,668.00	$ -
2550303-H	Center for Survivors of Torture	Homeless Prevention	46	46	29	$ 86,250.00	$ -
2550302-S	Austin Area Urban League	Street Outreach	38	38	74	$ 164,253.00	$ -
2550304-E	The Salvation Army, Inc. - Austin	Emergency Shelter	37	37	43	$ 270,777.00	$ -
					Total	**$ 1,581,709.00**	**$ 645,019.00**

** Applicant accepted a partial offer award under 10 TAC 7.38(f)(3).*

$0 of regional allocation transferred to Statewide Competition

TX-600 Dallas City & County/Irving

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2560001-CE	Bridge Steps dba The Bridge	Emergency Shelter				$ 393,355.00	$ 393,355.00
2560002-CE	City House, Inc.	Emergency Shelter				$ 49,931.00	$ 49,931.00
2560003-CE	Austin Street Center	Emergency Shelter				$ 187,897.00	$ 187,897.00
2560003-CR	Austin Street Center	Rapid Re-Housing				$ 90,732.00	$ 90,732.00
2560004-CH	Under 1 Roof	Homeless Prevention				$ 194,699.00	$ 194,699.00
2560009-E	The Salvation Army, Inc. - Carr P. Collins Service Center	Emergency Shelter	62	62	23	$ 102,108.00	$ 102,108.00
2560005-E	Family Gateway, Inc.*	Emergency Shelter	59	59	57	$ 100,000.00	$ -
2560007-R	Harmony Community Development Corporation	Rapid Re-Housing	61	54	76	$ 193,700.00	$ 193,700.00
2560007-H	Harmony Community Development Corporation	Homeless Prevention	61	54	60	$ 92,700.00	$ -
2560006-R	Bridge Steps dba The Bridge	Rapid Re-Housing	53	53	4	$ 102,108.00	$ -
2560012-R	Under 1 Roof	Rapid Re-Housing	53	51	47	$ 180,250.00	$ -
2560006-H	Bridge Steps dba The Bridge	Homeless Prevention	47	47	31	$ 202,302.00	$ -
2560011-E	The Family Place	Emergency Shelter	51	46	77	$ 102,108.00	$ -
2560010-H	Shared Housing Center	Homeless Prevention	36	36	40	$ 154,500.00	$ -
2560008-E	Need a Break, Inc.**	Emergency Shelter	0	0	42	$ 305,538.00	$ -
					Total	**$ 2,451,928.00**	**$ 1,212,422.00**

**Requested amount exceeded available funding under the Street Outreach/Emergency Shelter cap; application is recommended for award under Statewide Competition.*

***Application was terminated.*

$9,730 of regional allocation transferred to Statewide Competition

TX-601 Fort Worth/Arlington/Tarrant County

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2560101-CR	Center for Transforming Lives	Rapid Re-Housing				$ 73,186.00	$ 73,186.00
2560102-CE	SafeHaven of Tarrant County	Emergency Shelter				$ 37,449.00	$ 37,449.00
2560102-CR	SafeHaven of Tarrant County	Rapid Re-Housing				$ 55,150.00	$ 55,150.00
2560103-CE	The Salvation Army, Inc. - Arlington	Emergency Shelter				$ 103,407.00	$ 103,407.00
2560104-CE	The Salvation Army, Inc. - Mabee Center	Emergency Shelter				$ 110,313.00	$ 110,313.00
2560104-CH	The Salvation Army, Inc. - Mabee Center	Homeless Prevention				$ 30,677.00	$ 30,677.00
2560104-CR	The Salvation Army, Inc. - Mabee Center	Rapid Re-Housing				$ 48,812.00	$ 48,812.00
2560105-CS	Tarrant County Hands of Hope	Street Outreach				$ 32,246.00	$ 32,246.00
2560107-H	Center for Transforming Lives	Homeless Prevention	53	53	10	$ 151,390.00	$ 151,390.00
2560106-H	Center for Survivors of Torture	Homeless Prevention	46	46	70	$ 86,250.00	$ -
2560108-S	Transition Resource Action Center	Street Outreach	41	36	46	$ 86,250.00	$ -
					Total	**$ 815,130.00**	**$ 642,630.00**

$12,356 of regional allocation transferred to Statewide Competition

TX-603 El Paso City & County

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2560301-CE	El Paso Human Services, Inc.	Emergency Shelter				$ 133,467.00	$ 133,467.00
2560302-CH	Project Vida	Homeless Prevention				$ 40,432.00	$ 40,432.00
2560302-CR	Project Vida	Rapid Re-Housing				$ 48,547.00	$ 48,547.00
2560303-E	The Salvation Army, Inc. - El Paso*	Emergency Shelter	42	42	41	$ 44,489.00	$ 44,489.00
					Total	**$ 266,935.00**	**$ 266,935.00**

**Requested amount exceeded available funding under the Street Outreach/Emergency Shelter cap. Applicant accepted a partial award for all remaining funds under the cap.*

$29,659 of regional allocation transferred to Statewide Competition

TX-604 Waco/McLennan County

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
25604001-CE	The Salvation Army, Inc. - Waco	Emergency Shelter				$ 44,932.00	$ 44,932.00
25604001-CH	The Salvation Army, Inc. - Waco	Homeless Prevention				$ 19,785.00	$ 19,785.00
25604001-CR	The Salvation Army, Inc. - Waco	Rapid Re-Housing				$ 20,147.00	$ 20,147.00
		Total				**$ 84,864.00**	**$ 84,864.00**
$28,288 of regional allocation transferred to Statewide Competition							

TX-607 Texas Balance of State

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2560701-CE	Advocacy Outreach	Emergency Shelter				$ 25,889.00	$ 25,889.00
2560701-CH	Advocacy Outreach	Homeless Prevention				$ 73,308.00	$ 73,308.00
2560701-CR	Advocacy Outreach	Rapid Re-Housing				$ 73,308.00	$ 73,308.00
2560702-CE	Corpus Christi Hope House, Inc.	Emergency Shelter				$ 62,587.00	$ 62,587.00
2560703-CH	Crossroads Community Action	Homeless Prevention				$ 375,519.00	$ 375,519.00
2560704-CE	Denton County Friends of the Family, Inc.	Emergency Shelter				$ 202,418.00	$ 202,418.00
2560704-CR	Denton County Friends of the Family, Inc.	Rapid Re-Housing				$ 105,075.00	$ 105,075.00
2560705-CE	Families In Crisis, Inc.	Emergency Shelter				$ 167,606.00	$ 167,606.00
2560705-CH	Families In Crisis, Inc.	Homeless Prevention				$ 64,464.00	$ 64,464.00
2560705-CR	Families In Crisis, Inc.	Rapid Re-Housing				$ 64,465.00	$ 64,465.00
2460706-CE	Family Crisis Center, Inc.	Emergency Shelter				$ 118,105.00	$ 118,105.00
2460706-CR	Family Crisis Center, Inc.	Rapid Re-Housing				$ 89,879.00	$ 89,879.00
2560707-CE	Friendship of Women, Inc.	Emergency Shelter				$ 148,668.00	$ 148,668.00
2560708-CE	La Posada Providencia	Emergency Shelter				$ 198,476.00	$ 198,476.00

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2560709-CE	Mid-Coast Family Services, Inc.	Emergency Shelter				$ 126,563.00	$ 126,563.00
2560709-CH	Mid-Coast Family Services, Inc.	Homeless Prevention				$ 107,962.00	$ 107,962.00
2560709-CR	Mid-Coast Family Services, Inc.	Rapid Re-Housing				$ 179,934.00	$ 179,934.00
2560709-CS	Mid-Coast Family Services, Inc.	Street Outreach				$ 17,275.00	$ 17,275.00
2560710-CE	Randy Sams Outreach Shelter	Emergency Shelter				$ 150,426.00	$ 150,426.00
2460711-CE	The Salvation Army, Inc. - Coastal Bend	Emergency Shelter				$ 143,948.00	$ 143,948.00
2560711-CH	The Salvation Army, Inc. - Coastal Bend	Homeless Prevention				$ 62,650.00	$ 62,650.00
2560711-CR	The Salvation Army, Inc. - Coastal Bend	Rapid Re-Housing				$ 56,890.00	$ 56,890.00
2560711-CS	The Salvation Army, Inc. - Coastal Bend	Street Outreach				$ 21,217.00	$ 21,217.00
2560712-CE	The Salvation Army, Inc. - Temple	Emergency Shelter				$ 186,871.00	$ 186,871.00
2560712-CH	The Salvation Army, Inc. - Temple	Homeless Prevention				$ 75,523.00	$ 75,523.00
2560712-CR	The Salvation Army, Inc. - Temple	Rapid Re-Housing				$ 113,125.00	$ 113,125.00
2560721-R	Crossroads Community Action	Rapid Re-Housing	71	69	24	$ 200,000.00	$ 200,000.00
2560719-E	Comal County Family Violence Shelter dba Crisis Center of Comal County	Emergency Shelter	75	63	22	$ 359,500.00	$ 359,500.00
2560713-H	Christian Community Action	Homeless Prevention	64	62	61	$ 51,378.00	$ 51,378.00
2560713-R	Christian Community Action	Rapid Re-Housing	64	60	45	$ 52,112.00	$ 52,112.00
2560730-E	The Salvation Army, Inc. - Freeport	Emergency Shelter	59	59	73	$ 90,000.00	$ 90,000.00
2560724-E	NB Housing Partners	Emergency Shelter	60	58	72	$ 160,000.00	$ 160,000.00
2560738-H	Women's Center of East Texas, Inc.	Homeless Prevention	60	58	64	$ 47,250.00	$ 47,250.00

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2560738-R	Women's Center of East Texas, Inc.*	Rapid Re-Housing	60	58	51	$ 43,810.00	$ 43,810.00
2560717-H	Center for Survivors of Torture	Homeless Prevention	58	58	50	$ 86,250.00	$ -
2560715-H	Catholic Charities of the Rio Grande Valley, Inc.	Homeless Prevention	66	56	79	$ 155,267.00	$ -
2560732-H	The Salvation Army, Inc. - Odessa	Homeless Prevention	63	55	15	$ 115,000.00	$ -
2560719-R	Comal County Family Violence Shelter dba Crisis Center of Comal County	Rapid Re-Housing	69	53	75	$ 39,500.00	$ -
2560732-E	The Salvation Army, Inc. - Odessa	Emergency Shelter	63	53	44	$ 115,000.00	$ -
2560730-S	The Salvation Army, Inc. - Freeport	Street Outreach	53	53	21	$ 40,000.00	$ -
2560720-S	Concho Valley Community Action Agency	Street Outreach	57	52	63	$ 74,750.00	$ -
2560714-E	Abigail's Arms Cooke County Family Crisis Center	Emergency Shelter	50	50	37	$ 117,415.00	$ -
2560729-E	The Salvation Army, Inc. - Denton	Emergency Shelter	50	50	12	$ 150,000.00	$ -
2560723-E	Loaves & Fishes of the Rio Grande Valley, Inc.	Emergency Shelter	78	50	8	$ 161,000.00	$ -
2560720-E	Concho Valley Community Action Agency	Emergency Shelter	53	48	67	$ 74,750.00	$ -
2560723-H	Loaves & Fishes of the Rio Grande Valley, Inc.	Homeless Prevention	72	48	30	$ 103,500.00	$ -
2560723-R	Loaves & Fishes of the Rio Grande Valley, Inc.	Rapid Re-Housing	76	44	48	$ 40,250.00	$ -
2560728-H	St. Vincent's House	Homeless Prevention	44	44	28	$ 399,782.00	$ -
2560737-R	The Chosen Ones Outreach Ministries	Rapid Re-Housing	57	43	66	$ 95,000.00	$ -

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2560731-E	The Salvation Army, Inc. - Midland	Emergency Shelter	62	43	11	$ 115,000.00	$ -
2560725-R	Noah Project, Inc.	Rapid Re-Housing	43	43	1	$ 400,000.00	$ -
2560731-H	The Salvation Army, Inc. - Midland	Homeless Prevention	62	42	9	$ 115,000.00	$ -
2560727-H	Panhandle Community Services	Homeless Prevention	40	40	71	$ 151,500.00	$ -
2560737-H	The Chosen Ones Outreach Ministries	Homeless Prevention	57	40	33	$ 186,000.00	$ -
2560737-S	The Chosen Ones Outreach Ministries	Street Outreach	63	39	39	$ 112,000.00	$ -
2560733-E	The Salvation Army, Inc. - Paris	Emergency Shelter	39	39	7	$ 66,950.00	$ -
2560735-H	The Salvation Army, Inc. - Sherman	Homeless Prevention	53	35	52	$ 115,000.00	$ -
2560735-E	The Salvation Army, Inc. - Sherman	Emergency Shelter	53	33	58	$ 115,000.00	$ -
2560733-R	The Salvation Army, Inc. - Paris	Rapid Re-Housing	33	33	55	$ 18,025.00	$ -
2560734-E	The Salvation Army, Inc. - San Angelo	Emergency Shelter	53	33	54	$ 115,000.00	$ -
2560736-H	Southside Community Center	Homeless Prevention	33	33	32	$ 108,000.00	$ -
2560734-H	The Salvation Army, Inc. - San Angelo	Homeless Prevention	53	33	17	$ 115,000.00	$ -
2560722-E	Home Like Heaven	Emergency Shelter	25	25	38	$ 200,000.00	$ -
2560726-E	Our Daily Bread, Inc.	Emergency Shelter	23	23	6	$ 75,000.00	$ -
2560718-H	City of Texarkana	Homeless Prevention	23	23	3	$ 230,000.00	$ -
2560716-E	Abilene Hope Haven, Inc.**	Emergency Shelter	75	0	13	$ 400,000.00	$ -
					Total	**$ 8,421,140.00**	**$ 4,016,201.00**

** Applicant accepted a partial offer award.*

*** Application was terminated.*

$0 of regional allocation transferred to Statewide Competition

TX-611 Amarillo

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2561101-CR	City of Amarillo	Rapid Re-Housing				$ 50,023.00	$ 50,023.00
2561101-CS	City of Amarillo	Street Outreach				$ 53,989.00	$ 53,989.00
2561102-R	The Salvation Army, Inc. - Amarillo	Rapid Re-Housing	61	61	16	$ 20,600.00	$ 20,600.00
2561102-H	The Salvation Army, Inc. - Amarillo	Homeless Prevention	52	52	18	$ 20,600.00	$ -
2561102-E	The Salvation Army, Inc. - Amarillo	Emergency Shelter	51	51	35	$ 36,050.00	$ -
					Total	**$ 181,262.00**	**$ 124,612.00**
$14,071 of regional allocation transferred to Statewide Competition							

TX-624 Wichita Falls/Wise, Palo Pinto, Wichita, Archer Counties

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2562402-H	Nortex Regional Planning Commission	Homeless Prevention	40	40	25	$ 101,454.00	$ 101,454.00
2562402-R	Nortex Regional Planning Commission	Rapid Re-Housing	39	38	68	$ 19,697.00	$ 19,697.00
2562401-E	First Step of Wichita Falls, Inc.	Emergency Shelter	37	30	62	$ 121,151.00	$ -
					Total	**$ 242,302.00**	**$ 121,151.00**
$0 of regional allocation transferred to Statewide Competition							

TX-625 Lubbock/Lubbock County

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2562501-S	Lubbock Open Door	Street Outreach	45	37	69	$ 92,060.00	$ 92,060.00
					Total	**$ 92,060.00**	**$ 92,060.00**
$75,651 of regional allocation transferred to Statewide Competition							

TX-700 Houston, Pasadena, Conroe/Harris, Ft. Bend, Montgomery Counties

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2570001-CH	Alliance of Community Assistance Ministries, Inc.	Homeless Prevention				$ 160,793.00	$ 160,793.00
2570002-CE	Bay Area Turning Point	Emergency Shelter				$ 91,040.00	$ 91,040.00
2570002-CH	Bay Area Turning Point	Homeless Prevention				$ 36,027.00	$ 36,027.00
2570002-CS	Bay Area Turning Point	Rapid Re-Housing				$ 116,357.00	$ 116,357.00
2570003-CE	Covenant House Texas	Emergency Shelter				$ 130,391.00	$ 130,391.00
2570004-CS	HTX H.O.P.E. Haven	Street Outreach				$ 36,653.00	$ 36,653.00
2570005-CE	Sarah's House	Emergency Shelter				$ 293,598.00	$ 293,598.00
2570006-CE	The Salvation Army, Inc. - Houston	Emergency Shelter				$ 239,035.00	$ 239,035.00
2570011-H	West Houston Assistance Ministries, Inc.	Homeless Prevention	60	58	59	$ 250,000.00	$ 250,000.00
2570007-E	Houston Area Women's Center, Inc.*	Emergency Shelter	57	57	34	$ 149,270.00	$ -
2570010-H	Wesley Community Services, Inc.	Homeless Prevention	53	50	2	$ 172,500.00	$ -
2570009-E	The Bridge Over Troubled Waters, Inc.	Emergency Shelter	55	48	26	$ 150,000.00	$ -
2570008-R	The Salvation Army, Inc. - Conroe	Emergency Shelter	29	29	5	$ 77,250.00	$ -
					Total	**$ 1,902,914.00**	**$ 1,353,894.00**

**Applicant declined partial award offered, but is recommended for award in the statewide competition.*

$117,964 of regional allocation transferred to Statewide Competition

TX-701 Bryan/College Station/Brazos Valley

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2570101-R	Twin City Mission	Rapid Re-Housing	50	48	20	$ 98,304.00	$ 98,304.00
2570101-E	Twin City Mission	Emergency Shelter	47	45	19	$ 65,436.00	$ 65,436.00
					Total	**$ 163,740.00**	**$ 163,740.00**
$0 of regional allocation transferred to Statewide Competition							

Attachment C: 2025 ESG Regional Competition Summary

CoC #	CoC Name	2025 Allocation Amount	2025 Continuing Awards	2025 Competitive Awards	ES/SO Cap Remaining	Total Amount Remaining
TX-500	San Antonio/ Bexar County	$ 833,343	$ 625,007	$ 208,336	$ 17,417	$ -
TX-503	Austin/Travis County	$ 645,019	$ 245,199	$ 399,820	$ 32,051	$ -
TX-600	Dallas City & County/Irving	$ 1,222,152	$ 916,614	$ 295,808	$ -	$ 9,730
TX-601	Fort Worth/Arlington/Tarrant County	$ 654,986	$ 491,240	$ 151,390	$ 109,577	$ 12,356
TX-603	El Paso City & County	$ 296,594	$ 222,446	$ 44,489	$ -	$ 29,659
TX-604	Waco/McLennan County	$ 113,152	$ 84,864	$ -	$ 22,959	$ 28,288
TX-607	Texas Balance of State	$ 4,016,201	$ 3,012,151	$ 1,004,050	$ 230,172	$ -
TX-611	Amarillo	$ 138,683	$ 104,012	$ 20,600	$ 29,221	$ 14,071
TX-624	Wichita Falls/Wise, Palo Pinto, Wichita, Archer Counties	$ 121,151	$ -	$ 121,151	$ 72,691	$ -
TX-625	Lubbock/Lubbock County	$ 167,711	$ -	$ 92,060	$ 8,567	$ 75,651
TX-700	Houston, Pasadena, Conroe/Harris, Ft. Bend, Montgomery Counties	$ 1,471,858	$ 1,103,894	$ 250,000	$ 92,398	$ 117,964
TX-701	Bryan/College Station/Brazos Valley	$ 163,740	$ -	$ 163,740	$ 32,808	$ -
Total		**$ 9,844,590**	**$ 6,805,427**	**$ 2,751,444**	**$ 647,861**	**$ 287,719**

Attachment D: Statewide Competition Award Recommendation

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2560005-E	Family Gateway, Inc.	Emergency Shelter	59	59	57	$ 100,000.00	$ 100,000.00
2560717-H	Center for Survivors of Torture	Homeless Prevention	58	58	50	$ 86,250.00	$ 86,250.00
2570007-E	Houston Area Women's Center, Inc.*	Emergency Shelter	57	57	34	$ 101,469.00	$ 101,469.00
2560715-H	Catholic Charities of the Rio Grande Valley, Inc.	Homeless Prevention	66	56	79	$ 155,267.00	$ -
2560732-H	The Salvation Army, Inc. - Odessa	Homeless Prevention	63	55	15	$ 115,000.00	$ -
2560007-H	Harmony Community Development Corporation	Homeless Prevention	61	54	60	$ 92,700.00	$ -
2560719-R	Comal County Family Violence Shelter dba Crisis Center of Comal County	Rapid Re-Housing	69	53	75	$ 39,500.00	$ -
2560732-E	The Salvation Army, Inc. - Odessa	Emergency Shelter	63	53	44	$ 115,000.00	$ -
2560730-S	The Salvation Army, Inc. - Freeport	Street Outreach	53	53	21	$ 40,000.00	$ -
2560006-R	Bridge Steps dba The Bridge	Rapid Re-Housing	53	53	4	$ 102,108.00	$ -
2560720-S	Concho Valley Community Action Agency	Street Outreach	57	52	63	$ 74,750.00	$ -
2561102-H	The Salvation Army, Inc. - Amarillo	Homeless Prevention	52	52	18	$ 20,600.00	$ -
2560012-R	Under 1 Roof	Rapid Re-Housing	53	51	47	$ 180,250.00	$ -
2561102-E	The Salvation Army, Inc. - Amarillo	Emergency Shelter	51	51	35	$ 36,050.00	$ -
2550306-R	The Safe Alliance	Rapid Re-Housing	52	50	56	$ 159,050.00	$ -
2560714-E	Abigail's Arms County Family Crisis Center	Emergency Shelter	50	50	37	$ 117,415.00	$ -
2560729-E	The Salvation Army, Inc. - Denton	Emergency Shelter	50	50	12	$ 150,000.00	$ -
2560723-E	Loaves & Fishes of the Rio Grande Valley, Inc.	Emergency Shelter	78	50	8	$ 161,000.00	$ -
2570010-H	Wesley Community Services, Inc.	Homeless Prevention	53	50	2	$ 172,500.00	$ -
2550307-S	Youth and Family Alliance dba Lifeworks	Street Outreach	49	49	65	$ 130,692.00	$ -
2550306-E	The Safe Alliance	Emergency Shelter	51	49	36	$ 125,668.00	$ -

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2560720-E	Concho Valley Community Action Agency	Emergency Shelter	53	48	67	$ 74,750.00	$ -
2560723-H	Loaves & Fishes of the Rio Grande Valley, Inc.	Homeless Prevention	72	48	30	$ 103,500.00	$ -
2570009-E	The Bridge Over Troubled Waters, Inc.	Emergency Shelter	55	48	26	$ 150,000.00	$ -
2560006-H	Bridge Steps dba The Bridge	Homeless Prevention	47	47	31	$ 202,302.00	$ -
2550004-R	Haven for Hope of Bexar County	Rapid Re-Housing	51	47	27	$ 75,000.00	$ -
2560011-E	The Family Place	Emergency Shelter	51	46	77	$ 102,108.00	$ -
2560106-H	Center for Survivors of Torture	Homeless Prevention	46	46	70	$ 86,250.00	$ -
2550303-H	Center for Survivors of Torture	Homeless Prevention	46	46	29	$ 86,250.00	$ -
2560723-R	Loaves & Fishes of the Rio Grande Valley, Inc.	Rapid Re-Housing	76	44	48	$ 40,250.00	$ -
2560728-H	St. Vincent's House	Homeless Prevention	44	44	28	$ 399,782.00	$ -
2560737-R	The Chosen Ones Outreach Ministries	Rapid Re-Housing	57	43	66	$ 95,000.00	$ -
2560731-E	The Salvation Army, Inc. - Midland	Emergency Shelter	62	43	11	$ 115,000.00	$ -
2560725-R	Noah Project, Inc.	Rapid Re-Housing	43	43	1	$ 400,000.00	$ -
2560731-H	The Salvation Army, Inc. - Midland	Homeless Prevention	62	42	9	$ 115,000.00	$ -
2560727-H	Panhandle Community Services	Homeless Prevention	40	40	71	$ 151,500.00	$ -
2560737-H	The Chosen Ones Outreach Ministries	Homeless Prevention	57	40	33	$ 186,000.00	$ -
2560737-S	The Chosen Ones Outreach Ministries	Street Outreach	63	39	39	$ 112,000.00	$ -
2560733-E	The Salvation Army, Inc. - Paris	Emergency Shelter	39	39	7	$ 66,950.00	$ -
2550302-S	Austin Area Urban League	Street Outreach	38	38	74	$ 164,253.00	$ -
2562402-R	Nortex Regional Planning Commission	Rapid Re-Housing	39	38	68	$ 19,697.00	$ -
2550304-E	The Salvation Army, Inc. - Austin	Emergency Shelter	37	37	43	$ 270,777.00	$ -
2560108-S	Transition Resouce Action Center	Street Outreach	41	36	46	$ 86,250.00	$ -
2560010-H	Shared Housing Center	Homeless Prevention	36	36	40	$ 154,500.00	$ -
2560735-H	The Salvation Army, Inc. - Sherman	Homeless Prevention	53	35	52	$ 115,000.00	$ -
2560735-E	The Salvation Army, Inc. - Sherman	Emergency Shelter	53	33	58	$ 115,000.00	$ -
2560733-R	The Salvation Army, Inc. - Paris	Rapid Re-Housing	33	33	55	$ 18,025.00	$ -

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2560734-E	The Salvation Army, Inc. - San Angelo	Emergency Shelter	53	33	54	$ 115,000.00	$ -
2560736-H	Southside Community Center	Homeless Prevention	33	33	32	$ 108,000.00	$ -
2560734-H	The Salvation Army, Inc. - San Angelo	Homeless Prevention	53	33	17	$ 115,000.00	$ -
2562401-E	First Step of Wichita Falls, Inc.	Emergency Shelter	37	30	62	$ 121,151.00	$ -
2570008-R	The Salvation Army, Inc. - Conroe	Emergency Shelter	29	29	5	$ 77,250.00	$ -
2560722-E	Home Like Heaven	Emergency Shelter	25	25	38	$ 200,000.00	$ -
2560726-E	Our Daily Bread, Inc.	Emergency Shelter	23	23	6	$ 75,000.00	$ -
2560718-H	City of Texarkana	Homeless Prevention	23	23	3	$ 230,000.00	$ -
					Total	**$ 6,821,814.00**	**$ 287,719.00**

** Applicant accepted a partial offer award.*

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1140 **Agenda Date:** 9/4/2025 **Agenda #:** 17.

Report relating to the conclusion of the 2024 Non-competitive 4% Housing Tax Credit Program and an update on the 2025 Non-competitive 4% Housing Tax Credit Program.

BACKGROUND

The 4% Housing Tax Credit (HTC) applications are reviewed by program, underwriting, and compliance staff within an approximately 90-day period, and Determination Notices are issued once all reviews are complete and the underwriting report is posted to the Department's website. Applications are submitted at the beginning of each month and are then slated for a Determination Notice to be issued approximately 90 days later, which generally coincides with the Board meeting calendar, in order to provide internal and external expectations regarding the Determination Notice issuance date.

2024 Application Log Summary

The 2024 Private Activity Bond (PAB) program annual ceiling amount was $3.8 billion, and as of December 19, 2024, eligible requests totaled approximately $8.2 billion, with much of the requests coming from multifamily issuers. The 2024 4% HTC Application Log is included as Exhibit A and reflects those applications that were submitted to TDHCA from December 2023 through December 2024 in conjunction with the issuance of bond reservations from the Bond Review Board.

Currently, there are four applications that have been approved, and have had Determination Notices issued, but have yet to close. Those approved applications represent total issuances of more than $11 million in 4% Housing Tax Credits, and 1,045 total units. Additionally, the log reflects 53 applications that have closed on their respective bond allocations. Those projects that have closed represent 12,586 units and over $147 million in 4% Housing Tax Credits. Altogether, when considering what has closed, and been approved, the total number of units is 13,631, and the total recommended tax credit amount is approximately $158 million.

Also reflected on the log are 12 pre-applications that were submitted to TDHCA and added to the Department's waiting list for a bond reservation during the 2024 program year.

Finally, the log reflects those applications that were submitted to TDHCA, but subsequently withdrawn. This represents a total of 6,916 units. The reasoning behind these withdrawals were varied, but most involved feasibility and timing concerns.

The 2024 program year has concluded, and the figures represented herein are considered final.

2025 Application Log Summary

The 2025 PAB program has an annual ceiling amount of approximately $4 billion, and as of August 1, 2025, eligible requests total approximately $6.18 billion, with much of the requests coming from multifamily issuers. The 2025 4% HTC Application Log is included as Exhibit B and reflects those applications that were submitted to TDHCA from January 2025 through September 2025 in conjunction with the issuance of bond reservations from the Bond Review Board.

Currently, there are 30 applications under review for a total of 6,395 units, and approximately $78 million in requested 4% Housing Tax Credits. Additionally, reflected on the log are seven applications that have been approved, and have had Determination Notices issued, but have yet to close. Those approved applications represent total issuances of more than $12 million in 4% Housing Tax Credits, and 1,163 total units. Moreover, the log reflects 16 applications that have closed on their respective bond allocations. Those projects that have closed represent 3,449 units and over $34 million in 4% Housing Tax Credits. Altogether, when considering what has closed, been approved, and is currently active, the total number of units is 11,007. Considering the recent collapse of bond cap, staff expects several more 4% applications to be submitted to TDHCA in the coming months.

Finally, the log reflects those applications that were submitted to TDHCA, but subsequently withdrawn. This represents a total of 6,455 units. The reasoning behind these withdrawals were varied, but most involved feasibility and timing concerns.

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EXHIBIT A

4% (Non-Competitive) Housing Tax Credit Program
2024 Application Status Log

TDHCA #	Previous TDHCA #	Development Name	Development City	Construction Type	Determination Notice Issuance Date	Application Status	Total Units	Total Low-Income Units	PPR Category and Conditions	Requested HTC Amount	Recommend HTC Amount	Identity of Interest
24408		Belle Oaks	Belton	Acq/Rehab	6/24/2024	Closed	200	200	Category 1	$1,397,171	$ 1,397,171	Yes
24406	96001	Meadowbrook Plaza	Houston	Acq/Rehab	6/11/224	Closed	220	220	Previously Approved	$1,516,255	$ 1,516,255	Yes
24407	00007T	Village at Baytown	Baytown	Acq/Rehab	6/20/2024	Closed	210	210	Category 1	$2,139,053	$ 2,120,665	Yes
24409		The Meridian	Fort Worth	Acq/Rehab	7/16/2024	Closed	280	280	Previously Approved	$2,553,206	$ 2,553,206	Yes
24443		Wooded Lake	Mesquite	NC	6/24/2024	Closed	288	288	Category 1	$3,272,551	$ 3,272,551	No
24413		Travis Park	Austin	Acq/Rehab	7/19/2024	Closed	199	199	Previously Approved	$4,415,970	$ 4,055,517	Yes
24400		Centerpoint Commons	San Marcos	NC	7/2/2024	Closed	363	363	Previously Approved	$4,236,702	$ 4,236,702	No
24414	02414	Eagle's Landing	Austin	Acq/Rehab	7/9/2024	Closed	240	240	Previously Approved	$2,984,364	$ 2,984,364	Yes
24448		Cordova	Houston	NC	5/31/2024	Closed	283	283	Previously Approved	$2,898,554	$ 2,898,462	No
24442	23468	Palladium Carver Living	Mesquite	NC	6/20/2024	Closed	288	288	Category 2	$3,319,755	$ 3,319,755	No
24447		Sageland Flats/fka Brooks Family Apartments	San Antonio	NC	6/3/2024	Closed	338	338	Previously Approved	$3,665,934	$ 3,665,934	No
24417		Village at Collinwood	Austin	Acq/Rehab	7/23/2024	Closed	174	174	Category 2	$1,558,293	$ 1,558,923	Yes
24450		The Tidwell	Houston	NC	7/19/2024	Closed	99	99	Category 1	$1,029,000	$ 1,029,000	No
24444	23441	Legacy Senior Residences SA	San Antonio	NC	7/23/2024	Closed	180	180	Category 2	$2,358,467	$ 2,312,760	No
24439	03401	West Virginia Apts	Dallas	Acq/Rehab	6/26/2024	Closed	204	204	Category 2	$1,872,663	$ 1,872,663	Yes
24441		NHH Avenue C	Houston	NC	5/17/2024	Closed	120	120	Category 1	$1,734,273	$ 1,734,273	No
24424		Union Pines	San Antonio	Acq/Rehab	5/24/2024	Closed	152	152	Category 1	$1,448,343	$ 1,448,343	Yes
24410	02019	Yale Village	Houston	Acq/Rehab	5/15/2024	Closed	250	250	Category 1	$2,526,067	$ 2,497,506	No
24422	060189	River Point	San Angelo	Acq/Rehab	5/9/2024	Closed	204	204	Previously Approved	$1,560,573	$ 1,551,100	No
24436		Huntington Place Senior Living	Garland	NC	5/13/2024	Closed	204	204	Category 2	$2,102,482	$ 2,102,482	No
24403		Woodland Hills	Houston	NC	5/15/2024	Closed	366	366	Category 2	$3,711,314	$ 3,711,314	No
24431	02093	Union Park	San Antonio	Acq/Rehab	5/17/2024	Closed	100	100	Category 1	$844,631	$ 844,631	Yes
24412	23456	Palladium San Antonio	San Antonio	NC	5/14/2024	Closed	288	288	Category 1	$3,169,722	$ 3,169,722	No
24601	23618	Palladium E Lancaster	Fort Worth	NC	5/9/2024	Closed	243	243	Category 1	$2,947,381	$ 2,947,381	No
24600	23611	Palladium Old FM 471 W	San Antonio ETJ	NC	5/9/2024	Closed	321	321	Category 2	$3,511,258	$ 3,511,258	No
24602	23616	Gulfway Manor	Corpus Christi	Acq/Rehab	6/13/2024	Closed	151	151	Category 3*	$2,215,055	$ 2,215,055	Yes
24455		Cedar Ridge Terrace/fka Brooks Senior Apartments	San Antonio	NC	6/3/2024	Closed	239	239	Previously Approved	$2,448,466	$ 2,448,466	No
24456		Residences at Pearsall Park	San Antonio	NC	7/12/2024	Closed	238	238	Previously Approved	$2,501,937	$ 2,501,937	No
24460		Willow Creek Manor	Houston	NC	8/5/2024	Closed	264	264	Previously Approved	$3,450,194	$ 3,434,480	Yes
24415	03001	Heritage Point Senior	Austin	Acq/Rehab	9/10/2024	Closed	240	240	Category 2	$1,931,068	$ 1,931,068	Yes
24405		The Springs	San Marcos	NC	9/4/2024	Closed	304	304	Previously Approved	$3,357,834	$ 3,349,671	Yes
24470		Tower Road	Manor	NC	10/14/2024	Closed	324	324	Previously Approved	$4,629,063	$ 4,551,346	No
24451		Sage at Franklin Park	Austin	NC	10/25/2024	Closed	276	276	Previously Approved	$5,875,194	$ 5,649,718	No
24473		Hill View Heights	San Antonio	NC	9/18/2024	Closed	260	260	Previously Approved	$3,207,050	$ 3,173,614	No
24471		EMLI at Mesa Gardens	Houston	NC	9/12/2024	Closed	300	300	Category 1	$3,184,352	$ 3,184,352	Yes
24478		Creek Bend	San Antonio	NC	11/15/2024	Closed	312	312	Category 2	$4,972,498	$ 4,972,498	Yes
24438	95155	Waterford at Goldmark	Dallas	Acq/Rehab	10/28/2024	Closed	220	220	Category 2	$2,341,963	$ 2,341,659	Yes
24491		Bluestein Apartments	Austin	NC	11/18/2024	Closed	263	263	Previously Approved	$3,485,774	$ 3,485,689	No
24454		Burleson Studios	Austin	NC	8/29/2024	Closed	100	100	Previously Approved	$1,240,371	$ 1,240,071	No
24606	23613	Walnut Springs	Seguin	NC	11/12/2024	Closed	177	177	Category 2	$2,436,232	$ 2,436,232	No
24476		Oso Apartments	Converse	NC	10/14/2024	Closed	336	336	Category 2	$3,620,723	$ 3,620,723	No
24437		Wildwood Branch	Fort Worth	Acq/Rehab	10/28/2024	Closed	280	280	Category 2	$2,703,190	$ 2,703,190	Yes
24474		Maxwell Hwy 21 Apartments	Maxwell	NC	1/7/2025	Closed	312	312	Category 1	$5,680,448	$ 5,633,426	No
24497		The Commons at Acequia Trails	San Antonio	NC	1/6/2025	Closed	201	201	Previously Approved	$2,739,963	$ 2,737,335	No
24494		Cedar Bluff	Seguin	NC	12/4/2024	Closed	203	203	Previously Approved	$2,201,873	$ 2,192,550	Yes
24487		Paradise Gardens	Dallas	Acq/Rehab	1/29/2025	Closed	113	113	Category 2	$1,440,116	$ 1,436,665	Yes
24484	060412	Piedmont Apartments	Baytown	Acq/Rehab	1/7/2025	Closed	250	250	TBD	$1,494,368	$ 1,494,368	Yes
24485		Tenison Lofts	Dallas	NC	2/6/2025	Closed	164	164	Previously Approved	$2,007,097	$ 2,007,097	No
24468		The Culbreath	Dallas	NC	11/20/2024	Closed	364	327	Category 3	$3,670,251	$ 3,670,251	Yes
24472		Cairn Point at Montopolis	Austin	NC	1/9/2025	Closed	150	150	Category 1	$1,940,231	$ 1,940,231	No
24607	23608	The Ridge at Loop 12	Dallas	NC	1/16/2025	Closed	300	300	Category 2*	$4,343,053	$ 4,343,053	No
24496		Riverbreeze Apartments	San Antonio	NC	2/14/2025	Closed	264	264	Category 2	$3,156,997	$ 3,113,032	No
24411		Royal Crest	Dallas	Acq/Rehab	2/4/2025	Closed	167	167	Category 1	$2,712,096	$ 2,712,095	No
							12,586	**12,549**		**$147,761,439**	**$ 146,831,810**	
24462		Sun Valley	Wichita Falls	Acq/Rehab	7/29/2024	Approved	132	132	Category 2	$901,605	$ 901,544	No
24483		Crystal Bend	Pflugerville	NC	10/31/2024	Approved	390	387	Previously Approved	$3,617,656	$ 3,617,656	Yes
24475		Hughes House II	Fort Worth	NC	3/19/2025	Approved	302	216	Category 2	$3,513,017	$ 3,508,358	Yes
24703		Independence Heights II	Houston	NC	4/24/2025	Approved	221	212	Category 3	$3,420,496	$ 3,420,496	No
							1,045	**947**		**$11,452,774**	**$11,448,054**	

Total IOI: 24

		Units
Total Acq/Rehab:	20	3,986
Total NC:	37	9,645
	57	13,631

TOTAL	**13,631**	**13,496**	**$159,214,213**	**$ 158,279,864**

24603	04213	Morningstar Square	Texas City	Acq/Rehab		Pre-Application	136	136	TBD	$730,278	**$**	-
24604		The Legacy on Kiest	Dallas	NC		Pre-Application	180	180	TBD	$2,599,026	$	-
24609		600 Building	Corpus Christi	Adaptive Reuse		Pre-Application	151	151	TBD	$3,440,812	$	-
24620		The Heights at UNT Station	Dallas	NC		Pre-Application	240	240	TBD	$3,407,652	$	-
21608S	21608	Fiji Lofts	Dallas	NC		Pre-Application	204	204	TBD	$2,703,561	$	-
25601	24613	Waters at Waterchase	Dallas	Acq/Rehab		Pre-Application	134	134	TBD	$1,066,013	$	-
25600	24614	Waters at Arrowood	Houston	Acq/Rehab		Pre-Application	304	303	TBD	$2,162,645	$	-
24615		The Heights at Country Creek	Dallas	NC		Pre-Application	240	240	TBD	$3,386,035	$	-
24616		The Legacy on Belt Line	Dallas	NC		Pre-Application	180	180	TBD	$2,333,485	$	-
24617		The Gateway at Trinity Forest	Dallas	NC		Pre-Application	300	300	TBD	$4,171,137	$	-
25602	24618	Torrington Wilmer	Wilmer	NC		Pre-Application	300	300	TBD	$3,791,914	$	-
24619		Braniff Lofts	Dallas	Adaptive Reuse		Pre-Application	48	48	TBD	$1,205,827	$	-
							2,417	**2,416**		**30,998,385**		**-**

20613S	20613	y Riverside Senior Apartment H	Fort Worth	NC		Withdrawn	264	264		$4,037,186	$	-
24432		Legacy at Spring	Spring	NC		Withdrawn	200	200		$1,891,501	$	-
24428		Marshall Lofts	Marshall	NC		Withdrawn	156	156		$996,578	$	-
24425		Trinity East Village	Houston	NC		Withdrawn	72	72		$3,117,722	$	-
24411		Royal Crest	Dallas	Acq/Rehab		Withdrawn	167	167		$1,874,721	$	-
24420	)1, 03456, 2	The Life at Timber Ridge	Houston	Acq/Rehab		Withdrawn	316	316		$2,870,759	$	-
24419	01485	The Life at Clearwood	Houston	Acq/Rehab		Withdrawn	276	276		$2,738,632	$	-
24418	4405 ; 2340	The Life at Brighton Estates	Houston	Acq/Rehab		Withdrawn	248	248		$2,178,973	$	-
24433		Silver Village	Lubbock	Acq/Rehab		Withdrawn	100	100		$804,955	$	-
24434		Independence Village	Amarillo	Acq/Rehab		Withdrawn	150	150		$1,304,782	$	-
24423	23402	:gacy Senior Residences Midlar	Midland	NC		Withdrawn	201	201		$1,607,756	$	-
24426		Bay Terrace	Baytown	Acq/Rehab		Withdrawn	130	130		$940,292	$	-
24435	04412	Chisholm Trail	Houston	Acq/Rehab		Withdrawn	228	228		$2,125,586	$	-
24445	23458	Aureus at Whisper Hills	San Marcos	NC		Withdrawn	267	267		$3,098,851	$	-
24457		Solano Apartments	Webster	Acq/Rehab		Withdrawn	260	260		$2,156,640	$	-
24452		Liberty Hill Apartments	Liberty Hill	NC		Withdrawn	324	324		$4,484,984	$	-
24464		Manor Apartments	Austin	NC		Withdrawn	181	179		$2,728,849	$	-
24466	538613	Brittons Place	Houston	Acq/Rehab		Withdrawn	48	48		$422,916	$	-
24461	23406	Robinhood Terrace	Brownsville	NC		Withdrawn	236	236		$2,262,133	$	-
24467	95157	Pleasant Hill Village	Houston	Acq/Rehab		Withdrawn	165	165		$1,086,464	$	-
24465		Grocer Lofts	San Antonio	NC		Withdrawn	48	48		$664,127	$	-
24458		Sunset Ridge	Austin	NC		Withdrawn	222	222		$2,307,696	$	-
24477		The Landing at Pinewood Park	Lubbock	Acq/Rehab		Withdrawn	228	228		$1,171,954	$	-
24479		Shady Acres	Waco	NC		Withdrawn	186	186		$882,348	$	-
24495		Oak Hill Lofts	Austin	NC		Withdrawn	90	90		$1,199,614	$	-
24481		Enclave on Louetta	Spring	NC		Withdrawn	358	358		$3,448,726	$	-
24482		Melissa Apartments	Melissa	NC		Withdrawn	324	324	TBD	$5,743,098	$	- No
24488		Decker Lake Apts	Austin	NC		Withdrawn	274	274	TBD	$2,888,641	$	- No
24490		Columbia Renaissance Square I	Fort Worth	NC		Withdrawn	100	100	Category 1	$1,466,504	$	- Yes
24498		Mesa Hills	El Paso	NC		Withdrawn	64	64	TBD	$782,057	$	- Yes
24429		Escuela Nueva	Austin	NC	7/1/2024	Withdrawn	114	114	Category 1	$2,417,519	$	2,417,519 No
24492		Loyola Flats	Austin	NC	1/17/2025	Withdrawn	208	208	Category 2	$3,591,907	$	3,591,907 No
24493		Rundberg Flats	Austin	NC	1/30/2025	Withdrawn	199	199	Category 2	$3,227,876	$	3,227,876 No
24499		Belmont Apartments	Austin	NC	TBD	Withdrawn	348	348	TBD	$3,058,435	$	- No
24608		Airport Commerce Multifamily	Austin	NC	TBD	Withdrawn	164	164	TBD	$1,724,818	$	- No
							6,916	**6,914**				

***Conditions for 24607**

1. The Applicant, or the management company contracted by the Applicant, has prepared and updated its internal procedures to improve compliance outcomes and provided copies of such new or updated procedures to the Department.

2. Owner is required to designate a person or persons to receive Compliance correspondence and ensure that this person or persons will provide timely responses to the Department for and on behalf of the proposed Development and all other Development subject to TDHCA LURAs over which the Owner has the power to exercise Control.

***Conditions for 24602**

1. The Applicant or the management company contracted by the Applicant is required to prepare or update its internal procedures to improve compliance outcomes and to provide copies of such new or updated procedures to the Department upon request.
2. Owner agrees to establish an email distribution group in CMTS (or other Department required system), to be kept in place until no later than a **December 31, 2025**, and include agreed upon employee positions and/or designated Applicant members.
3. Owner is required to ensure that agreed upon persons attend and/or review the trainings listed in subparagraphs (A), (B) and (C) of this paragraph and provide TDHCA with certification of attendance or completion no later than a **September 1, 2024**.

(A) Housing Tax Credit Training sponsored by the Texas Apartment Association;

(B) Income Determination Training conducted by TDHCA staff;

(C) Review one or more of the TDHCA Compliance Training Presentation webinars:

- 2022 Monitoring Reviews Beginning to End Training
- 2023 CMTS Training and Frequently Asked Questions

EXHIBIT B

4% (Non-Competitive) Housing Tax Credit Program
2025 Application Status Log

TDHCA #	Previous TDHCA #	Development Name	Development City	Construction Type	Determination Notice Issuance Date	Application Status	Total Units	Total Low-Income Units	PPR Category and Conditions	Requested HTC Amount	Recommend HTC Amount	Identity of Interest
25429		Huntington Place Senior Little El	Little Elm	NC	4/22/2025	Closed	198	198	Category 2	$1,987,061	$ 1,987,061	No
25415		Seville Apartments	Beaumont	Acq/Rehab	6/3/2025	Closed	90	90	Category 2	$645,144	$ 645,144	No
25603		Legacy on Kiest	Dallas	NC	6/17/2025	Closed	180	180	Previously Approved	$2,509,813	$ 2,509,813	No
25410	07433	Regency Park	Houston	Acq/Rehab	4/25/2025	Closed	252	252	Category 1	$1,408,353	$ 1,408,353	Yes
25449	24481	Enclave on Louetta	Spring	NC	5/22/2025	Closed	358	358	Previously Approved	$3,651,702	$ 3,646,918	No
25409	060628	Lancaster Apartments	Katy	Acq/Rehab	4/25/2025	Closed	252	252	Category 1	$1,710,060	$ 1,710,060	Yes
25422		Covington Acres	Keene	NC	4/22/2025	Closed	252	252	Category 2	$2,926,539	$ 2,905,038	No
25405		HiLine Illinois	Dallas	NC	6/17/2025	Closed	200	200	Previously Approved	$2,784,011	$ 2,784,011	No
25427	24426	Bay Terrace	Baytown	NC	6/26/2025	Closed	130	130	Category 2	$1,300,304	$ 1,285,865	Yes
25413		Sunflower Terrace	Houston	Acq/Rehab	5/2/2025	Closed	160	160	Category 3	$1,996,896	$ 1,996,896	Yes
25404		Torrington Briarwood	Mesquite	NC	5/21/2025	Closed	313	313	Category 1	$4,371,047	$ 4,331,927	No
25442		Palladium Buckner Station	Dallas	NC	6/17/2025	Closed	304	244	Previously Approved	$3,390,779	$ 3,378,599	No
25447	24490	Columbia Renaissance Square	Fort Worth	NC	3/28/2025	Closed	100	100	Category 1	$1,465,750	$ 1,465,750	Yes
25412	07457	Wyndham Park	Baytown	Acq/Rehab	6/3/2025	Closed	184	184	Previously Approved	$986,417	$ 986,417	Yes
25411	01456	Sugar Creek	Houston	Acq/Rehab	4/25/2025	Closed	240	240	Category 1	$1,442,123	$ 1,442,123	Yes
25408	060425	Baypointe Apartments	Webster	Acq/Rehab	8/1/2025	Closed	236	236	Previously Approved	$2,229,072	$ 2,229,072	Yes
							3,449	**3,389**		**$34,805,071**	**$ 34,713,047**	
4702/25453		Payton Gin	Austin	NC	4/2/2025	Approved	176	176	Category 3	$2,909,484	$ 2,909,060	No
25403	CMTS 2514	Waters at Stone Creek	Lewisville	Acq/Rehab	5/12/2025	Approved	199	199	Category 3*	$2,213,923	$ 2,213,923	Yes
25439	95157	Pleasant Hill Village	Houston	Acq/Rehab	6/18/2025	Approved	165	165	Category 1	$1,176,012	$ 1,176,012	Yes
25448	060402	Hillcrest Manor	Lubbock	Acq/Rehab	6/30/2025	Approved	220	220	Category 2	$1,548,393	$ 1,548,393	No
25438	538613	Britton's Place	Houston	Acq/Rehab	6/25/2025	Approved	48	48	Category 1	$466,454	$ 466,454	Yes
25420		The Bloom at Lamar Square	Austin	NC	8/11/2025	Approved	58	58	Category 2	$903,744	$ 903,744	Yes
25426		Roselawn Village	Denton	NC	8/21/2025	Approved	297	297	Previously Approved	$3,561,139	$ 3,561,139	No
							1,163	**1,163**		**12,779,149**	**12,778,725**	
21608S	21608	Fiji Lofts	Dallas	NC	TBD	Active	204	204	TBD	$2,703,561	$ -	N/A
25451	24498	Mesa Hills I	El Paso	NC	TBD	Active	64	64	TBD	$782,057	$ -	Yes
25459		The Foundry	Taylor	NC	TBD	Active	321	321	TBD	$4,367,618	$ -	No
25443		Taylor RAD Family Apts	Taylor	NC	TBD	Active	46	46	TBD	$939,515	$ -	Yes
25600	24614	Waters at Arrowood	Houston	Acq/Rehab	TBD	Active	302	302	TBD	$2,105,730	$ -	Yes
25461		Coolwood Oaks	Houston	Acq/Rehab	TBD	Active	168	168	TBD	$1,690,387	$ -	No
25455		Orion Apartments	San Antonio	NC	TBD	Active	336	336	TBD	$4,650,430	$ -	Yes
25421		Sycamores at Pleasant Valley	Austin	NC	TBD	Active	75	75	TBD	$1,489,920	$ -	Yes
25601	24613	Waters at Waterchase	Dallas	NC	TBD	Active	130	130	TBD	$1,353,213	$ -	Yes
25606	24619	Braniff Lofts	Dallas	NC	TBD	Active	48	48	TBD	$1,280,966	$ -	No
25463	96003	Waterford at Spencer Oaks	Denton	Acq/Rehab	TBD	Active	208	207	TBD	$3,461,207	$ -	Yes
25468		Lofts at Creekview	San Antonio	NC	TBD	Active	301	301	TBD	$3,537,379	$ -	Yes
25462	97028	Tuscany at Goldmark	Dallas	Acq/Rehab	TBD	Active	184	183	TBD	$2,271,676	$ -	Yes
25456		Stones Crossing Apt Homes	San Antonio	NC	TBD	Active	336	336	TBD	$4,546,209	$ -	Yes
25465		Haverstock Hills East	Houston	Acq/Rehab	TBD	Active	268	268	TBD	$3,418,358	$ -	No
25466		Haverstock Hills West	Houston	Acq/Rehab	TBD	Active	432	432	TBD	$5,582,580	$ -	No
25467		Cameron HiLine	Austin	NC	TBD	Active	227	227	TBD	$3,315,696	$ -	No
25470	060424	Lafayette Village	Houston	Acq/Rehab	TBD	Active	250	250	TBD	$1,413,291	$ -	Yes
25423		Emberstone Apartments	San Antonio	Acq/Rehab	TBD	Active	247	247	TBD	$2,982,325	$ -	No
25469		Sacred Heart Villas	San Antonio	Acq/Rehab	TBD	Active	89	89	TBD	$1,035,566	$ -	No
24605		The Preserve at Dominium Parl	Houston	NC	TBD	Active	134	134	TBD	$2,183,742	$ -	No
25609	24617	The Gateway at Trinity Forest	Dallas	NC	TBD	Active	330	330	TBD	$4,437,476	$ -	No
25471	060617	Idlewilde Apartments	Houston	Acq/Rehab	TBD	Active	250	250	TBD	$1,399,297	$ -	Yes
25481		Odem Victoria Apartments	Victoria	NC	TBD	Active	300	300	TBD	$2,625,990	$ -	No
25480		Westmoreland Townhomes	Dallas	NC	TBD	Active	216	216	TBD	$3,065,774	$ -	No
25452		Timbers Edge	Beaumont	Acq/Rehab	TBD	Active	150	150	TBD	$1,378,223	$ -	Yes
25475		Humble Family Apartments	Humble	NC	TBD	Active	306	306	TBD	$5,638,702	$ -	No
25479		Tabor Village	Dallas	NC	TBD	Active	229	206	TBD	$2,598,977	$ -	No
25436		Jackson Apartments	McAllen	Acq/Rehab	TBD	Active	88	88	TBD	$776,722	$ -	
25435		Sienna Villas	Freeport	Acq/Rehab	TBD	Active	156	156	TBD	$1,183,699	$ -	
							6,395	**6,370**		**78,216,286**	**-**	

Total Acq/Rehab:	24	4,838	
Total NC:	29	6,169	**TOTAL**
	53	11,007	

11,007	**10,922**	**$125,800,506**	**$ 47,491,772**

Total IOI: **25**

25428	24434	Independence Village	Amarillo	Acq/Rehab		Withdrawn	150	150		$1,324,312	$ -	
25406	04475	Fairlake Cove	Houston	Acq/Rehab		Withdrawn	200	200		$1,686,761	$ -	
21614S	21614	Murdeaux Villas	Dallas	Acq/Rehab		Withdrawn	301	301		$3,745,444	$ -	
25431	93101	The Meadows	Garland	Acq/Rehab		Withdrawn	152	152		$1,527,490	$ -	
25401		Enclave at Cypress	Cypress	NC		Withdrawn	363	363		$3,570,057	$ -	
25407	03436	Northland Woods	Houston	Acq/Rehab		Withdrawn	280	280		$3,400,940	$ -	
25445		Enclave at Sherman	Sherman	NC		Withdrawn	360	360		$3,572,847	$ -	
25418		Parmer North Apartments	Pflugerville	NC		Withdrawn	288	288		$2,254,150	$ -	

25424		Branchview Apartments	Pflugerville	NC		Withdrawn	330	330		$2,358,288	$	-
25417		Reserve at Ella	Houston	NC	TBD	Withdrawn	344	344	TBD	$3,405,323	$	-
25450		Little Elm Family Apartments	Little Elm	NC	TBD	Withdrawn	288	288	TBD	$5,384,306	$	-
25460		Hays Street Apartments	Houston	NC	TBD	Withdrawn	110	110	TBD	$1,115,980	$	-
25433		Brady Village	Lancaster	Acq/Rehab	TBD	Withdrawn	60	60	TBD	$752,709	$	-
25434	9989	Seaport Village	Galveston	Acq/Rehab	TBD	Withdrawn	192	192	TBD	$1,267,031	$	-
25441	24445	Aureus at Whisper Hills	San Marcos	NC	TBD	Withdrawn	267	267	TBD	$2,915,592	$	-
25425		Bridge at Treeline	Austin	NC	TBD	Withdrawn	330	330	TBD	$2,443,032	$	-
25432		Village at Meadowbend	Temple	Acq/Rehab	TBD	Withdrawn	237	237	TBD	$2,052,801	$	-
25402		Enclave at Katy	Katy	NC	TBD	Withdrawn	360	360	TBD	$3,534,223	$	-
25458	24452	Liberty Hill Apts	Liberty Hill	NC	TBD	Withdrawn	324	324	TBD	$4,486,344	$	-
4499/25419		Belmont Apartments	Austin	NC	TBD	Withdrawn	348	348	TBD	$3,058,435	$	-
25437		Manor Apartments	Austin	NC	5/23/2025	Withdrawn	181	179	Previously Approved	$2,902,773	$	2,902,773
25604		Trinity Junction	Dallas	NC	TBD	Withdrawn	300	300	TBD	$4,371,486	$	-
25414		Enclave at Crosby	Crosby	NC	TBD	Withdrawn	366	366	TBD	$3,701,470	$	- No
25454		Palms Breeze Village	Brownsville	NC	TBD	Withdrawn	324	324	TBD	$3,014,886	$	- No
							6,455	**6,453**				

***Conditions for 25403**

(1) Applicant/Owner is required to ensure that each Person subject to previous participation review for the Combined Portfolio will correct all applicable issues of non-compliance identified by the previous participation review for associated development 13600/13600B (ID 4888) Waters at Willow Run on or before May 30, 2025, and provide the Department with evidence of such correction within 30 calendar days of that date. The condition deadline noted above may be extended based on any approved corrective action plan from the Enforcement Committee.

(2) Atlantic Housing Foundation is required to prepare or update its internal procedures to improve compliance outcomes and to provide copies of such new or updated procedures to the Department by June 30, 2025.

(3) Owner is required to designate a person or persons to receive Compliance correspondence and ensure that this person or persons will provide timely responses to the Department for and on behalf of the proposed Development and all other Development subject to TDHCA LURAs over which the Owner has the power to exercise Control. A list of the person, or persons positions, should be provided to the Department no later than June 30, 2025.

(4) Atlantic Housing Foundation agrees to replace the existing management company, consultant, or management personnel, with another of its choosing, for any of their properties identified with new Events of Noncompliance that are triggered due to non-responsiveness (no corrective action submitted during the designated corrective action period) on any Monitoring Event notified from July 1, 2025 through December 31, 2026.

(5) Owner agrees to establish an email distribution group in CMTS (or other Department required system), to be kept in place until no later than December 31, 2026, and include agreed upon employee positions and/or designated Applicant members. A list of the employee positions and/or designated Applicant members, with the email distribution group name, should be provided to the Department no later than June 30, 2025.

(6) Atlantic Housing Foundation is required to ensure that officers with the ability to exercise control (including Wilfredo Saqueton and Michael N. Nguyen), Property Management staff for Atlantic Housing Foundation, on site management staff and any other members with Compliance oversight attend and review the trainings listed in subparagraphs (A) and (B) of this paragraph and provide TDHCA with a certification of attendance or completion no later than October 31, 2025.

(A) Housing Tax Credit Training sponsored by the Texas Apartment Association;

(B) Review the following TDHCA Compliance Training Presentation webinars located at Website: https://www.tdhca.texas.gov/compliance-program-training-presentations

i. Compliance Monitoring Training:
- **2022 Monitoring Reviews Beginning to End Training**
- **2024 Forms Training**
- **2024 Supportive Services Training**
- **2024 Monitoring Review, Monitoring Report and Corrective Action Training**

ii. CMTS and Reporting Training:
- **2024 Online Reporting, Annuals Owners Compliance Reports, Quarterly Vacancy Report and Unit Status Report Training**
- **2024 Monitor Review Questionnaire Training**

iii. HOTMA:
- **2023 September HOTMA Training**
- **2023 October HOTMA Training**
- **2024 Assets and HOTMA Changes Training**
- **2024 October HOTMA and Associated New Regulatory Changes**

iv. Income Eligibility Training:
- **2024 Income Determination Training**

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1153 **Agenda Date:** 9/4/2025 **Agenda #:** 18.

Presentation, discussion, and possible action on approving new outside counsel contracts, and delegation of contract signature authority to the Executive Director

RECOMMENDED ACTION

WHEREAS, the Department has outside legal counsel contracts covering six legal services: Single Family and Multifamily Bond Counsel, Single Family and Multifamily Tax Counsel (previously part of Bond Counsel Agreement), Bond Disclosure Counsel, Multifamily Document Preparation Counsel, and Low-Income Housing Tax Credit Counsel;

WHEREAS, the contracts with outside counsel are made every two years, with the previous contracts ending on August 31, 2025, and new contracts can be formed only with the permission of and through the Office of the Texas Attorney General (OAG);

WHEREAS, Requests for Qualification for new contracts were published in July, responded to in August, were reviewed and scored by independent committee members in August, with the result being that the previous outside counsel for four of the six legal services received the highest scores, and LIHTC Counsel and Multifamily Doc Prep Counsel received no responses; and

WHEREAS, a complete "request to retain" has been filed with the OAG regarding the outside counsel for each of the six legal services and the OAG will presently issue the contracts for signature with an effective date of September 1, 2025.

NOW, therefore, it is hereby

RESOLVED, that the Board approves the award of outside counsel contracts as described herein, and delegates to the Executive Director the authority to sign the outside counsel contracts as approved by the OAG.

BACKGROUND

As a result of the Request for Qualification publication and response process performed recently, the following firms and legal services have been requested to be retained through the OAG:

Single Family and Multifamily Bond Counsel: Bracewell LLP.

Single Family and Multifamily Tax Counsel: Bracewell LLP.

Bond Disclosure Counsel: McCall, Parkhurst & Horton, LLP.

Single Family Document Preparation Counsel: Robertson Anschutz Vetters. LLC

Multifamily Document Preparation Counsel: No Responses to RFQ; however, Best Best & Krieger, LLP has confirmed they wish to continue to serve as MF Doc Prep Counsel.

Low Income Housing Tax Credit Counsel: No Responses to RFQ; however, Bracewell LLP has confirmed they wish to continue serving as LIHTC Counsel.

The scope of services in each of these areas remains largely unchanged when compared to the 2023 contract. The OAG sets the maximum hourly billable rate for attorneys, which has not changed for 2025. Accordingly, the “not to exceed” amounts of the forthcoming contracts are the same as the final, amended versions of the 2023 contracts, with the exception that Bond Counsel and Tax Counsel "not to exceed" amounts have been split, though still total the amount of the previous ‘combined’ agreement.

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File #: 1135 **Agenda Date:** 9/4/2025 **Agenda #:** 19.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for The Bryan (HTC #24168)

RECOMMENDED ACTION

WHEREAS, The Bryan (Development) received an award of 9% Housing Tax Credits (HTCs) in 2024 for the new construction of 113 multifamily units for the elderly population in Mission, Hidalgo County;

WHEREAS, Bryan Development LP (Applicant) requests approval for a 19.47% reduction in the number of units from 113 to 91 units, with a decrease of 13 one-bedroom units and elimination of the nine originally proposed two-bedroom units, resulting in all one-bedroom units;

WHEREAS, this change would result in a revision to the rent and income restrictions from 12 units at 30% Area Median Income (AMI), 23 units at 50% AMI, and 78 units at 60% AMI to 10 units at 30% AMI, 19 units at 50% AMI, and 62 units at 60% AMI;

WHEREAS, the elimination of the 22 units and slight changes to unit sizes would result in a 24.03%, or 18,971 square feet, reduction in the Net Rentable Area, from 78,962 square feet to 59,991 square feet

WHEREAS, at Application, the acreage of the Development site was 3.742 acres with an additional 0.2386-acre easement for site access, and this amendment proposes 3.16 acres with an additional 0.43-acre that will be nonexclusive access easements to the Development that will be shared with future development on the road frontage;

WHEREAS, these changes would result in a significant modification of the architectural design, a reduction of 4,046 square feet (11.16%) to the common area, a 10.72% decrease in the residential density, a reduction in the parking spaces, and modification of the building configuration;

WHEREAS, in addition to the above changes, Cesar Chavez Foundation is being added as a guarantor, and this entity is an affiliate of Rufino Contreras Affordable Housing Corp. Inc, the guarantor proposed in the Application;

WHEREAS, Board approval is required for a reduction to the number of units or bedroom mix of units, a reduction of 3% or more in the square footage of the units and common areas, a significant modification of the architectural design of the Development, and a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(2), (4), (5),

and (6) and in 10 TAC §10.405(a)(4)(B), (D), (E), and (F), and the Applicant has complied with the amendment requirements therein; and

WHEREAS, the requested reduction to the number of units will materially and negatively affect the Development;

NOW, therefore, it is hereby

RESOLVED, that the requested amendment for the reduction to the number of units for The Bryan is denied as presented at this meeting; and

FURTHER RESOLVED, the reduction to the acreage and the addition of an additional guarantor are approved as presented, subject to clearance of the previous participation review and financial feasibility, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

The Bryan was approved for a 9% HTC award in 2024 for the construction of 113 units, of which all are designated as low-income units, of multifamily housing for the elderly population in Mission, Hidalgo County. In a letter dated July 11, 2025, Bronte Bejarano, the representative of the Applicant, requested approval for a material amendment to the Application.

The Applicant requests approval for a reduction in the number of units from 113 to 91 units, which will decrease the one-bedroom units by 13 and eliminate all nine of the two-bedroom units, resulting in all one-bedroom units for the Development. This change would also result in a revision to the rent and income restrictions from 12 units at 30% Area Median Income (AMI), 23 units at 50% AMI and 78 units at 60% AMI to 10 units at 30% AMI, 19 units at 50% AMI, and 62 units at 60% AMI. As a result of the reduction to the number of units and a minor reduction to the unit square footages, there will be a reduction of 18,971 square feet (24.03%) in the Net Rentable Area, going from 78,962 square feet to 59,991 square feet. Additionally, the changes to the architectural design of the Development result in a 4,046 square feet (11.16%) decrease to the common area, from 36,260 square feet at Application to 32,214 square feet.

Additionally, at Application the Applicant proposed a Development site of 3.98 acres, which included a 3.74-acre site on which the building would be located and a 0.2386-acre access easement. The amended development plan proposes 3.16 acres on which the building will be located and access easements at the northeast and northwest corners of the site, being 0.15-acre and 0.28-acre respectively, for 0.43-acre total in easements and 3.59 acres of total Development site area. The change to the acreage and the reduction to the number of units result in a 10.72% decrease to the residential density from 28.39 units per acre to 25.35 units per acre. This will result in a reduction in site cost.

Additionally, the number of parking spaces is reduced from 116 to 95, or an 18.1% reduction.

The Applicant indicates this continues to meet the requirements of the City of Mission.

The Applicant indicated that this request is the result of increases in construction costs partially attributable to uncertainty concerning tariffs on key building materials, declining equity pricing, and rising interest rates, which have created a substantial budget gap. As a result of the construction cost increases, the developer requires a larger loan to close the funding gap. At the time of the original Application in 2024, a letter of intent was secured for financing at a 6.25% interest rate. That rate has since increased to 7.10% during the construction period and 6.88% during the permanent period, adding further pressure to the project's financial feasibility. Compounding the difficulties is a significant drop in equity pricing. The Applicant states credit pricing has been negatively affected by reduction to corporate tax rates and a saturation of energy credits in the market. At the time of the award in 2024, the HTC syndication rate was $0.90 per tax credit dollar, while the highest offer available now is $0.84, representing an 6.7% decrease in equity proceeds.

The Applicant stated it was not possible to regain feasibility and meet underwriting thresholds without reducing the number of units, and that the proposed changes will improve the financial viability of the Development. The Applicant indicated that removal of the two-bedroom units was the best way to reduce construction costs. They reported that they considered alternatives such as reducing the number of Development floors to two, or redesigning to a more simplified building floorplan, but determined that removal of the two-bedroom floor plans was the redesign option that resulted in maximized cost savings, minimized redesign costs, and maximized number of units.

The Applicant provided letters from the lender and syndicator indicating that the proposed changes will strengthen the feasibility of the Development. A letter of support from the City of Mission was also provided.

The Applicant pointed out that, although the 19.47% reduction in low-income units is a larger reduction than the Board has approved in the past, a 100% property tax exemption is not being requested for this Development, as has been requested for other Developments for which the Board has approved smaller percentages of low-income unit reductions.

In addition to the amendment for the design, the Applicant has notified the Department of intention to add Cesar Chavez Foundation as a guarantor. Rufino Contreras Affordable Housing Corporation, which is the Texas affiliate of Cesar Chavez Foundation, was included as a guarantor in the original Application.

Staff confirmed that the revised design plans and parking would continue to meet accessibility requirements. Staff reviewed the original Application and scoring documentation against this amendment request and has concluded that the requested changes would have resulted in the Development likely not having been selected for a Housing Tax Credits award in the competitive round.

Staff recommends approval of the change to the acreage and the additional guarantor, subject

to clearance of the previous participation review, so long as the Development can remain feasible, but staff recommends denial of the amendment to the Application for the 19.47% reduction to the number of affordable housing units from 113 to 91 units.

If the Board elects to approve the reduction to the number of units, the approval will be subject to underwriting by the Department to confirm the Development remains feasible with the proposed modifications.

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July 11th, 2025

Jonathan Chilson
Asset Management
TDHCA
P.O. BOX 13941
Austin, TX 78711-3941

Re: HTC 24168 The Bryan Material Amendment Request

Dear Mr. Chilson:

This letter concerns a material amendment request for HTC 24168 The Bryan to reduce the total number of units from 113 units to 91 units (with associated architectural changes) and to reduce the site acreage from 3.742 acres to 3.16 acres. This request is due to financing challenges that are out of the Applicant's control.

At the time of the 2024 application submittal, many of the disruptions caused by COVID-19 in the housing industry had begun to stabilize. However, since then, the developer has faced significant and compounding financial challenges, including new increases in construction costs, declining equity pricing, and rising interest rates, all of which have created a substantial budget gap.

One of the primary drivers of increased construction costs has been the uncertainty concerning tariffs on key building materials. Cost increases due to tariffs have had widespread impact across the construction industry. In response, the developer sought competitive bids from multiple contractors to mitigate costs, but even the most favorable estimates were still significantly higher than those available at the time of the original application.

As a result of the construction cost increases, the developer now requires a larger loan to close the funding gap. At the time of the original application, a letter of intent was secured for financing at a 6.25% interest rate. That rate has since increased to 7.10% during the construction period and 6.88% during the permanent period, adding further pressure to the project's financial feasibility. Compounding the situation is a significant drop in equity pricing. Tax credit pricing has been negatively affected by speculation of a proposed reduction to corporate tax rates by the new administration and a saturation of energy credits in the market. While equity was originally priced at $0.90 per tax credit dollar, the highest offer available now is $0.84, representing an 6.7% decline in equity proceeds.

These converging factors have resulted in unforeseen and unprecedented financial strain since the application was submitted. The Applicant has worked diligently to adjust to these conditions, explore all viable funding options, and preserve the financial viability of the project. The application is currently infeasible as submitted in the original application. In order to preserve tax base for the local municipality and avoid requesting a 100% property tax exemption for the development, a reduction of low income units is being requested in order to reduce costs.

At the time of application, 113 total units, all low income, were proposed. This amendment requests a reduction to 91 total units, all low income, which is a decrease of 19.5%. We understand that this decrease is more than the 10% that the TDHCA Board has approved in the past; however, the most recent amendment for a reduction in low income units approved for 24079 Park at Dogwood also included a request to add a local government entity to the ownership structure because a 100% tax exemption was *also required* to maintain financial feasibility. This request does not propose adding a local government entity for a 100% tax exemption and therefore needs a greater reduction in units in order to maintain feasible.

In the original application, 113 units were proposed with 104 1-bed/1-bath units and 9 2-bed/2-bath units. All 9 2-bed/2-bath units are being eliminated and 91 1-bed/1-bath units will remain. The NRA at application was 78,962 square feet, which is reduced to 59,991 SF in the amendment. The income and rent level percentages for 30%, 50%, and 60% units remains the same as at application. The overall architectural style and layout of the building is similar to that at application, but common area has decreased from 36,260 square feet to 32,214 square feet, which represents a decrease of 11.2%.

The total acreage and number of parking spaces have been reduced to correspond to the reduction in total units. At application, the acreage was 3.742 acres with an additional 0.2386-acre easement for site access. This amendment proposes 3.16 acres with an additional 0.43 acres that will be non-exclusive access easements to the development that will be shared with future development on the road frontage. This reduction in acreage reduces land costs as shown in the attached development cost schedule. Please see the current site control contract for the new acreage. Total parking is now 95 spaces which meets local requirements.

Please see the attached architectural plans and application forms regarding this unit reduction. Financing letters are provided by Citi Bank which has reviewed this project and will work towards closing upon approval of this amendment. Please also find the attached letter from Boston Financial that explains the need for this amendment and confirms that the development is infeasible without the reduction in units.

The developer has had numerous meetings with the City of Mission regarding this amendment and the proposed changes, and the City is still very supportive of the development. Please see the attached letter from Mr. Mike R. Perez, City Manager of the City of Mission, regarding leadership's support, as well as the attached letter from Mr. Xavier Cervantes, Director of Planning, regarding subdivision approval timing for the new site plan. The developer has been working with the City and will be able to obtain the necessary approvals and permits.

In addition to the above changes, Cesar Chavez Foundation, a California 501(c)3 non-profit, is being added as a guarantor. Rufino Contreras Affordable Housing Corp is the Texas Affiliate of Cesar Chavez Foundation. Please see attached for the update guarantor org chart, org and principals, Cesar Chavez previous participation and organizational documents.

Thank you for your attention and consideration of this amendment request. If this amendment is approved, the developer is prepared to close in December 2025 and begin construction shortly thereafter. The good cause for this amendment is to enable this project to move forward and provide much needed affordable units in Mission. This application is also requesting a Credit Return Resulting from Force Majeure Events that will be submitted under separate cover.

Please contact me at 512-689-9409 with any questions.

Sincerely,

Bronte Bejarano

Bronte Bejarano

Citi Community Capital

July 2, 2025

Ellen Moskalik
Acquisitions Manager
Cesar Chavez Foundation
5225 Jain Lane
Austin, TX 78721

Re: Citi Construction Loan
The Bryan
Mission, TX
91 units

Dear Ms. Moskalik:

Citi understands that Rufino Contreras Affordable Housing Corporation, the Texas subsidiary of the Cesar Chavez Foundation, made a previous submission to TDHCA for The Bryan that assumed 113 units. Based on subsequent cost estimates, those assumptions created significant financing gap for the project.

To address the gap, Rufino Contreras reduced to unit count by roughly 20%. Citi has reviewed an updated Proforma dated June 27, 2025 that reduced the project from 113 units to 91 units. Citi concurs with the revised Proforma and agrees with assumptions contained in the model, including the unit mix, sources & uses, operating expenses, and general underwriting parameters. As such, Citi's current underwriting is based off of the June 27, 2025, proforma model.

Based on these factors, Citi is comfortable issuing a Construction to Permanent Loan commitment to Rufino Contreras Affordable Housing Corporation for the financing of The Bryan.

We look forward to working with you to provide financing for your project.

Sincerely,

Hao Li
Director
Citi Community Capital

Boston Financial
Investment Management, LP
a Limited Partnership
8335 Sunset Boulevard, Ste 203
West Hollywood, CA 90069
T: 310.860.4550
www.bfim.com

June 30, 2025

Alfredo Izmajtovich
Executive Vice President, Housing
and Economic Development Fund
Cesar Chavez Foundation
555 N. Broadway, Unit B103
Los Angeles, CA 90012

Re: The Bryan
Mission, TX

Dear Alfredo,

The Bryan is facing significant financial challenges and the current high interest rate environment along with a material increase in construction costs is resulting in an infeasible project as presently structured. As discussed, reducing the size and scope of the development, including a 20% reduction in the unit count, will provide relief and help balance the transaction. Should you be successful in re-structuring the deal such that the sources and uses are in balance, resulting in an appropriately sized cash developer fee, we would be very interested in partnering with you.

For more than 50 years, Boston Financial has been a leader in the multi-family marketplace. We currently manage over $15B of equity and own more than 200,000 units in 2,000 properties nationwide. Boston Financial is one of the largest owners of affordable apartment properties in the United States. We continually evaluate our developer partners and the Rufino Contreras Affordable Housing Corp., the Texas subsidiary of the Cesar Chavez Foundation is consistently ranked among our highest nationwide.

If you have questions or need additional information, please contact me at 310-860-4550.

Sincerely,

Roy Faerber
Senior Vice President

CITY OF MISSION

Norie Gonzalez Garza, Mayor
Ruben Plata, Mayor Pro-Tem
Jessica Ortega, Councilwoman
Marissa Ortega Gerlach, Councilwoman
Alberto Vela, Councilman
Mike R. Perez, City Manager

May 14, 2025

Bobby Wilkinson
Executive Director
TDHCA
221 East 11th Street
Austin, TX 78701

RE: TDHCA Application #24168 The Bryan

Dear Mr. Wilkinson,

I am writing this letter in support of the amendment request for #24168 The Bryan. There is a great need for affordable housing in the City of Mission. When representatives of the Rufino Contreras Affordable Housing Corporation, the Texas subsidiary of the Cesar Chavez Foundation, met with us last year about this project, we were very supportive because our city had not had any new construction housing tax credit developments in years. From 2019 through 2023, the City of Mission had received only two Housing Tax Credit awards and they were for existing affordable housing: one was the rehabilitation of 99 existing single-family homes already covered by a HAP contract and the other was the reconstruction of public housing. We were excited when The Bryan received an award of Housing Tax Credits last July because it would be the first brand new affordable units added to our city since 2017.

We have had several discussions with the developer since that award and understand the financial challenges concerning the development given the current economy. They have come to us with a proposal to reduce the number of units along with other changes that would enable the development to move forward. I want to emphasize that we are still very supportive of The Bryan and urge you to approve this amendment request. Our City is also searching for ways that it can provide financial support to this project in the event that it needs additional funds.

Please approve The Bryan's amendment request so that we can all work together to bring affordable housing to Mission.

Sincerely,

Mike R. Perez
City Manager

BUILDING TYPE I

UNIT TYPE	DESCRIPTION	# OF UNITS	UNIT SQ. FT.
UNIT TYPE 'A1'	1 BD 1 BA	85	657
UNIT TYPE 'A2'	1 BD 1 BA	6	691
TOTAL	-	91	-

DESCRIPTION	SQ. FT.
CIRCULATION (LOBBY/CORRIDORS/STAIRS/ ELEVATORS)	18,435
RENTABLE SPACE	59,991
COMMUNITY AREAS (COMMUNITY ROOMS, LAUNDRY ROOMS, MAIL ROOM, LEASING OFFICE, TRASH ROOM)	7,670
BUILDING MAINTENANCE (MECHANICAL ROOMS, BOILER ROOM, STORAGE, JANITOR CLOSET)	3,465
TOTAL BUILDING TYPE I (3-STORIES)	89,561
SITE AREA	3.16 ACRE (137649 SQ. FT.)
ACCESS EASEMENTS	0.43 ACRE (18730 SQ. FT.)
COURTYARD AREA	6109

PARKING MATRIX 1/1 RATIO

DESCRIPTION	SQ. FT.
STANDARD OPEN PARKING (NON-ADA)	83
ACCESSIBLE OPEN PARKING (STANDARD - ADA)	6
ACCESSIBLE OPEN PARKING (VAN - ADA)	2
CARPORTS AND GARAGES	0
GUEST - EMPLOYEE	4 (1 ACCSS. PKG)
TOTAL PARKING	95

CITY OF MISSION PARKING REQUIREMENTS

DIVISION 4. - OFF-STREET PARKING | Code of Ordinances | Mission, TX | Municode Library

Sec. 110-463. - Minimum requirements.

(7) Sanitorium, convalescent homes, home for the aged, or other similar uses: One space for each two beds.

SITE ACCESSIBILITY

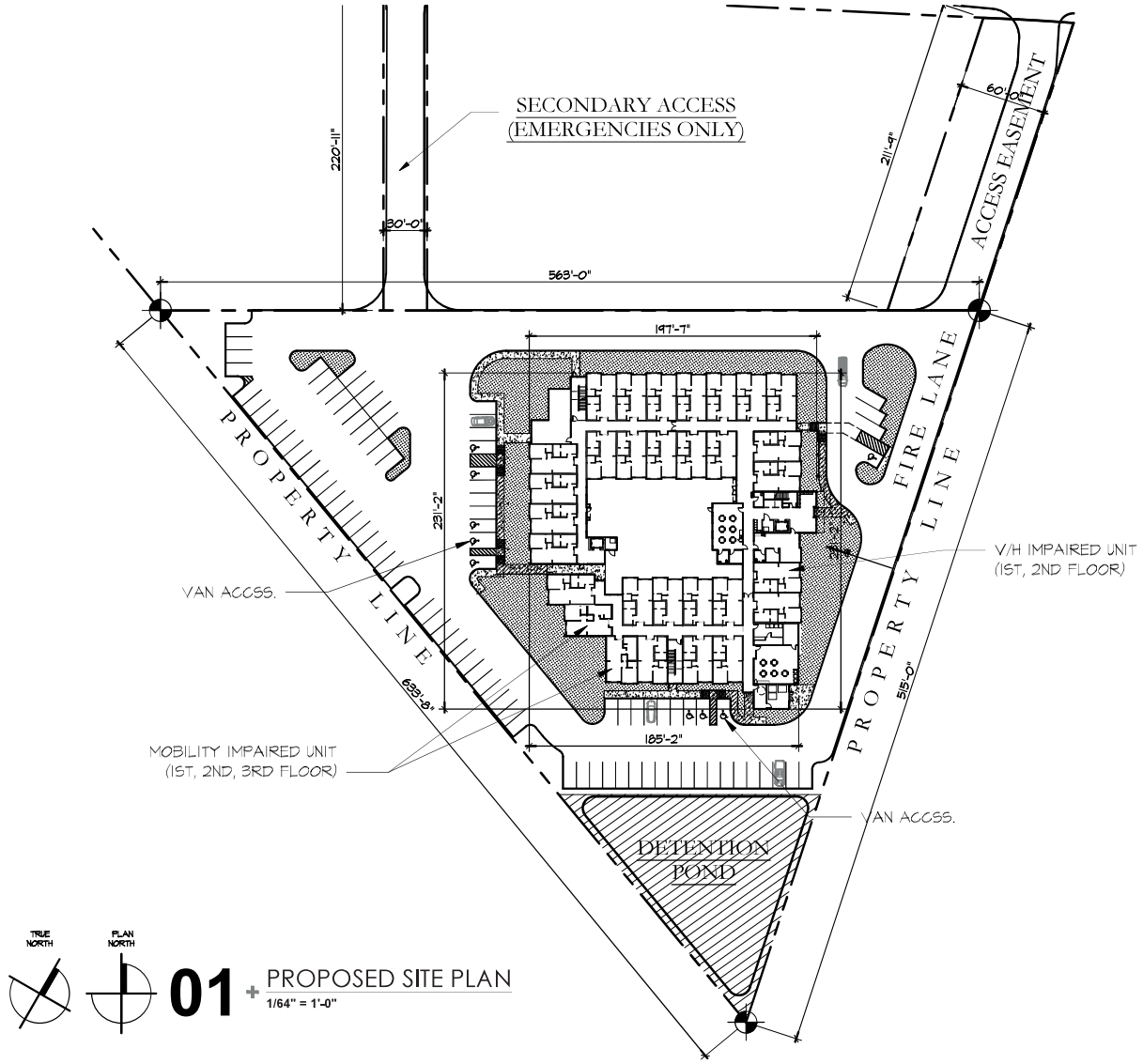
ACCESSIBLE ROUTES ON SITE WILL BE DESIGNED IN COMPLIANCE TO FAIR HOURING DESIGN MANUAL.

FLOOD ZONE

THIS PROPERTY IS NOT LOCATED IN THE FLOOD ZONE.

ROOF CONSTRUTION

WHITE T.P.O. ROOF MEMBRANE OVER PREMANUFACTURED WOOD TRUSS.



TRUE NORTH PLAN NORTH

01 PROPOSED SITE PLAN
1/64" = 1'-0"

DAVIS + TOBIAS
ARCHITECTURE · PLANNING

3.16 ACRES
The Bryan Apartments
1100 E BUS HWY 83
MISSION, TX 78572

SHEET NUMBER:
A1.1
DATE OF PLOT: 20 June 2025

SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

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

Specifications and Amenities (check all that apply)

Building Configuration (Check all that apply):		Single Family Construction		SRO		Transitional (per §42(i)(3)(B))		Duplex
		Scattered Site		Fourplex	x	> 4 Units Per Building		Townhome
Development will have:		Fire Sprinklers	x	Elevators	2	# of Elevators	3500	Wt. Capacity

	Free	Paid		Free	Paid	
Number of Parking Spaces(consistent with Architectural Drawings):			Shed or Flat Roof Carport Spaces			Detached Garage Spaces
			Attached Garage Spaces	95		Uncovered Spaces
			Structured Parking Garage Spaces			

Floor Composition/Wall Height:	99	% Carpet/Vinyl/Resilient Flooring	9' Ceiling Height
	1	% Ceramic Tile	Upper Floor(s) Ceiling Height (Townhome Only)
		% Other *Describe:*	

You are not required to distinguish the HC or AV Units from other Units that are the same size/floor plan.

Unit Type													Total # of Residential Buildings	
Building Label				1										
Number of Stories				3										
Number of Buildings				1									1	
Unit Label	**# of Bed-**	**# of Baths**	**Sq. Ft. Per Unit**	**Number of Units Per Building**									**Total # of Units**	**Total Sq. Ft for Unit Type**
A1	1	1	657	85									85	55,845
A2	1	1	691	6									6	4,146
													-	-
													-	-
													-	-

Updated Organizational Chart
Guarantor

Rufino Contreras Affordable Housing Corp., Inc
a Texas 501(c) 3 non-profit and a Texas Affiliate of Cesar Chavez Foundation

TIN: [redacted]

Board

Paul F. Chavez, President/Member*
Juanita Valdez-Cox, Treasurer
Maria Gonzalez, Member
Maria de Los Angeles Rivera, Member
Paul S. Park, Secretary*

*** denotes persons who have ability to exercise control**

Cesar Chavez Foundation
a California 501(c) (3) non-profit corporation | Controlling entity of Rufino
Paul F. Chavez*,Chief Executive Officer
Paul S. Park* ,Secretary
Manuel H. Bernal,Chief Financial Officer

*** denotes persons who have ability to exercise control**

EIN: [redacted]

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1146 **Agenda Date:** 9/4/2025 **Agenda #:** 20.

Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(b)(4)(D) for Granada Apartments (HTC #21425)

RECOMMENDED ACTION

WHEREAS, Granada Apartments (the Development) received a 4% Housing Tax Credit (HTC) award in 2021 for the rehabilitation of 265 low-income units for the elderly in San Antonio, Bexar County;

WHEREAS, LIV Granada, LP (the Development Owner or Owner) is requesting a waiver for 10 TAC §11.101(b)(4)(D), which is the requirement for screens on all operable windows as a Mandatory Development Amenity for all Rehabilitation Developments;

WHEREAS, 10 TAC §11.101(b)(4) further states that the Board may waive one or more of the requirements of the paragraph for Developments that include Historic Tax Credits, with evidence that the amenity has not been approved by the Texas Historical Commission or the National Park Service, as applicable;

WHEREAS, the Owner provided a letter dated June 8, 2023, from the Texas Historical Commission citing that the project was subject to the Secretary of the Interior's *Standards for Rehabilitation*, does not recommend window screens for this historic building, and further supports the waiver request; and

WHEREAS, the requested waiver does not negatively affect the Development, impact the viability of the transaction, impact Tex. Gov't Code §§2306.001, 2306.002, 2306.359, and 2306.6701, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the waiver request for Granada Apartments is approved as presented to this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Granada Apartments received a 4% Housing Tax Credit award in 2021 for the rehabilitation of 265 low-income units for the elderly in San Antonio, Bexar County. All units in the Development are located in a single, 14-story building that is listed in the National Register of Historic Places.

Rehabilitation of the Development has been completed, and the cost certification is currently under review by the Department. During the review of the cost certification, it was determined that the waiver for this mandatory amenity had not been requested to date.

In a letter dated July 9, 2025, Patrick Biernacki, a representative of the Owner, requested a waiver of 10 TAC §11.101(b)(4)(D), which requires screens on all operable windows as a mandatory amenity for rehabilitation developments. A letter from the Texas Historical Commission dated June 8, 2023, was submitted in support of the waiver request. This letter states that the building was constructed in 1926 and is listed in the National Register of Historic Places as a contributing resource to the San Antonio River Walk Historic District. It was noted that existing windows throughout the upper floors of the building are modern aluminum windows, as the original wood windows were removed and replaced at some point in the late 20th century. This already represents a loss of historic character. The letter from the Texas Historical Commission states that the applicant did not replace these aluminum windows as part of this project, nor were they required to; however, the *Standards for Rehabilitation* do not permit the Owner to further damage to the character of the windows beyond the work previously done. Such work would threaten the project's compliance with the historic tax credit programs. The Owner indicated that in total 725 operable windows would be affected.

Staff recommends approval of the waiver request as presented herein.

July 9, 2025

Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: 21425 – Granada – request waiver to screen requirement on all operable windows

To Whom It May Concern,

The purpose of this letter is to respectfully request a waiver of the requirement outlined in the Qualified Allocation Plan (QAP), Section 11.101(b)(4)(D), and pursuant to IRS Code §2306.187, which mandates the installation of screens on all operable windows.

This request pertains specifically to Granada Senior Apartments, a historic rehabilitation project involving the restoration of the former Plaza Hotel, prominently located along the River Walk in Downtown San Antonio. Originally constructed in 1927 and converted to senior housing in 1968, the building has undergone comprehensive renovation utilizing both State and Federal Historic Tax Credits in addition to 4% LIHTC, to modernize the facility while preserving its historic character.

As part of the historic preservation process, an in-depth review of the building's architectural integrity and historical significance was conducted. Following this review, the Texas Historical Commission (THC) determined that the installation of window screens would materially compromise the building's original façade and detract from its historic appearance. Based on this assessment, the THC has formally recommended that window screens not be installed as part of the renovation. A copy of the letter from the Texas Historical Commission outlining this recommendation is enclosed with this request.

At the time of initial planning and rehabilitation, the application for State Historic Tax Credits was still under review by the THC, and it was not yet clear what building modifications would be permissible without affecting the eligibility for historic designation. Now that the THC has completed its review, it has concluded that foregoing the installation of window screens is necessary to maintain the building's historic authenticity and architectural value.

Given these findings and the recommendation from the Texas Historical Commission, we respectfully request approval of this waiver to ensure compliance with historic preservation standards while still fulfilling the goals of providing much needed affordable housing for seniors in the downtown San Antonio area.

Thank you for your time and consideration of this request. Please feel free to contact us should you require any additional documentation or clarification.

Sincerely,

Patrick Biernacki
Millennial Residential

TEXAS HISTORICAL COMMISSION
REAL PLACES TELLING REAL STORIES

P.O. Box 12276
Austin, Texas 78711-2276
512-463-6100
thc.texas.gov

June 8, 2023

Attention: Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Subject: Plaza Hotel/Granada Senior Living Apartments
311 South St. Mary's Street, San Antonio, Bexar County

The above building, currently under rehabilitation, was built in 1926. This 97-year-old building is listed in the National Register of Historic Places as a contributing resource to the San Antonio Downtown and River Walk Historic District. This brick and concrete Renaissance Revival building is a distinctive visual anchor at the southern edge of the River Walk, and has a long history of operation as a hotel, and later, an apartment building.

The TDHCA requirement for insect screens on all operable windows is of concern to our office, in accordance with our ongoing review of the project for the Texas Historic Preservation Tax Credit program and the Federal Rehabilitation Tax Credit program, both of which require projects to meet the Secretary of the Interior's *Standards for Rehabilitation*.

We have studied historic and recent photographs, historic postcards depicting the Plaza Hotel over time, and have concluded that there were no window screens historically present on the building. Our office's opinion is that installation of window screens would present a difficult design challenge, and would in most cases detract from the character of the building. We agree with the applicant that neither half-height nor full-height window screens are recommended for this significant historic building.

We note the existing windows throughout the upper floors of the building are modern aluminum windows, as the original wood windows were removed and replaced at some point in the late 20th century. This already represents a loss of historic character. The applicant is not replacing these aluminum windows as part of this project, nor are they required to – however, the *Standards for Rehabilitation* do not permit them to **further** damage the character of the windows beyond the work that was previously done.

It does not appear that these windows could be retrofitted with screens without adding an entirely new frame assembly to contain the screens. Adding such an assembly would further alter the appearance of the windows in an additional departure from the historic design. Such work would further damage the character of the building and would not meet the Secretary of the Interior's *Standards for Rehabilitation*, therefore threatening the project's compliance with the tax credit programs.

In summation, our office does not recommend window screens for this historic building, and we support the applicant in their request that TDHCA waive this requirement.

Sincerely,

Valerie Magolan
Tax Credit Reviewer, Division of Architecture, Texas Historical Commission
512-463-3857 | valerie.magolan@thc.texas.gov

August 25, 2025

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

21425 – Granada Senior Apartments

Dear Rosalio Banuelos

In response to your request, here is some additional clarification for the window screen waiver request for Granda Senior Apartments, 21425.

The Granada Senior Apartments building, formerly the Plaza Hotel, is a 97-year-old building listed in the National Register of Historic Places as a contributing resource to the San Antonio Downtown and River Walk Historic District. This senior housing project leverages both State and Federal Historic Tax Credits as well as LIHTC financing to preserve the historic character of the structure while modernizing it into affordable senior housing.

As part of the State and Federal Historic Tax Credit review process, the Texas Historical Commission (THC) conducted an extensive evaluation of the building's architectural integrity. Their June 8, 2023 letter states that the installation of window screens would:

- Introduce elements not historically present on the building;
- Require new frame assemblies that would further alter or damage the existing window systems;
- Detract from the building's historic character and visual prominence on the River Walk; and
- Fail to meet the Secretary of the Interior's Standards for Rehabilitation.

Importantly, THC has concluded that installing window screens would place the project out of compliance with the Standards for Rehabilitation, thereby jeopardizing eligibility for both State and Federal Historic Tax Credits. The Federal credits alone represent 20% of eligible rehabilitation costs, and any unauthorized alteration — such as installing non-compliant screens — risks recapture under IRS guidance.

While the existing aluminum windows are not original, the Standards permit their retention because they were installed by a prior owner. Any further alteration, such as retrofitting screens, would trigger stricter compliance requirements and expose the project to significant financial and regulatory risk.

In total, 725 operable windows would be affected. Given the building's historic designation and the THC's explicit recommendation, compliance with the blanket screen requirement is incompatible with both the Secretary's Standards for Rehabilitation and tax credit program requirements. Per your request,

photos of representative windows in the building are attached. Additionally, comments from the Historic Tax credit consultant is included pertaining to the THC's position on the window screens.

For these reasons, and to preserve the architectural authenticity of this landmark while delivering much-needed affordable senior housing, we respectfully request approval of this waiver.

Sincerely,

Valery Kedroff

LIHTC consultant

c.c. Patrick Biernacki

---------- Forwarded message ---------
From: **Ellis Mumford-Russell** <ellis@postoakpreservation.com>
Date: Mon, Aug 25, 2025 at 9:37 AM
Subject: Re: RFI #2 - Cost Certification for Granada Apartment (HTC #21425)
To: Pat Biernacki <pat@thecanopyco.com>
Cc: Irene Allender <irene@postoakpreservation.com>

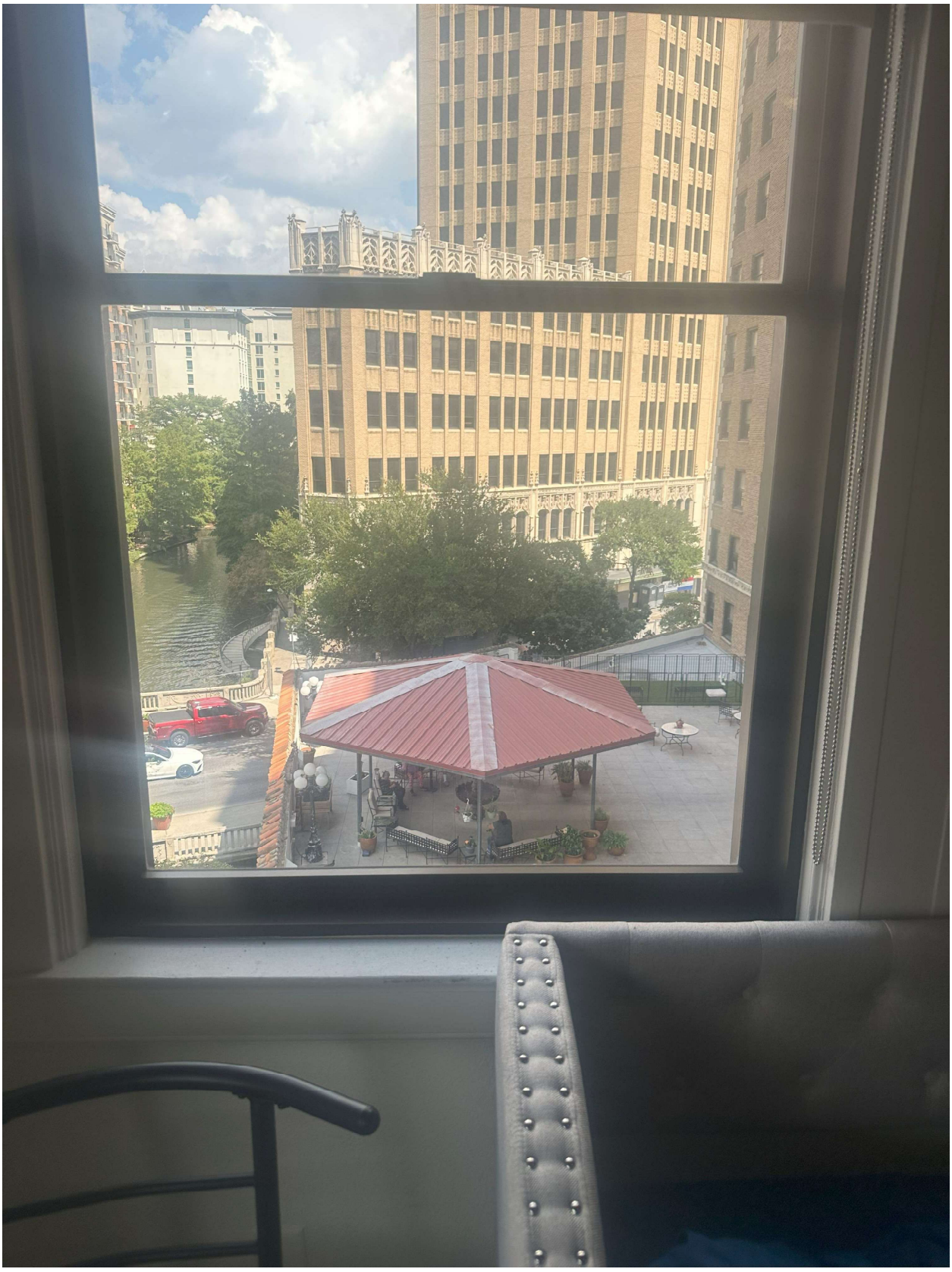
Hi Pat -

THC made it very clear in their letter that they believe that installing window screens would not be in keeping with the Secretary of the Interior's *Standards of Rehabilitation*, which is what governs the review of historic tax credits. You are correct that any major changes at this stage risk recapture of the Federal (20%) tax credit if not approved by THC and NPS. Just the Federal credit is subject to recapture, but that is still a significant chunk of money for a project of this scale.

Here is the IRS guidance on recapture. Unauthorized alterations would fall under the "When a Building is Removed from the
National Register or its Certification as a “Certified Historic Structure” (NPS Part 1 – Evaluation of Significance) is Revoked" section
https://www.irs.gov/pub/irs-sbse/rehabilitation-credit-recapture.pdf

I would also emphasize, as THC mentions in their letter, that while the existing windows are non-historic, for historic tax credit purposes, applicants are permitted to retain nonhistoric and incompatible changes if completed by a previous owner; however, if the current Applicant (you) wishes to change those windows, they are required to be brought into compliance with the Standards. Altering the existing windows with the addition of screens would likely trigger this requirement.

Hope this helps!



PP BUTT

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: C-019 **Agenda Date:** 9/4/2025 **Agenda #:** 21.

Presentation, discussion, and possible action on previously tabled recommendation to debar Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher, relating to Riverside Heights Senior Living AKA Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B / CMTS 5659)

RECOMMENDED ACTION

WHEREAS, in 2020, TX Riverside Seniors, LP was issued 4% bonds to build and operate Riverside Heights Senior Living a/k/a Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B / CMTS 5659) (the Property);

WHEREAS, Rise Residential Construction Riverside, LLC and Melissa Fisher are considered to be Responsible Parties, as defined by 10 TAC §2.102. Rise Residential Construction Riverside, LLC is the general contractor for the construction of Riverside, and is controlled by its manager, Melissa Fisher;

WHEREAS, Sonoma Housing Advisors, LLC and James R. (Bill) Fisher are considered to be Consultants, as defined by 10 TAC §2.102. Sonoma Housing Advisors, LLC is the Consultant for the bond application and construction of Riverside, and is controlled by its manager, James R. (Bill) Fisher;

WHEREAS, 10 TAC §10.401(b)(5) requires the submission of quarterly Construction Status Reports (CSR), including the submission of a third-party construction inspection report;

WHEREAS, on October 10, 2024 at 5:18pm, Bill Fisher submitted to the Department a quarterly CSR on behalf of Melissa Fisher, including a materially altered Construction Progress Report No. 042 dated September 25, 2024, from CA Partners, Inc., the third-party inspector (Submitted CSR);

WHEREAS, the materially altered third-party inspection report was also submitted by Melissa Fisher via FTP server upload to the Department at 7:44pm on October 10, 2024;

WHEREAS, intentionally or negligently providing material misrepresentations with regard to documentation submitted to the Department by a Responsible Party or a Consultant is a violation of 10 TAC §2.401(a)(5), and is grounds for discretionary debarment under 10 TAC §2.401(a)(5);

WHEREAS, on February 14, 2025, the Department notified Melissa Fisher, Rise Residential Construction Riverside, LLC, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher that they were being referred to the TDHCA Enforcement Committee for debarment pursuant to 10 TAC §2.401(a)(5);

WHEREAS, on March 25, 2025, representatives for Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher attended an informal conference with the TDHCA Enforcement Committee;

WHEREAS, on April 11, 2025, the TDHCA Executive Director issued a debarment determination notice recommending a six-month debarment term for Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher;

WHEREAS, Responsible Parties appealed the debarment recommendation to the Department Governing Board (Board) on April 25, 2025;

WHEREAS, the Department issued a Notice of Possible Additional Evidence Relating to Debarment Recommendation on May 30, 2025, incorporating additional altered 2024 quarterly CSRs previously submitted to TDHCA by Melissa Fisher/Rise Residential Construction Riverside, LLC, as evidence;

WHEREAS, the additional altered 2024 quarterly CSRs are not alleged to have been caused or filed by James R. (Bill) Fisher or Sonoma Housing Advisors, LLC;

WHEREAS, the Department issued a Notice Regarding Debarment Appeal Determination on June 9, 2025, permitting Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher to submit additional appeal documentation;

WHEREAS, Melissa Fisher and James R. (Bill) Fisher submitted additional appeal documentation on June 16, 2025;

WHEREAS, on July 10, 2025, the Governing Board considered and tabled the debarment appeals of Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher until September 4, 2025;

WHEREAS, at the July 10, 2025 board meeting, the Governing Board also requested that TDHCA staff explore the possibility of alternative voluntary nonparticipation agreements with the Responsible Parties with the results to be presented to the Board at the September 4, 2025, meeting;

WHEREAS, pursuant to 10 TAC §2.401(i)(5), the Department has the authority to permit corrective action for discretionary debarment referrals, including such corrective action as entering into an agreement by and between the Department and Responsible Parties, in which the Responsible Parties agree not to participate or apply for any new Department Programs during a specified period of time;

WHEREAS, on August 21, 2025, the Department sent a proposed Voluntary Non-Participation Agreement (VNA) to Responsible Parties, in which the Department represented that if the Responsible Parties agree to the terms of the VNA, the Executive Director and staff will change their posture regarding the Responsible Parties' debarment appeals to neutral, yet the board would retain its authority to determine the merits of their tabled appeals at the September 4, 2025, meeting. As of the date of Board Book posting, the Responsible Parties have not agreed to the terms of the VNA; and

WHEREAS, staff has based the above six-month debarment recommendation on the Department's rules for debarment and an assessment of each and all of the material factors identified at 10 TAC §2.401(j) that are to be considered in determining a recommended period of debarment, applied specifically to the facts and circumstances present in this case.

NOW, therefore, it is hereby

RESOLVED, that a Final Order of Debarment for a six-month term through March 4, 2026, for

Rise Residential Construction Riverside, LLC and Melissa Fisher, substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board; and,

RESOLVED, that a Final Order of Debarment for a six-month term through March 4, 2026, for Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher, substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

The TDHCA Executive Director issued a debarment determination notice on April 11, 2025, recommending a six-month debarment term for Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher, after the Enforcement Committee held an informal conference with the affected parties on March 25, 2025, and recommended debarment in accordance with 10 TAC §2.401(a)(5) for submitting a materially altered quarterly construction status report to the Department on October 10, 2024. The affected parties submitted multiple appeals, which were considered by the Governing Board on July 10, 2025. Enclosed at Attachment 3 is a complete copy of the Board Action Request from July 10, 2025, along with all associated exhibits.

After extensive discussion on July 10, 2025, the Governing Board tabled the debarment appeals of Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher, and expects to address them at the September 4, 2025, meeting. The Governing Board also asked Department staff to explore the possibility of an alternative voluntary nonparticipation agreement with staff findings to be presented during the September 4, 2025, meeting.

Staff is therefore presenting for consideration the tabled Final Order of Debarment, now separated into two separate Orders at Attachments 1 and 2, and staff findings regarding the offer of a Voluntary Nonparticipation Agreement between the Department and Responsible Parties. The Department initially offered a two-year term for the Voluntary Nonparticipation Agreement, consistent with the offer made by Melissa Fisher and remarks made by board members during the July 10, 2025 board meeting. Edits were circulated, and the most recent versions proffered by the Department are at Attachments 3 and 4. The parties have not reached an agreement as of this Board Book posting, but this does not preclude finalizing the agreements prior to consideration by the Board. Melissa Fisher and Bill Fisher have also submitted the corrective action plans at Attachments 5 and 6.

RECOMMENDATION: After consideration of all appropriate factors, the Enforcement Committee and Executive Director recommend the issuance by the Board of Final Orders of Debarment for a six-month term of debarment for all four Responsible Parties, beginning September 4, 2025, and ending March 4, 2026. The recommended Orders include language that would permit the Board to consider supplemental funding applications for existing engagements on a case-by-case basis during the debarment term so that current awarded

construction projects are not adversely impacted.

Attachments:

1. Final Order of Debarment for Melissa Fisher and Rise Residential Construction, Riverside, LLC
2. Final Order of Debarment for James R. “Bill” Fisher and Sonoma Housing Advisors, LLC
3. Voluntary Nonparticipation Agreement for Melissa Fisher and Rise Residential Construction, Riverside, LLC
4. Voluntary Nonparticipation Agreement for James R. “Bill” Fisher and Sonoma Housing Advisors, LLC
5. Corrective Action Plan by Melissa Fisher and Rise Residential Construction, Riverside, LLC
6. Corrective Action Plan by James R. “Bill” Fisher and Sonoma Housing Advisors, LLC
7. Board Action Request from July 10, 2025, including the following Exhibits:
    1. Key Alteration Excerpts
    2. TDHCA Blackline of 2024 Q3 CSR
    3. March 6, 2025 Written Response by Melissa Fisher
    4. April 25, 2025 Appeal by Melissa Fisher
    5. April 25, 2025 Appeal by Bill Fisher
    6. TDHCA Blackline of Altered Pages from 2024 Q1 CSR
    7. TDHCA Blackline of Altered Pages from 2024 Q2 CSR
    8. 2024 Q1, Q2, and Q3 CSRs, as submitted to TDHCA
    9. 2024 Q1, Q2, and Q3 Construction Progress Reports, as prepared by CA Partners
    10. June 6, 2025 Supplemental Information from Melissa Fisher
    11. June 16, 2025 Supplemental Information from Melissa Fisher
    12. June 16, 2025 Supplemental Information from Bill Fisher

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
RISE RESIDENTIAL CONSTRUCTION	§	TEXAS DEPARTMENT OF HOUSING
RIVERSIDE, LLC, MELISSA FISHER,	§	AND COMMUNITY AFFAIRS

FINAL ORDER OF DEBARMENT

General Remarks and official action taken:

On this 4th day of September, 2025, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against Rise Residential Construction Riverside, LLC and Melissa Fisher (collectively, Respondents), for submitting an altered third-party inspection report to the Department on October 10, 2024, a violation of 10 TAC §2.401(a)(5).

This Final Order is executed pursuant to the authority granted in Texas Government Code section 2306.0504, which requires the Board to adopt a policy providing for the debarment of a person from participation in Department programs because of a person's past failure to comply with conditions imposed by the Department in the administration of its programs. A policy was adopted by the Board and is set forth at 10 TAC §2.401.

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

FINDINGS OF FACT

Jurisdiction:

1. In 2020, TX Riverside Seniors, LP was issued 4% bonds to build and operate Riverside Heights Senior Living a/k/a Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B / CMTS 5659) (the Property).

2. Rise Residential Construction Riverside, LLC is the general contractor for the construction of the Property. It is controlled by its manager, Melissa Fisher. Both are considered to be a Responsible Party, as defined by 10 TAC §2.102.

3. Entities eligible for debarment by the Department include Responsible Parties, Consultants, and Vendors, under 10 TAC §2.401(a)

4. Respondents are subject to the regulatory authority of TDHCA and, for purposes of this debarment recommendation, Rise Residential Construction Riverside, LLC and Melissa Fisher are considered Responsible Parties.

Violations Subject To Debarment:

1. Respondents submitted an altered third-party inspection report to the Department on October 10, 2024, as part of a quarterly Construction Status Report (CSR) for the Property. Quarterly CSRs are required under 10 TAC §10.401(b)(5), and must include a third-party construction inspection report. The altered third-party inspection report includes documents electronically signed by Melissa Fisher of Rise Residential Construction Riverside, LLC on October 9, 2024, and was submitted to the Department by Bill Fisher of Sonoma Housing Advisors, LLC on behalf of Melissa Fisher at 5:18pm on October 10, 2024. The altered third-party inspection report was also submitted by Melissa Fisher via FTP server upload to the Department at 7:44pm on October 10, 2024. A blackline of the edits is at Exhibit 1.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §2306.0504 and 10 TAC §2.401.

2. Respondents are Responsible Parties as defined by 10 TAC §2.102.

3. Respondents violated 10 TAC §2.401(a)(5) by intentionally or negligently providing material misrepresentations with regard to documentation submitted to the Department.

4. Pursuant to Tex. Gov't. Code §2306.0504(b), the Department may debar a person from participation in a Department program on the basis of the person's past failure to comply with any condition imposed by the department in the administration of its programs.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of material factors including those set forth in 10 TAC §2.401(j) to be considered for a recommended period of debarment, as applied specifically to the facts and circumstances present in this case, the Board of the TDHCA orders the following:

IT IS HEREBY ORDERED that Respondents are barred from future participation in any capacity for all programs administered by the Department for a **term ending March 4, 2026**. This debarment does not prohibit Respondents from participating in any existing engagements funded through the Department where funds have already been awarded or allocated, nor does it affect any responsibilities or duties thereunder. Supplemental funding applications that would ordinarily be considered by the Department may still be considered by the Board during the debarment term on a case-by-case basis for existing engagements. Any other type of pending or future funding, financing, or assistance application may not be considered during the debarment term.

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

[remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on September 4th, 2025.

By: _____
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared _____, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
SONOMA HOUSING ADVISORS, LLC, AND	§	TEXAS DEPARTMENT OF HOUSING
JAMES R. (BILL) FISHER	§	AND COMMUNITY AFFAIRS

FINAL ORDER OF DEBARMENT

General Remarks and official action taken:

On this 4th day of September, 2025, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against Sonoma Housing Advisors, LLC and James R. (Bill) Fisher (collectively, Respondents), for submitting an altered third-party inspection report to the Department on October 10, 2024, a violation of 10 TAC §2.401(a)(5).

This Final Order is executed pursuant to the authority granted in Texas Government Code section 2306.0504, which requires the Board to adopt a policy providing for the debarment of a person from participation in Department programs because of a person's past failure to comply with conditions imposed by the Department in the administration of its programs. A policy was adopted by the Board and is set forth at 10 TAC §2.401.

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

FINDINGS OF FACT

Jurisdiction:

1. In 2020, TX Riverside Seniors, LP was issued 4% bonds to build and operate Riverside Heights Senior Living a/k/a Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B / CMTS 5659) (the Property).

2. Sonoma Housing Advisors, LLC is the consultant for the bond application and financing of the Property. Sonoma Housing Advisors, LLC is controlled by its manager, James R. (Bill) Fisher. Both are considered to be a Consultant, as defined by 10 TAC §2.102.

3. Entities eligible for debarment by the Department include Responsible Parties, Consultants, and Vendors, under 10 TAC §2.401(a)

4. Respondents are subject to the regulatory authority of TDHCA and, for purposes of this debarment recommendation, Sonoma Housing Advisors, LLC and Bill Fisher are considered Consultants, as defined by 10 TAC §2.102.

Violations Subject To Debarment:

1. Respondents submitted an altered third-party inspection report to the Department on October 10, 2024, as part of a quarterly Construction Status Report (CSR) for the Property. Quarterly CSRs are required under 10 TAC §10.401(b)(5), and must include a third-party construction inspection report. The altered third-party inspection report includes documents electronically signed by Melissa Fisher of Rise Residential Construction Riverside, LLC on October 9, 2024, and was submitted to the Department by Bill Fisher of Sonoma Housing Advisors, LLC on behalf of Melissa Fisher at 5:18pm on October 10, 2024. The altered third-party inspection report was also submitted by Melissa Fisher via FTP server upload to the Department at 7:44pm on October 10, 2024. A blackline of the edits is at Exhibit 1.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §2306.0504 and 10 TAC §2.401.

2. Respondents are Consultants as defined by 10 TAC §2.102.

3. Respondents violated 10 TAC §2.401(a)(5) by intentionally or negligently providing material misrepresentations with regard to documentation submitted to the Department.

4. Pursuant to Tex. Gov't. Code §2306.0504(b), the Department may debar a person from participation in a Department program on the basis of the person's past failure to comply with any condition imposed by the department in the administration of its programs.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of material factors including those set forth in 10 TAC §2.401(j) to be considered for a recommended period of debarment, as applied specifically to the facts and circumstances present in this case, the Board of the TDHCA orders the following:

IT IS HEREBY ORDERED that Respondents are barred from future participation in any capacity for all programs administered by the Department for a **term ending March 4, 2026**. This debarment does not prohibit Respondents from participating in any existing engagements funded through the Department where funds have already been awarded or allocated, nor does it affect any responsibilities or duties thereunder. Supplemental funding applications that would ordinarily be considered by the Department may still be considered by the Board during the debarment term on a case-by-case basis for existing engagements. Any other type of pending or future funding, financing, or assistance application may not be considered during the debarment term.

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

[remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on September 4th, 2025.

By: _____
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared _____, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
RISE RESIDENTIAL CONSTRUCTION	§	TEXAS DEPARTMENT OF HOUSING
RIVERSIDE, LLC AND MELISSA FISHER,	§	AND COMMUNITY AFFAIRS
	§	
	§	
	§	

VOLUNTARY NON-PARTICIPATION AGREEMENT

This Voluntary Non-Participation Agreement (the "Agreement"), in connection with an Enforcement Action, is made and entered into by and between the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency of the State of Texas (the "Department"), **RISE RESIDENTIAL CONSTRUCTION RIVERSIDE, LLC**, a Texas limited liability company and **MELISSA FISHER**, an individual, acting individually and in her capacity as manager of Rise Residential Construction Riverside, LLC (herein collectively referred to as the "Responsible Parties"), to be effective on September 4, 2025.

RECITALS

WHEREAS, in 2020, TX Riverside Seniors, LP was issued 4% bonds to build and operate Riverside Heights Senior Living a/k/a Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B / CMTS 5659) (the Property);

WHEREAS, Rise Residential Construction Riverside, LLC is the general contractor for the construction of the Property. It is controlled by Melissa Fisher;

WHEREAS, Responsible Parties submitted an altered third-party inspection report to the Department on October 10, 2024, as part of a quarterly Construction Status Report (CSR) for the Property. Quarterly CSRs are required under 10 TAC §10.401(b)(5) and must include a third-party construction inspection report. The altered third-party inspection report includes documents electronically signed by Melissa Fisher on October 9, 2024, and was submitted via email to the Department by James R. (Bill) Fisher of Sonoma Housing Advisors, LLC on behalf of Responsible Parties at 5:18pm on October 10, 2024. The altered third-party inspection report was also submitted by Melissa Fisher via FTP server upload to the Department at 7:44pm on October 10, 2024;

WHEREAS, intentionally or negligently providing material misrepresentations with regard to documentation submitted to the Department by a Responsible Party or a Consultant is a violation of 10 TAC §2.401(a)(5), and is grounds for discretionary debarment under 10 TAC §2.401(a)(5);

WHEREAS, on February 14, 2025, the Department notified Melissa Fisher, Rise Residential Construction Riverside, LLC, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher that they

were being referred to the TDHCA Enforcement Committee for debarment pursuant to 10 TAC §2.401(a)(5);

WHEREAS, on March 25, 2025, representatives for Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher attended the TDHCA Enforcement Committee;

WHEREAS, on April 11, 2025, the TDHCA Executive Director issued a debarment determination notice recommending a six-month debarment term for Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher;

WHEREAS, Responsible Parties appealed the debarment recommendation to the Department Governing Board (Board) on April 25, 2025;

WHEREAS, the Department issued a Notice of Possible Additional Evidence Relating to Debarment Recommendation on May 30, 2025, incorporating additional altered 2024 quarterly CSRs as evidence;

WHEREAS, the Department issued a Notice Regarding Debarment Appeal Determination on June 9, 2025, permitting Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher to submit additional appeal documentation;

WHEREAS, Responsible Parties submitted additional appeal documentation on July 10, 2025;

WHEREAS, Melissa Fisher represented in her appeal that: (1) Bill Fisher made a clerical error in submitting the altered CSR; (2) Melissa Fisher was not aware of the alteration of the CSRs; and (3) the alterations were made unilaterally by a since-terminated employee who was concerned that the inspection report findings would jeopardize bonus compensation;

WHEREAS Responsible Parties seek to agree to not participate in Department programs for a period of time, but do not agree that Responsible Parties have violated the statutory or rule basis for debarment;

WHEREAS, the Governing Board has tabled the debarment appeals of Melissa Fisher and Rise Residential Riverside Construction, LLC, and expects to address them at the September 4, 2025, meeting; and

WHEREAS, pursuant to 10 TAC §2.401(i)(5), the Department has the authority to permit corrective action for discretionary debarment referrals, including such corrective action as entering into an agreement by and between the Department and Responsible Parties, in which the Responsible Parties agree not to participate or apply for any new Department Programs during a specified period of time.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Rise Residential Construction Riverside, LLC, a Texas limited liability company, will not participate in any new Department financing, assistance opportunity, or programs for one (1) year ending September 4, 2026 ("Term").

2. Melissa Fisher, an individual, acting in her individual capacity and in her capacity as manager of Rise Residential Construction Riverside, LLC, will not participate in any manner on any new Department financing, assistance opportunity, or programs for one (1) year ending September 4, 2026 ("Term").

3. The Executive Director and staff will change their posture to be neutral regarding the debarment appeals of Responsible Parties pending before the TDHCA Governing Board, and the terms of this Agreement will be disclosed to the Board at that time. This does not affect the Board's authority to determine whether to grant or deny the appeal item.

4. This Agreement does not prohibit Responsible Parties from participating in any existing engagements funded through the Department where funds have already been awarded or allocated, nor does it affect any responsibilities or duties thereunder. Supplemental funding applications that would ordinarily be considered by the Department may still be considered by the Board during the Term of this Agreement on a case-by-case basis for existing engagements.

5. This Agreement does not constitute a suspension or debarment from Department programs, but is a voluntary and enforceable agreement to not participate in Department programs for the term outlined, herein. This Agreement does not preclude or stay any further or additional referral for discipline by the Enforcement Committee, including debarment.

6. In the event that Responsible Parties violate the terms of this Agreement, Responsible Parties will be referred to the TDHCA Enforcement Committee for further disciplinary action.

7. In the event that any Development, as defined at 10 TAC §11.1(d)(37), under the control of Responsible Parties is found to have event(s) of noncompliance referred to the TDHCA Enforcement Committee during the Term of this Agreement, TDHCA's standard procedures for noncompliance issues will be followed, including an informal conference with the Enforcement Committee.

8. This Agreement will be on file with TDHCA Previous Participation Review staff during the Term. Upon expiration of the Term, this Agreement shall terminate and be of no further force and effect.

9. This Agreement shall be published on the TDHCA website during the Term. Upon expiration of the Term, this Agreement shall be removed from the TDHCA website.

10. Pursuant to Section 2306.6717 of the Texas Government Code, Responsible Parties acknowledge that Department is subject to the Texas Public Information Act under Chapter 552 of the Texas Government Code. Responsible Parties understands that the Department will comply with the Texas Public Information Act interpreted by judicial rulings and opinions of the Attorney General of the State of Texas.

11. Each capitalized term not expressly defined herein shall have the meaning given to such a term in the Agreement.

12. This Agreement shall be binding upon the Parties hereto and their respective successors and assigns.

13. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all Parties hereto, notwithstanding that all the Parties shall not have signed the same counterpart.

14. If a Party returns this copy by facsimile machine or electronic transmission, the signing Party intends the copy of its authorized signature printed by the receiving machine or electronic transmission to be its original signature.

15. By signing this Agreement, the Parties hereto expressly understand and agree that the terms shall become part of the Contract as if they were set forth word for word therein.

RESPONSIBLE PARTIES:

MELISSA FISHER,
an individual, acting in her individual capacity and in her capacity as manager of Rise Residential Construction Riverside, LLC

By: _____
Name: Melissa Fisher
Date: _____

RISE RESIDENTIAL CONSTRUCTION RIVERSIDE, LLC,
a Texas limited liability company

By: _____
Name: Melissa Fisher
Title: Manager
Date: _____

DEPARTMENT:

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas

By: _____

Name: _____

Title: Its duly authorized officer or representative

Date: _____

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
SONOMA HOUSING ADVISORS, LLC, AND	§	TEXAS DEPARTMENT OF HOUSING
JAMES R. (BILL) FISHER,	§	AND COMMUNITY AFFAIRS
	§	
	§	
	§	

VOLUNTARY NON-PARTICIPATION AGREEMENT

This Voluntary Non-Participation Agreement (the "Agreement"), in connection with an Enforcement Action, is made and entered into by and between the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency of the State of Texas (the "Department"), **SONOMA HOUSING ADVISORS, LLC**, a Texas limited liability company and **JAMES R. (BILL) FISHER**, an individual, acting individually and in his capacity as manager of Sonoma Housing Advisors, LLC (herein collectively referred to as the "Responsible Parties"), to be effective on September 4, 2025.

RECITALS

WHEREAS, in 2020, TX Riverside Seniors, LP was issued 4% bonds to build and operate Riverside Heights Senior Living a/k/a Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B / CMTS 5659) (the Property);

WHEREAS, Sonoma Housing Advisors, LLC is the consultant for the bond application and financing of the Property. It is controlled by James R. (Bill) Fisher;

WHEREAS, Responsible Parties submitted an altered third-party inspection report to the Department on October 10, 2024, as part of a quarterly Construction Status Report (CSR) for the Property. Quarterly CSRs are required under 10 TAC §10.401(b)(5) and must include a third-party construction inspection report. The altered third-party inspection report includes documents electronically signed by Melissa Fisher, manager of Rise Residential Construction Riverside, LLC on October 9, 2024, and was submitted via email to the Department by Bill Fisher of Sonoma Housing Advisors, LLC at 5:18pm on October 10, 2024. The altered third-party inspection report was also submitted by Melissa Fisher via FTP server upload to the Department at 7:44pm on October 10, 2024;

WHEREAS, intentionally or negligently providing material misrepresentations with regard to documentation submitted to the Department by a Responsible Party or a Consultant is a violation of 10 TAC §2.401(a)(5), and is grounds for discretionary debarment under 10 TAC §2.401(a)(5);

WHEREAS, on February 14, 2025, the Department notified Melissa Fisher, Rise Residential Construction Riverside, LLC, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher that they

were being referred to the TDHCA Enforcement Committee for debarment pursuant to 10 TAC §2.401(a)(5);

WHEREAS, on March 25, 2025, representatives for Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher attended the TDHCA Enforcement Committee informal conference;

WHEREAS, on April 11, 2025, the TDHCA Executive Director issued a debarment determination notice recommending a six-month debarment term for Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher;

WHEREAS, Responsible Parties appealed the debarment recommendation to the Department Governing Board (Board) on April 25, 2025;

WHEREAS, the Department issued a Notice of Possible Additional Evidence Relating to Debarment Recommendation on May 30, 2025, incorporating additional altered 2024 quarterly CSRs as evidence;

WHEREAS, the Department issued a Notice Regarding Debarment Appeal Determination on June 9, 2025, permitting Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher to submit additional appeal documentation;

WHEREAS, Responsible Parties submitted additional appeal documentation on July 10, 2025;

WHEREAS, James R. (Bill) Fisher represented in his appeal that the submission of the altered CSR was a result of a one-time clerical error on his part;

WHEREAS, James R. (Bill) Fisher and Sonoma Housing have no prior Enforcement Committee history with the Department;

WHEREAS Responsible Parties seek to agree to not participate in Department programs for a period of time, but do not agree that Responsible Parties have violated the statutory or rule basis for debarment;

WHEREAS, the Governing Board has tabled the debarment appeals of James R. (Bill) Fisher and Sonoma Housing Advisors, LLC, and expects to address them at the September 4, 2025, meeting; and

WHEREAS, pursuant to 10 TAC §2.401(i)(5), the Department has the authority to permit corrective action for discretionary debarment referrals, including such corrective action as entering into an agreement by and between the Department and Responsible Parties, in which the Responsible Parties agree not to participate or apply for any new Department Programs during a specified period of time.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Sonoma Housing Advisors, LLC, a Texas limited liability company, will not participate in any new Department financing, assistance opportunity, or programs for one (1) year ending September 4, 2026 ("Term").

2. James R. (Bill) Fisher, an individual, acting in his individual capacity and in his capacity as manager of Sonoma Housing Advisors, LLC, will not participate in any manner on any new Department financing, assistance opportunity, or programs for one (1) year ending September 4, 2026 ("Term").

3. The Executive Director and staff will change their posture to be neutral regarding the debarment appeals of Responsible Parties pending before the TDHCA Governing Board, and the terms of this Agreement will be disclosed to the Board at that time. This does not affect the Board's authority to determine whether to grant or deny the appeal item.

4. This Agreement does not prohibit Responsible Parties from participating in any existing engagements funded through the Department where funds have already been awarded or allocated, nor does it affect any responsibilities or duties thereunder. Supplemental funding applications that would ordinarily be considered by the Department may still be considered by the Board during the Term of this Agreement on a case-by-case basis for existing engagements.

5. This Agreement does not constitute a suspension or debarment from Department programs, but is a voluntary and enforceable agreement to not participate in Department programs for the term outlined, herein. This Agreement does not preclude or stay any further or additional referral for discipline by the Enforcement Committee, including debarment.

6. In the event that Responsible Parties violate the terms of this Agreement, Responsible Parties will be referred to the TDHCA Enforcement Committee for further disciplinary action.

7. In the event that any Development, as defined at 10 TAC §11.1(d)(37), under the control of Responsible Parties is found to have event(s) of noncompliance referred to the TDHCA Enforcement Committee during the Term of this Agreement, an informal conference with the TDHCA Enforcement Committee will be required, and the referral cannot be closed informally.

8. This Agreement will be on file with TDHCA Previous Participation Review staff.

9. This Agreement shall be published on the TDHCA website.

10. Pursuant to Section 2306.6717 of the Texas Government Code, Responsible Parties acknowledge that Department is subject to the Texas Public Information Act under Chapter 552 of the Texas Government Code. Responsible Parties understands that the Department will comply with the Texas Public Information Act interpreted by judicial rulings and opinions of the Attorney General of the State of Texas.

11. Each capitalized term not expressly defined herein shall have the meaning given to such a term in the Agreement.

12. This Agreement shall be binding upon the Parties hereto and their respective successors and assigns.

13. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all Parties hereto, notwithstanding that all the Parties shall not have signed the same counterpart.

14. If a Party returns this copy by facsimile machine or electronic transmission, the signing Party intends the copy of its authorized signature printed by the receiving machine or electronic transmission to be its original signature.

15. By signing this Agreement, the Parties hereto expressly understand and agree that the terms shall become part of the Contract as if they were set forth word for word therein.

RESPONSIBLE PARTIES:

JAMES R. (BILL) FISHER,
an individual, acting in his individual capacity and in his capacity as manager of Sonoma Housing Advisors, LLC

By: _____
Name: James R. (Bill) Fisher
Date: _____

SONOMA HOUSING ADVISORS, LLC,
a Texas limited liability company

By: _____
Name: James R. (Bill) Fisher
Title: Manager
Date: _____

DEPARTMENT:

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas

By: _____

Name: _____

Title: Its duly authorized officer or representative

Date: _____

Date: August 29, 2025

Mr. Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

Subject: Corrective Action Plan and Limited Participation Agreement

Dear Mr. Wilkinson,

Pursuant to discussions at the July 10, 2025, Board meeting, I am providing our corrective action plan to the Board and you. I am hopeful this satisfactorily addresses staff's and the Board's concern and, in particular, Mr. Holland's concern about trusting our company and me.

Policies and Internal Controls Enhancements

We conducted further internal reviews and identified specific policies and procedures to enhance the company's compliance function and ensure proper reporting to TDHCA. We have taken the following corrective actions:

1. Implemented a formal policy governing construction inspection report handling and submission to ensure reports are sent directly from the issuer to TDHCA Asset Management. See EXHIBIT A.

2. Established a verification process in which our Compliance Officer reviews all reports prior to CMTS submission. See EXHIBIT A.

3. Restricted file access to ensure that only owners may access original third-party reports and specifically prohibits access by other staff and consultants. See EXHIBIT A.

4. Implemented a procedure to ensure RISE has a construction inspection firm available for each project in the event a lender does not require a quarterly report**.** See EXHIBIT A.

5. Instituted a quarterly internal audit process to verify compliance with these procedures. See EXHIBIT A.

6. Adopted a Compliance Officer Policy to ensure adherence to applicable laws, regulations, policies, and ethical standards. See EXHIBIT B.

7. RISE has obtained signatures of all employees on the attached Policy Addendum: Third-Party Inspection Reports (see Exhibit C) regarding edits to third party reports. See the Acknowledgment to EXHIBIT C.

8. For completeness, we have submitted the original third-party construction inspection reports through CMTS for Q1, Q2, and Q3 of 2024 to ensure that accurate reports are on file in CMTS.

Limited Participation

I reviewed my new project activity with TDHCA over the last few years. The last tax credit award Rise received was in July 2022. Consequently, Rise and I have not received an award related to a new 9% tax credit project in the past 36 months. Rise's most recent tax credit applications were submitted in January 2025 for two 4% bond deals that timed out with no award. So, we have not received new project awards in three years.

As stated by staff in the Board Book for the July 10th Board meeting, the goal of debarment was to give Rise/me more time to focus on completing the projects we have underway. Effectively, that has already occurred and, therefore, one of staff's bases for recommending my debarment is already being satisfied without debarment being imposed.

Rise currently has only two projects, Lakeway Apartments and Austin Manor, under construction. Austin Manor received its last certificate of occupancy (CO) this week with only site work and amenities left to be completed. Lakeway is expected to be completed in Q1, 2026. Five projects are converting to permanent financing over the next twelve months.

At the July 10th Board meeting, it was mentioned that I've come before the Board quite often. Attached as EXHIBIT D is a synopsis of why I came before the Board each time. We have also noted the cost per unit and in-service dates to provide a more accurate depiction of the success of the developments thanks to the Department and actions resulting from those appearances.

Sincerely,

Melissa Fisher
Rise Residential Construction Riverside, LLC
Mfisher@RISE-Residential.com
972-701-5558

EXHIBIT A

TDHCA CONSTRUCTION REPORT HANDLING AND SUBMISSION POLICY & PROCEDURES

This policy establishes the procedures for the submission and storage of third-party construction reports to ensure compliance with Texas Department of Housing and Community Affairs (TDHCA) requirements. The process ensures that reports are accurate, timely, and securely stored.

Submission Procedures

1. Third-party construction reports are sent directly from the issuer to TDHCA Asset Management via email at assetmanagement@tdhca.gov to ensure report authenticity. At commencement of a construction project, instructions to submit reports directly to TDHCA are given to third-party construction inspection firms. Instructions are included in contracts with inspection firms hired directly by RISE and its affiliates.

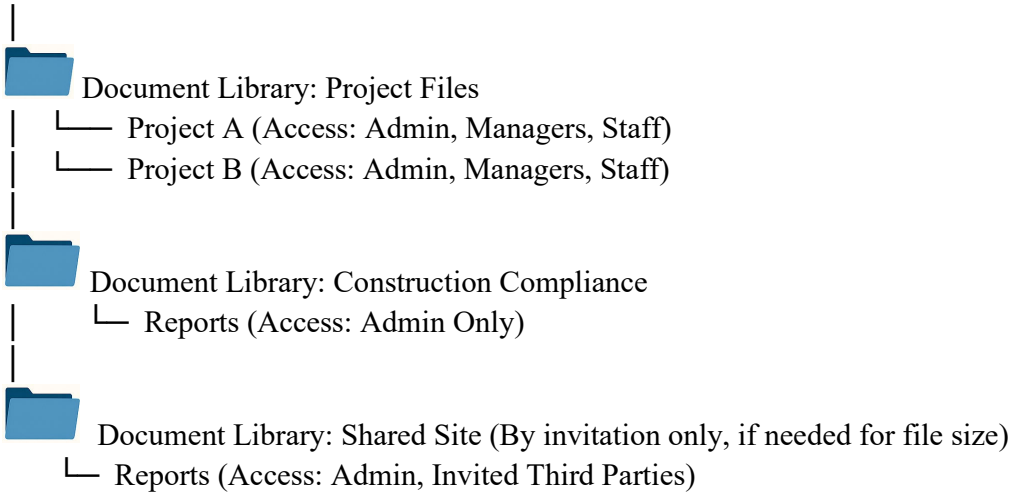
2. Upon receipt of the completed construction status reports from RISE, including a G702, G703, any supporting change orders, and any supporting photographs, the Compliance Officer reviews the information for completeness and accuracy. After verification, the Compliance Officer uploads the report to the Compliance Monitoring and Tracking System (CMTS) in a timely manner, following all applicable deadlines.

3. All third-party reports are stored in a secure compliance drive. The reports are maintained in a designated folder structure, with access restricted only to company owners.

File Storage Guidelines

The Company SharePoint site now has the following folder structure:

SharePoint Site: Company Portal



File Access Restrictions

Only company owners and the Compliance Officer may access the quarterly reporting files. No other staff members or outside consultants are permitted to access any files that may be used in reporting to TDHCA to ensure confidentiality and data integrity.

Software

Bluebeam and Adobe Pro will only be installed at the Project Manager, Development, and C-levels. Site team will not be equipped with software with pdf inline editing capabilities.

Quality Control

The Compliance Officer will verify that all reports received and uploaded match the originals provided by the issuer. Quarterly audits will be performed to ensure that all reports are submitted on time and stored securely.

Third-Party Inspections Source

- Lender-Retained Inspections

The lender's selected inspection firm will conduct periodic construction inspections and provide inspection reports in accordance with the lender's requirements.

- Company-Commissioned Inspections

In any quarter or for any project phase where the lender does not require a construction inspection report, but TDHCA does, the Company will commission an independent inspection from AEI Consultants or a similar qualified third-party inspection firm to comply with 10 TAC Sec. 10.401(b)(50).

Report Submission Checklist

Staff must complete the following steps for each report submission:

☐ Confirm that the report was received directly from the third-party issuer.

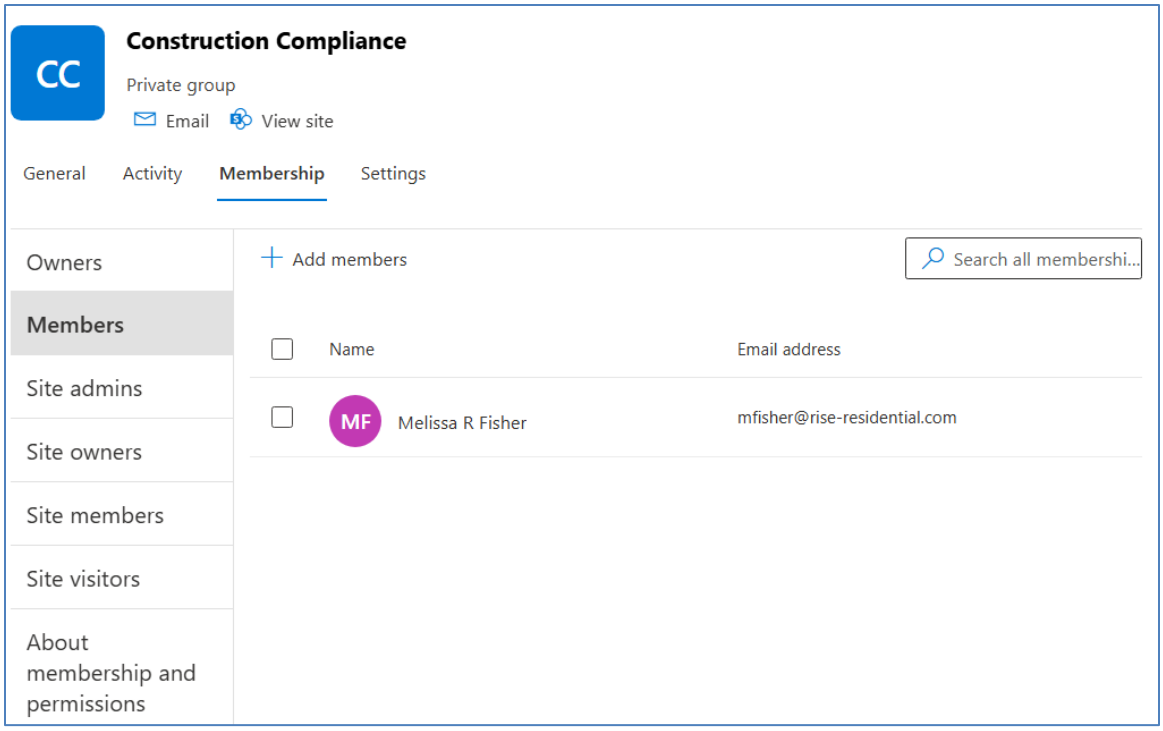
☐ Verify that the report is signed/certified by the issuer.

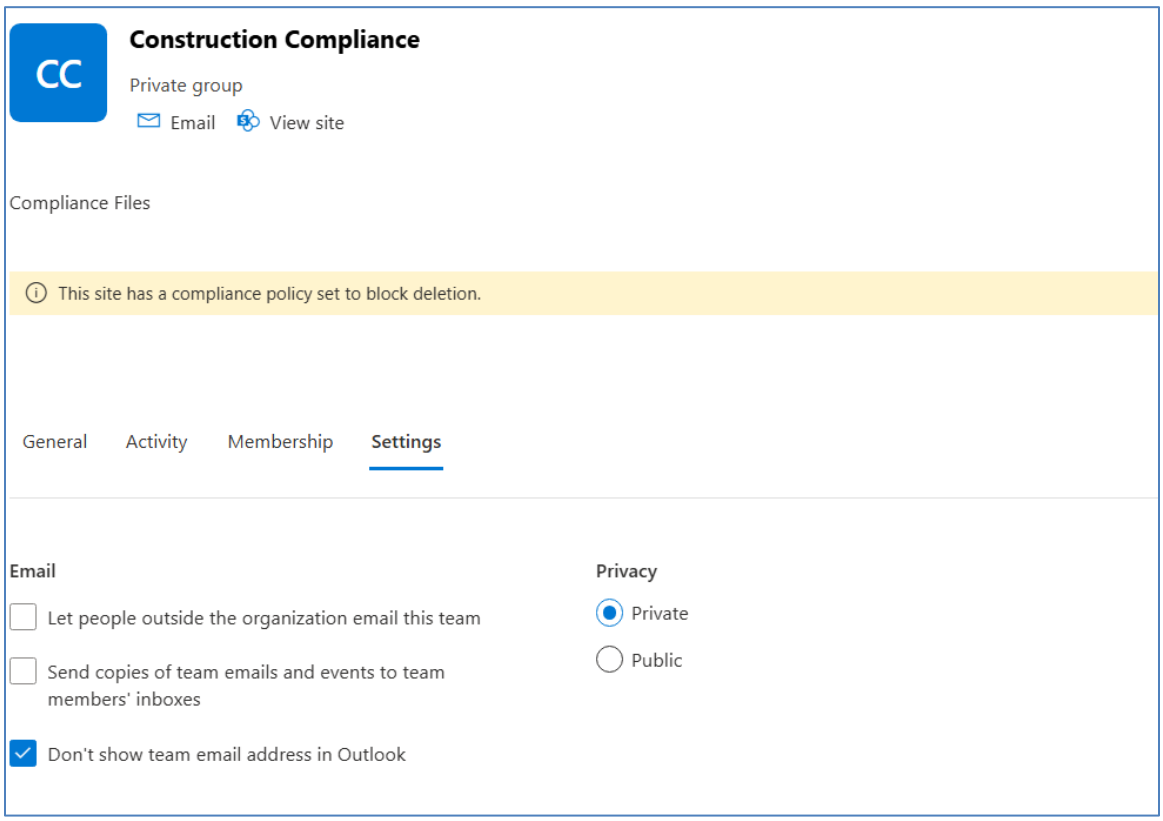
☐ Review the report for completeness and accuracy.

☐ Obtain Compliance Officer approval for submission.

☐ Upload the report to CMTS within required timelines.

☐ Save the report and confirmation of submission in the secure compliance drive.


CC
Construction Compliance
Private group
Email
View site
General
Activity
Membership
Settings
Owners
Members
Site admins
Site owners
Site members
Site visitors
About membership and permissions
Add members
Search all membershi...
Name
Email address
MF
Melissa R Fisher
mfisher@rise-residential.com


CC
Construction Compliance
Private group
Email
View site
Compliance Files
This site has a compliance policy set to block deletion.
General
Activity
Membership
Settings
Email
Let people outside the organization email this team
Send copies of team emails and events to team members' inboxes
Don't show team email address in Outlook
Privacy
Private
Public

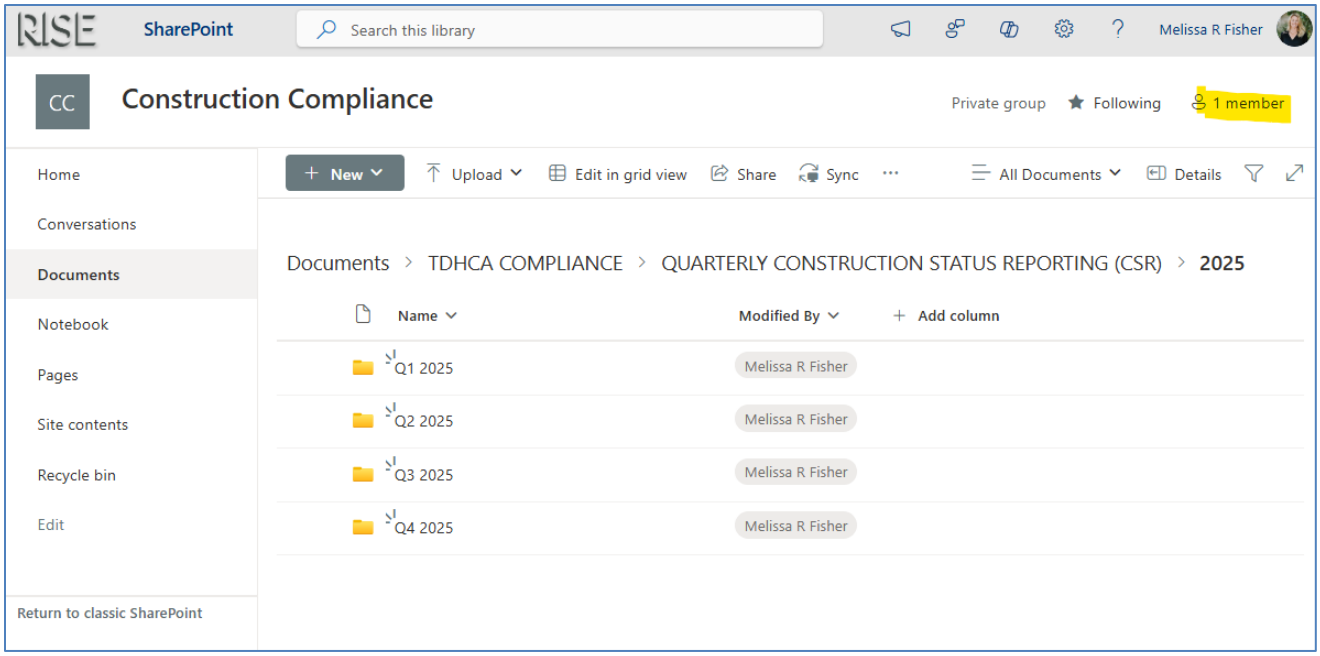

RISE
SharePoint
Search this library
Melissa R Fisher
CC
Construction Compliance
Private group
Following
1 member
Home
Conversations
Documents
Notebook
Pages
Site contents
Recycle bin
Edit
Return to classic SharePoint
New
Upload
Edit in grid view
Share
Sync
All Documents
Details
Documents
TDHCA COMPLIANCE
QUARTERLY CONSTRUCTION STATUS REPORTING (CSR)
2025
Name
Modified By
Add column
Q1 2025
Melissa R Fisher
Q2 2025
Melissa R Fisher
Q3 2025
Melissa R Fisher
Q4 2025
Melissa R Fisher

EXHIBIT B

COMPLIANCE OFFICER POLICY

I. Purpose

This Compliance Officer Policy sets forth the duties, authority, responsibilities, and accountability framework for the Compliance Officer of [Company Name] ("the Company"), in alignment with best practices and regulatory expectations, including guidance issued by the U.S. Department of Justice (DOJ) in its Evaluation of Corporate Compliance Programs (March 2023).

II. Position and Authority

1. Designation

The Company shall appoint a qualified individual to serve as the Compliance Officer, who shall lead the Company's corporate compliance program and oversee the Company's adherence to applicable laws, regulations, policies, and ethical standards.

2. Reporting Structure

The Compliance Officer shall:

- Report administratively to the [CEO or General Counsel], and
- Report functionally and have direct access to the [Board of Directors, Audit Committee, or Compliance Committee] on matters of significant compliance concern, including findings of material violations or system weaknesses.

3. Independence

The Compliance Officer shall operate with autonomy and independence from management functions that create actual or perceived conflicts of interest, including operations, finance, or legal defense functions.

III. Qualifications

The Compliance Officer shall possess:

- Demonstrated expertise in legal, regulatory, or risk management disciplines relevant to the Company's operations;
- Professional experience in compliance, ethics, internal audit, risk, or regulatory oversight; and
- Sufficient stature, credibility, and knowledge to effectively lead a compliance program across the organization.

IV. Responsibilities

The Compliance Officer shall have the following responsibilities:

1. Compliance Program Management
- Develop, implement, and maintain the Company's written compliance program, including policies, procedures, codes of conduct, and training programs.
- Periodically review and revise compliance policies to reflect changes in legal and regulatory requirements.

2. Risk Assessment and Monitoring
- Lead the Company's periodic compliance risk assessments.
- Oversee compliance auditing, monitoring, and internal investigations.
- Ensure compliance with regulatory obligations and voluntary commitments.

3. Training and Culture
- Design and implement ongoing compliance training and awareness efforts for employees, contractors, and board members.
- Promote an ethical culture that encourages lawful conduct and deters misconduct.

4. Reporting and Escalation
- Maintain open lines of communication with the board or designated committee on significant compliance issues.
- Oversee and respond to internal reports of suspected misconduct, including operation of anonymous reporting channels or hotlines.

5. Third-Party Oversight
- Oversee compliance due diligence and monitoring with respect to vendors, contractors, and other third parties.

V. Resources and Access

1. Staffing and Budget
The Company shall ensure the Compliance Officer is supported with adequate personnel, budget, and access to technological tools to perform duties effectively.

2. Data Access
The Compliance Officer shall have timely and unrestricted access to operational, financial, transactional, and personnel data necessary to monitor compliance performance.

VI. Oversight and Evaluation

1. Board Access
The Compliance Officer shall have the right to meet in executive session with the Board or Audit Committee without management present.

2. Annual Evaluation
The [Board or designated committee] shall review the performance, authority, and resourcing

of the Compliance Officer annually and take corrective action, if necessary, to preserve independence and effectiveness.

3. Audit and Testing
The Compliance Officer shall participate in internal and external audits as appropriate and ensure that findings are remediated in a timely manner.

VII. Retaliation Prohibited

No officer, employee, or agent of the Company shall retaliate against any person for reporting a compliance concern in good faith or cooperating with a compliance investigation. The Compliance Officer shall ensure awareness and enforcement of this anti-retaliation policy.

VIII. Policy Review

This policy shall be reviewed by the Compliance Officer and the Board at least annually and updated as necessary to reflect evolving best practices or regulatory guidance.

EXHIBIT C

POLICY ADDENDUM: THIRD-PARTY INSPECTION REPORTS

This addendum outlines the acceptable methods for employees to provide comments or feedback on third-party inspection reports. The purpose of this policy is to ensure that all comments are documented in a clear, professional, and traceable manner, while maintaining an organized process for review and escalation.

As part of our construction quality and compliance expectations, all superintendents are required to communicate directly with the third-party inspectors each month. Superintendents must meet inspectors on site during inspections, review any identified issues in person, and work collaboratively to resolve them as quickly as possible. If issues remain uncorrected after these discussions, superintendents should document their concerns using the approved commentary methods and submit the marked-up report to their supervisor. The supervisor will then review and forward the report to the Vice President of Construction for escalation to ownership as needed.

Policy Guidelines

After working with the third party inspector, and you still find something in a third-party inspection report that you disagree with or wish to comment on, you must follow one of the approved methods below:

1. Use the commentary function in Adobe Acrobat or BlueBeam to add electronic comments directly to the report.
2. Print the report, make handwritten comments clearly and legibly, then scan the marked-up report into a PDF format.

Under no circumstances may an employee alter, edit, or delete the original wording of a third-party inspection report. It is unacceptable to make any changes to the report text itself. Comments may only be provided using the Adobe commentary function or handwritten notes as described above.

Submission Process

Once comments are added, you must email the marked-up report to your immediate supervisor for review. Supervisors will review the comments and determine whether they should be forwarded to the Vice President of Construction. The Vice President of Construction will review and, if necessary, share the report with ownership for further discussion.

Acknowledgment

By signing below, I acknowledge that I have read and understood this policy addendum and agree to follow the outlined procedures for commenting on third-party inspection reports. I further understand that changing the wording of a third-party report in any way other than by commentary or handwritten notes is strictly prohibited and **may result in disciplinary action up to and including termination**.

_____ _____

Employee Name (Print) Date

_____ _____

Employee Signature Supervisor Signature

EXHIBIT D

Synopsis of Board Appearances

This Exhibit provides a consolidated record of projects for which Melissa Fisher appeared before the Board over the previous two years. Staff recommended approval for each.

Table of Contents

1. Board Meeting: December 7, 2023, and September 5, 2024 – Woodcrest Apartments – Extension (Force Majeure)

2. Board Meeting: October 10, 2024 – Riverside Apartments – Supplemental Bond Request

3. Board Meeting: May 8, 2025 – The Manchester – Material Amendment

4. Board Meeting: May 8, 2025 – Lakeway Apartments – Material LURA Amendment

7. Board Meeting: May 8, 2025 – Lakeview Apartments – Material LURA Amendment

1. Board Meeting: December 7, 2023

Woodcrest Apartments – Extension (Force Majeure)
In-service date will be July of 2026.

- The transaction is using the HUD 504 process, one of only a handful of such transactions nationally, applying approximately $16 million in housing tax credits to support the full demolition and new construction of a property originally built in 1965. Due to its limited use by HUD, HUD's execution has been slow because of its own lack of institutional knowledge about this process.

- The property is an 80-unit property in Odessa, Texas. More than 90% of the units are covered by a HUD Housing Assistance Payments (HAP) contract serving families seniors, and disabled individuals. The HAP contract extension preserves 20 years of rental assistance.

On December 12, 2024, HUD issued a loan commitment for the project under its 221(d)(4) program.

On December 19, 2024, HUD approved the 209 Transfer of Use Agreement that allows the property to officially be used for affordable housing.

On May 2, 2024, HUD approved the Housing Assistance Payments (HAP) contract that guarantees rental subsidy payments for the affordable units in its Multifamily Unison Model ("MUM") system.

2. Board Meeting: October 10, 2024

Legacy Riverside Apartments – Supplemental Bond Request
Placed in service in 2025.

- Our investor demanded all bond debt to be tax exempt, which would allow the permanent loan to be 100% tax-exempt as well. To satisfy our investor's demand, it required us to obtain additional bonds to increase the total amount of bonds to an amount equal to the permanent loan.

- To accomplish the investor's goal, we, as the developer, loaned the project $2.5 million to keep the work moving forward, underscoring our commitment to seeing the project through to completion.

- A material amendment was required to increase the bond amount so that the project would be eligible for tax credits. To qualify for 4% tax credits, at least 50% of the project's eligible costs have to be financed with tax-exempt bonds (the "50% test"). Originally, the bond amount wasn't high enough to meet that threshold. To fix that, we had to increase the bond allocation. But because the bonds are tied into the property's Land Use Restriction

Agreement (LURA), the LURA itself had to be amended to restrict 27 units for families earning 30% or less of the area median income. That amendment is considered "material" because it changes the financing structure that governs affordability commitments.

- By receiving from TDHCA approval of the supplemental bonds, we were able to set aside an additional 27 units for tenants earning not more than 30% of the area median income.

- The all-in per unit construction costs including the general contractor fee, overhead, and general conditions were $170,000 per unit. This project contains an elevator in each building, a full-size pool, an oversized clubhouse, laundry appliances, granite counter tops, dog park, etc.

3. Board Meeting: May 8, 2025

The Manchester – Material Amendment
Placed in service in 2025.

- Our investor demanded all bond debt to be tax exempt, which would allow the permanent loan to be 100% tax-exempt as well. To satisfy our investor's demand, it required us to obtain additional bonds to increase the total amount of bonds to an amount equal to the permanent loan. The existing investor put more equity into the project in exchange for the additional tax credits.

- A material amendment was required to increase the bond amount so that the project would be eligible for tax credits. To qualify for 4% tax credits, at least 50% of the project's eligible costs have to be financed with tax-exempt bonds (the "50% test"). Originally, the bond amount wasn't high enough to meet that threshold. To fix that, we had to increase the bond allocation. But because the bonds are tied into the property's Land Use Restriction Agreement (LURA), the LURA itself had to be amended to restrict 28 units for families earning 30% or less of the area median income. That amendment is considered "material" because it changes the financing structure that governs affordability commitments.

- By receiving from TDHCA an additional allocation of bonds, we were able to set aside an additional 28 units for tenants earning not more than 30% of the area median income.

- General contractor costs, including general contractor fees and overhead, remained well below $195,000 per unit, reflecting strong cost efficiency in the Austin market.

4. Board Meeting: May 8, 2025

Lakeway Apartments – Material LURA Amendment
In-service date will be in Q1 of 2026.

- The development experienced significant delays and increased costs due to a five-year jurisdictional conflict involving Travis County, the City of Austin, WCID 17 (a non-profit public water and wastewater service utility in Travis County), and the City of Lakeway Municipal Utility District (MUD). The jurisdictions have had trouble coordinating and agreeing on certain requirements which caused significant delays and increased costs.

- A material amendment was required to increase the bond amount so that the project would be eligible for tax credits. To qualify for 4% tax credits, at least 50% of the project's eligible costs have to be financed with tax-exempt bonds (the "50% test"). Originally, the bond amount was insufficient to meet that threshold. To satisfy the 50% test, we had to increase the bond allocation.

- The largest cause of delay was due to our being forced to install a sewer main much larger than originally approved, and it has been a struggle to coordinate approvals from all parties for each iteration of the new plans.

- WCID 17 Conditional Approval Received 08/18/2020
- City of Austin Site Development Permit Issued 08/21/2020
- Travis County Development Permit issued 09/04/2020
- City of Lakeway approved the off-site work in their jurisdiction 01/08/2021
- Had to make revisions to City of Lakeway Permit due to the work by the school is actually in their Jurisdiction and those revisions were approved on 08/11/2021
- Original Site Permit from the fire marshal issued 02/28/2022
- Original Building Permit from fire marshal issued 02/28/2022
- We reached out to the City of Lakeway on 06/20/2022 to find out when our permit with them expires as nothing is listed on the permit. They said they should have expired it before now. We then started working with them to have sewer main lines in the subdivision due to construction constraints as designed. We had to hire replace the original Civil Engineer declined to do the work. They have been working on that for the past two years to get that resolved and finally submitted to TxDOT and the City of Lakeway on 08/05/2024. This included discussions also with WCID 17.
- Meeting at WCID 17's office to discuss issues 10/04/2023

- On 02/16/2024 when we tried to get our Building Permits extended like we have done since 2020 and since they had updated their code requirements, they would not allow us to renew without updating to the current code. This forced us to make all of our buildings National Fire Protection Association (NFPA) 13 standard (the most comprehensive fire sprinkler system standard) instead of NFPA 13R (for residential buildings up to 4 stories). We now had to sprinkler the attics and we had to do full blown-in insulation in the ceiling spaces between floors which increased our costs.

- Received revised Building Permits from the fire marshal on 03/28/2024

- WCID 17 Plumbing Permits were finally issued on 05/28/2024

- Finally, were allowed to start going vertical 06/07/2024

- WCID 17 off-site sewer line approval still pending as of 8/28/25

- Construction completion of the project was also adversely impacted by a TXDOT condemnation of a portion of FM 620 Ranch Road, increasing costs and affecting the development timeline.

- By receiving from TDHCA approval for the amended LURA, we were able to set aside an additional 18 units for tenants earning not more than 30% of the area median income.

- The all-in per unit construction costs including general contractor fee, overhead, and general conditions were $211,000 per unit. This project contains an elevator in each building, laundry equipment in every unit, impervious cover restrictions, and massive post-plan approval utility requirements.

5. Board Meeting: May 8, 2025

Lakeview Apartments – Material LURA Amendment
Placed in service in 2024.

- In December 2020, during construction, a fire destroyed one residential building and the clubhouse. The fire marshal determined the cause to be Oncor's miswiring of a transformer. The Fire Marshall would not allow us in the fire-damaged building for several months following the fire, until it was determined to be safe. That combined with insurance inspections and rebuild plan approvals with the city, demolition was not allowed to begin until July 2021. Demo continued slowly and controlled by the insurance company and city Fire Marshall until July 2022. Reconstruction began in August of 2022 and lasted until December 2024.

We completed the remaining buildings in November of 2022.

- Fire damage reconstruction costs exceeding $9 million were financed directly with our own funds, covering one of the three buildings.

- A material amendment was required to increase the bond amount so that the project would be eligible for tax credits. To qualify for 4% tax credits, at least 50% of the project's eligible costs have to be financed with tax-exempt bonds (the "50% test"). Originally, the bond amount wasn't high enough to meet that threshold. To fix that, we had to increase the bond allocation. But because the bonds are tied into the property's Land Use Restriction Agreement (LURA), the LURA itself had to be amended to restrict 28 units for families earning 30% or less of the area median income. That amendment is considered "material" because it changes the financing structure that governs affordability commitments.

As an aside, we are unclear why this project was included in the July 2025 Board meeting write-up as a "repeated enforcement occurrence." As required by TDHCA rules, we filed the request for final inspection of the project in January 2025. We do not know why staff initiated a final inspection in mid-2024, especially considering that the rebuild necessitated by the fire was still in process. If the final inspection had occurred following our request to TDHCA as the rules provide, we would not have been adversely written-up as we were.

- By receiving from TDHCA approval for the amended LURA, we were able to set aside an additional 28 units for tenants earning not more than 30% of the area median income.

- The all-in per unit construction costs including general contractor fee, overhead, and general conditions were $162,000 per unit. This project contains the post-fire rebuild, laundry appliances, granite countertops, and a dog park.

SONOMA HOUSING ADVISORS AND BILL FISHER TDHCA - Corrective Action Plan

Date: August 26, 2025

Mr. Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

Subject: Corrective Action Plan and Limited Participation Agreement

Dear Mr. Wilkinson,

At the meeting on July 10, 2025, board members requested a correction action plan for the parties facing possible debarment action by TDHCA. Sonoma Housing and me hereby provide a corrective action plan to the Board and TDHCA Staff. I believe it addresses the circumstances where Sonoma Housing and Bill Fisher provide consulting services to developers using TDHCA resources. These applications and related responses, including but not limited to, 4% and 9% HTC application, MFDL applications, other soft funding or loan resources supporting existing or planned affordable housing. Further related to applications to TDHCA as a bond issuer with statewide authority to issue private activity bonds for multifamily affordable housing. I believe these satisfactorily addresses staff's and the Board's concern in ensuring submissions are properly reviewed prior to any submissions to staff including Asset management.

Review and verification procedure improvements

Sonoma Housing and its personnel including Bill Fisher has established a review procedure that require one or more peer reviews of submissions prepared for submission by clients to TDHCA.

Sonoma Housing will no longer make direct submissions to the department on behalf of its clients. All submissions following this peer review will be sent to the client\sponsor\applicants for their own review and verification

The Client\Sponsor\applicants will only make the final submission to TDHCA through the approved method presume to be CMTS or Electronic filing agreements related to the specific applications.

Sonoma Housing and its personnel will not make submissions on anyone's behalf directly to the department unless the application is for Bill Fisher and Sonoma Housing as sponsor. (see agreed voluntary nonparticipation agreement)

SHA will obtain signatures from their 5 employees on these procedures for review and submission procedures for materials to TDHCA.

In the event a mistake is made in any communication with TDHCA Sonoma Housing will promptly notify staff of the issue and make any corrections deemed appropriate.

Limiting Sonoma Housing and Bill Fisher Participation

This submission of a redlined report on behalf of RISE Residential was not done intentionally and was clearly not represented to be the original work product of the author at CA Partners. Fisher has done business with TDHCA as Sonoma Housing and personally since 2011 and has no prior history nor findings of noncompliance. The record supports a strong track record of compliance with TDHCA rules and procedures for 15 years. We concede this mistake was made whereby the wrong report, which was not the original work of CA Partners. This is our first compliance issue with TDHCA during this period.

As penance for this mistake and in response to the Boards consideration of a voluntary nonparticipation agreement in lieu of debarment. I have attached a proposed agreement of non-participation responsive to the board feedback at the July 2025 board meeting.

Your consideration of this action plan and proposed voluntary non-participation agreement will ensure no further action is taken by the board of TDHCA related to the debarment recommendation from Staff.

Respectfully,

James R. (Bill) Fisher
President Sonoma Housing Advisors
Bill.fisher@sonomaadvisors.com

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: C-017 **Agenda Date:** 7/10/2025 **Agenda #:** 16.

Presentation, discussion, and possible action on recommendation to debar Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher, relating to Riverside Heights Senior Living AKA Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B / CMTS 5659)

RECOMMENDED ACTION

WHEREAS, TDHCA approved a 4% HTC and Bond allocation during 2020, for the new construction of Riverside Heights Senior Living AKA Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B / CMTS 5659) (the Property);

WHEREAS, Rise Residential Construction Riverside, LLC and Melissa Fisher are considered to be Responsible Parties, as defined by 10 TAC §2.102. Rise Residential Construction Riverside, LLC is the general contractor for the construction of Riverside, and is controlled by its manager, Melissa Fisher;

WHEREAS, Sonoma Housing Advisors, LLC and James R. (Bill) Fisher are considered to be Consultants, as defined by 10 TAC §2.102. Sonoma Housing Advisors, LLC is the Consultant for the bond application and construction of Riverside, and is controlled by its manager, James R. (Bill) Fisher;

WHEREAS, 10 TAC §10.401(b)(5) requires the submission of quarterly Construction Status Reports (CSR), including the submission of a third-party construction inspection report;

WHEREAS, on October 10, 2024 at 5:18pm, Bill Fisher submitted to the Department a quarterly CSR on behalf of Melissa Fisher, including Construction Progress Report No. 042 dated September 25, 2024, from CA Partners, Inc., the third-party inspector (Submitted CSR);

WHEREAS, multiple pages of the Submitted CSR were electronically signed by Melissa Fisher prior to submission to the Department;

WHEREAS, Report No. 042, the third-party construction inspection report, was materially altered prior to submission to the Department;

WHEREAS, upon request of the Department, CA Partners, Inc. provided an original version of Report No. 042 and confirmed that it did not make or approve said alterations;

WHEREAS, per the TDHCA Asset Management Division, submitting altered reports is not common practice and all of the alterations, whether obvious or not, and whether negligent or intentional, make it so that the CSR prepared by the third-party inspector was not what was actually submitted to the Department as required under 10 TAC §10.401(b)(5);

WHEREAS, intentionally or negligently providing material misrepresentations with regard to documentation submitted to the Department by a Responsible Party or a Consultant is a violation of 10 TAC §2.401(a)(5), and is grounds for discretionary debarment under 10 TAC

§2.401(a)(5);

WHEREAS, representatives for Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher, participated in an informal conference with the TDHCA Enforcement Committee on March 25, 2025;

WHEREAS, on April 11, 2025, the TDHCA Executive Director issued a debarment determination notice recommending a six-month debarment term for all four parties, beginning July 10, 2025 and ending January 10, 2026;

WHEREAS, Melissa Fisher and Bill Fisher have submitted multiple appeals and additional information on appeal, all of which have been considered and are incorporated herein; and

WHEREAS, staff has based the above debarment recommendation on the Department's rules for debarment and an assessment of each and all of the material factors identified at 10 TAC §2.401(j) that are to be considered in determining a recommended period of debarment, applied specifically to the facts and circumstances present in this case.

NOW, therefore, it is hereby

RESOLVED, that a Final Order of Debarment through January 10, 2026, for Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher, substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

REFERRED VIOLATIONS SUBJECT TO DEBARMENT:

1. Tex. Gov't. Code 2306.0504(b) states, *"(b) The department may debar a person from participation in a department program on the basis of the person's past failure to comply with any condition imposed by the department in the administration of its programs."*

2. 10 TAC §2.401(a)(5) states, *"(a) The Department may debar a Responsible Party, a Consultant and/or a Vendor who has exhibited past failure to comply with any condition imposed by the Department in the administration of its programs. […] (5) Providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department;"*

   Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher are eligible for debarment under 10 TAC §2.401(a)(5) for submitting an altered third-party inspection report to the Department on October 10, 2024, as part of a quarterly Construction Status Report (CSR) for the Property. Quarterly CSRs are required under 10 TAC §10.401(b)(5), and must include a third-party inspection report: *"[…] All Third Party construction inspection reports not previously submitted. If the lender and/or investor does not require third party construction inspection reports,*

the Development Owner must hire a third party inspector to perform these inspections on a quarterly basis and submit the reports to the Department. Third Party construction inspection reports must include, at a minimum, the date construction started (initial submission only), a discussion of site conditions as of the date of the site visit, current photographs of the construction site and exterior and interior of buildings, an estimated percentage of construction completion as of the date of the site visit, identification of construction delays and other relevant progress issues, if any, and the anticipated construction completion date."

The altered third quarter CSR (Q3 CSR) included documents electronically signed by Melissa Fisher of Rise Residential Construction Riverside, LLC on October 9, 2024, and was submitted to TDHCA by Bill Fisher of Sonoma Housing Advisors, LLC at 5:18pm on October 10, 2024. Melissa Fisher then uploaded the same altered Q3 CSR to TDHCA at 7:44pm on October 10, 2024. See Exhibit 1 for key alteration excerpts, and Exhibit 2 for a TDHCA blackline analyzing all alterations. Misrepresentations and alterations in the Q3 CSR include but are not limited to:

- Adding comments in red font;
- Deletions and additions in red font;
- Inconspicuous deletions and additions in black font of material information; and
- Deleting, in its entirety, the September 2024 G702 and G703 that the third-party inspector had attached to its Report No. 042 with notations regarding budget concerns, and replacing those documents with a new version that did not include the inspector's notations and was not signed by the architect.

PROPERTY INFORMATION: 2020 4% HTC and Bond award for new construction. 264 units in Fort Worth, Tarrant County, with all units restricted at 60% AMI. The Development serves the elderly population. Financing closed in December 2020, and based on the representations made at application should have been completed within two years, but there have been significant construction delays, and the project was approximately 82% complete as of the April 2025 quarterly CSR, with completion estimated to occur in October 2025. Per Multifamily Bond Finance, the vast majority of other developments awarded by TDHCA during that time are complete.

DEBARRED PARTIES: Rise Residential Construction Riverside, LLC is the general contractor for the construction of the Property, and is controlled by its manager, Melissa Fisher. Both are considered to be Responsible Parties as defined by 10 TAC §2.102. Sonoma Housing Advisors, LLC is the consultant for the bond application and construction of the Property. Sonoma Housing Advisors, LLC is controlled by its manager, James R. (Bill) Fisher. Both are considered to be Consultants as defined by 10 TAC §2.102. 10 TAC §2.401(a) permits debarment of Responsible Parties, Consultants, and Vendors.

BACKGROUND: On October 10, 2024, Melissa Fisher attended a TDHCA board meeting to support an agenda item requesting a supplemental allocation of bonds for the Property to aid in the absorption of increased costs. Rise represented it was in jeopardy of not meeting the federal requirement that at least 50% of the development's aggregate basis be financed with

private activity/tax-exempt bonds. That supplemental bond application required, among other things, a Development Cost Schedule that reflected the most current total development costs, along with a Schedule of Values that substantiated these costs. The numbers in those two documents were inconsistent, so TDHCA staff reviewed several quarterly CSRs to get a better understanding of construction progress and costs since the transaction had closed over four years earlier, in December of 2020, and remained incomplete. Staff found more discrepancies between the CSRs, and the schedules in the supplemental bond application. TDHCA staff's recommendation for the board item was neutral, and staff noted significant concerns regarding cost inconsistencies in documents reviewed by staff to evaluate the request. When staff questioned the inconsistencies, the developer responded that the Q3 CSR would reflect cost corrections. That report was due on October 10, 2024, the same day as the October board meeting. During the board meeting, Board members asked questions about the cost discrepancies, and noted that the Q3 CSR had not already been submitted despite the fact that the Department's cost concerns would be discussed during the board meeting. Melissa Fisher stated that the report would be filed later that day. The Board tabled its decision, and the inducement remains on hold to date.

The board meeting ended at 2:03pm on October 10, 2024. James R. (Bill) Fisher submitted the Q3 CSR at 5:18pm that afternoon, including Construction Progress Report No. 042 dated September 25, 2024, from CA Partners, Inc., the third-party inspector. Report No. 042 was heavily altered. Some of the alterations were obvious, using a contrasting red font to add comments. More concerning alterations to the report included deleting black text and substituting other text using a contrasting red font. Most concerning were material deletions and modifications in black font without any indication that changes had been made to the original text. Additionally, the September 2024 G702 and G703 that CA Partners, Inc. attached to its Report No. 042 with disclosed notations regarding some of its budget concerns was deleted in its entirety from the version of Report No. 042 submitted to TDHCA, and replaced with a new version that did not include CA Partners' notations and was not signed by the architect. Multiple pages of the Q3 CSR submitted on October 10, 2024, were electronically signed by Melissa Fisher.

On December 5, 2024, TDHCA contacted CA Partners, Inc. to request a copy of the original Report No 042. CA Partners, Inc. provided the original report, and confirmed that it did not produce or approve the altered version. See Exhibit 1 for key alteration excerpts, and Exhibit 2 for a TDHCA blackline analyzing all alterations.

Per Rosalio Banuelos, who referred the above parties for debarment, submitting altered CSRs is not common practice. All of the changes to the CA Partners, Inc. report, whether obvious or not, and whether negligent or intentional, make it so that the report prepared by the third-party inspector was not what was actually submitted to the Department as required under 10 TAC §10.401(b)(5).

DEBARMENT IS DISCRETIONARY: Debarment is discretionary for this violation, per the above referenced statute and rule.

FACTORS CONSIDERED TO DETERMINE RECOMMENDED DEBARMENT TERM: The Enforcement Committee held an informal conference on March 25, 2025, and submitted a recommendation for debarment to the TDHCA Executive Director. On April 11, 2025, the TDHCA Executive Director issued a debarment determination notice recommending a six month debarment term for Rise Residential Construction Riverside, LLC, Melissa Fisher, Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher. There is no required minimum or maximum debarment term, and the Board may increase or decrease the term. Pursuant to 10 TAC §2.401(j), the recommended period of debarment was based upon the following material factors:

1. **Repeated enforcement occurrences:**

    a. **Debarment:** There are no prior debarment referrals for any of the referred parties.

    b. **Administrative Penalty:** Melissa Fisher has an open administrative penalty referral for final construction inspection violations at Lakeview Pointe Senior Living (HTC 17435 / CMTS 5350), which was referred for an administrative penalty on May 1, 2025. Partial corrective documentation was submitted on May 8, 2025, and an informal conference was held on May 29, 2025. Circumstances did not support an administrative penalty, and the Enforcement Committee voted to accept a corrective plan to submit all remaining corrections within 10 days. Corrections were submitted, and are under review. Ms. Fisher is also associated with two prior administrative penalty referrals for final construction inspection violations at Austin Colorado Creek (HTC 15423 / CMTS 5154) and Creekview Apartment Homes (HTC 17424 / CMTS 5268). Both were referred together and resolved informally since they were a first-time referral, however, corrective documentation submitted for both properties required multiple corrective reviews. All three developments and final construction responses were behind schedule.

2. **Seriousness of underlying issues:** The alterations are serious, particularly those alterations where text was inconspicuously deleted or added in black matching font, such as the change-order section, and where the altered information was material to the CSR. The Enforcement Committee was not able to establish clear intent, however, intent is not required under the rule to warrant debarment. At best, submitting the altered report demonstrates negligence by the Responsible Parties and Consultants. At worst, it could demonstrate intentional misrepresentation. Both negligent and intentional misrepresentation are subject to debarment per 10 TAC §2.401(a)(5). The Committee then considered whether this was an isolated clerical error, accidentally submitting an internal working version as claimed, or whether it might represent a pattern of behavior. Altered reports were not thought to be habitual, however, as noted during the October TDHCA board meeting, Multifamily Bond Finance previously identified concerns regarding construction delays as well as cost, budget, and change order inconsistencies. The Board asked questions about those concerns on October 10,

2024, and specifically inquired about the Q3 CSR that was due the same day. Submitting an altered third-party inspection report shortly afterward is extremely concerning within this context. Third-party construction inspection reports are vital so that the Department can evaluate progress and costs. Altering a report in any way is inappropriate and renders the rationale for requiring a third-party report meaningless.

3. **Presence or absence of corrective action:** There is no way to correct this violation, however, the Committee was concerned that (upon notification from TDHCA regarding the altered report) there was (1) no submission of the correct original version of the CSR to the Department; and (2) no discussion of any internal investigation to identify the source of the alterations. It is critical that if a document is submitted in error to the Department, that the Responsible Party promptly correct the error and investigate to ensure that it does not happen again. It did not appear that the referred parties took this step, and they did not provide adequate answers to Committee questions during the informal conference. Bill Fisher indicated that CSR comments are routine, and that he submitted the wrong version because Melissa Fisher was at the TDHCA board meeting. However, Melissa Fisher repeatedly stated that she did not make the alterations and was uncertain who did. She also suggested that the deletions and black font edits might have been done by someone without much computer knowledge, and who perhaps did not know to make any comments in an easily identifiable way to track changes. The Committee noted that the black font alterations would require a full version of Adobe Acrobat Pro, and that in-line text alterations are actually quite difficult to make without inadvertently causing formatting and pagination errors, even for those experienced with the program. The Committee also noted that Melissa Fisher signed multiple pages in the submitted CSR.

4. **Other material factors:** The referred parties are experienced, with thirteen actively monitored TDHCA developments and three more in progress. The referred parties have a history of issues, including challenges with construction delays and inconsistent costs. While those issues on their own do not rise to the level of debarment, they do inform the negligence component of 10 TAC §2.401(a)(5), supporting debarment for this referral. The committee is concerned that the referred parties are over-extended with the current properties in their portfolio and need to get the management of these properties under control before they are permitted to apply for or participate in any new programs or funds with TDHCA.

RESPONSES AND APPEALS BY MELISSA FISHER AND BILL FISHER: When TDHCA questioned Mr. Fisher about the alterations via email on December 5, 2024, he responded, “GC responses to their report comments are in red. Standard practice to respond to and correct issues in these reports. They go to the interim and permanent lender as well as the investor. So GC's do not leave inaccuracy un-rebutted in these circumstances.” In a separate email on the same day, Mr. Fisher stated that, “The PM on the job at the time made the response.” Then during the informal conference, he stated that he submitted the wrong report version by mistake since Melissa Fisher was away, but that it was his responsibility.

Melissa Fisher's written response to the debarment referral is at Exhibit 3, and both Melissa Fisher and Bill Fisher attended an informal conference with the Enforcement Committee on March 25, 2025. Their debarment appeals are at Exhibits 4 and 5. Both parties deny any unethical behavior or intent to misrepresent information. Both argue in their appeals that this was an isolated clerical mistake, and refer to their history with the Department as evidence that the submission was not intended as deception. Neither appeal address the edits in black text, but focus solely upon the edits in red text.

APPEAL CLAIMS OF SINGLE OCCURRENCE OR "CLERICAL ERROR": After receiving the debarment appeals, TDHCA requested the original 2024 Q1 and Q2 inspection reports from CA Partners, Inc., the third-party inspector, and compared those to the Q1 and Q2 CSRs submitted to TDHCA in order to confirm the parties' appeal claims that there was no history of document alteration. Those reviews appear to reveal a pattern of alterations. Like the 2024 Q3 CSR in question, the 2024 Q1 CSR also deleted in its entirety the G702 and G703 that the third-party inspector had attached to its report, replacing those documents with a different version that did not include the inspector's notations regarding budget concerns. Additionally, the Q1 2024 report substituted newer photographs in place of the photographs in the inspector's report. More troubling, however, are two pages of the 2024 Q2 CSR that contained significant and material alterations in black text. See Exhibit 1 for key alteration excerpts, and Exhibits 6 and 7 for TDHCA blacklines of the altered pages. These additional alterations appear to rebut the appeal assertions of a clerical error limited to the Q3 CSR. On May 30, 2025, TDHCA staff notified Melissa Fisher and Bill Fisher that the 2024 Q1 and Q2 reports would be considered as new evidence, and later provided time to submit additional information in response.

ADDITIONAL INFORMATION SUBMITTED PER 10 TAC §1.7(f)(3): Melissa Fisher and Bill Fisher submitted additional information, and the Executive Director approved placing Exhibits 10-12 before the Board for consideration. Claims from those submissions include, but are not limited to:

1. **Claim: No basis for TDHCA to rely upon the third-party inspection reports by CA Partners:** The Fishers claim in Exhibits 11 and 12, that TDHCA has no basis to rely upon these reports because they were produced for the lender, and therefore TDHCA must commission its own report if it wants to rely upon the information provided. TDHCA is a major financing partner in the construction project, and quarterly CSRs are required by 10 TAC §2.401(b)(5) so that TDHCA can verify appropriate construction progress and budgeting, and prepare for cost certification. 10 TAC §2.401(b)(5) clearly states that the third-party inspection report component of a quarterly CSR must be provided to TDHCA, and that if a report is not required by the lender and/or investor, the Development Owner must hire a third-party inspector to perform inspections on a quarterly basis for submission to the Department. Submitting altered documentation to TDHCA is never acceptable; and directly contravenes the rule's intention to provide objective inspection reports for the Department to review.

2. **Claim: No reason to know or suspect edits, and submission was not negligent.** Both Melissa Fisher and Bill Fisher have repeatedly stated they did not know the Q3 CSR had

been altered. At the informal conference, and in their original appeals at Exhibits 4 and 5, the Fishers asserted that submitting the altered Q3 CSR was a one-time clerical mistake. However, in her supplemental appeal at Exhibit 10, Ms. Fisher also asserted that the submission of the altered Q3 CSR was not negligent, as she had no way to foresee or suspect that a Rise employee would make edits to the report, despite the routine practice at Rise of making comments and notations on CSRs and despite the fact that Ms. Fisher's electronic signature was added to the Q3 CSR one day before it was submitted to TDHCA.

Exhibit 10 also confirms that Ms. Fisher's assertions during the informal conference and in Exhibit 4 were made without performing any reasonable investigation, a serious concern that the Enforcement Committee noted in the debarment factors above, and a concern that supports negligence. Compounding the issue, it appears there was a pattern of altered CSRs for this Development. In Exhibit 10, Ms. Fisher states that she performed an internal investigation *after* learning on *May 30, 2025*, that TDHCA intended to use additional Q1 CSR and Q2 CSR evidence. She then audited the CSRs and confronted an unnamed former staff member, who acknowledged he had made the undisclosed changes without her knowledge or consent because he allegedly "believed the inspection report was wrong and it reflected negatively on his work which could ultimately hurt his bonus compensation." TDHCA is uncertain why this internal investigation was only done after May 30, 2025, and not immediately upon learning about the Q3 CSR alterations that triggered this debarment referral. Per Ms. Fisher, the alterations were not identified prior to submission to TDHCA because she had no reason to suspect alteration, and she does not audit third-party content before submitting it as part of the CSR. Ultimately, any parties submitting documentation to TDHCA are responsible for ensuring the accuracy of their submissions.

3. **Claim: No financial incentive to alter reports and no harm to TDHCA:** The Fishers both state that they had no financial incentive to manipulate the inspection reports. Ms. Fisher also states at Exhibit 11, that the alterations caused no harm to TDHCA, and that the altered report is not comparable to other, "more potentially harmful factors likely to cause serious harm to people, loss of property, or refusal to comply with the affordable housing statutes, rules, and regulations." However, as explained in the Background section above, there was a pending application for supplemental Bond financing for Riverside. TDHCA's resources are limited, and it is vital to ensure that those taxpayer funds are being appropriately administered. Reviewing the CSR submissions as part of the supplemental application was prudent due diligence to understand the project's progress and timeliness of completion before recommending that bond volume cap from TDHCA's over-subscribed set-aside be allocated toward the project.

   Additionally, as noted above, Ms. Fisher has noted that her employee had a financial incentive to alter the reports.

4. **Claim: Q3 edits were obvious and were promptly corrected.** Although, many of the Q3 edits were obvious since they were in red text with inconsistent fonts, there were also

substantive in-line edits in black text that were inconspicuous. TDHCA only identified the inconspicuous edits by performing a manual side-by-side comparison, initially prompted by the unusual red text. The problem was not corrected by the Fishers as the Department never received an original unedited version of the Q3 CSR from either Bill or Melissa Fisher; the report was requested by TDHCA directly from the inspector after identifying unusual fonts. Ms. Fisher first acknowledged the additional inconspicuous alterations in Exhibit 10. Furthermore, subsequent investigation by the Department after the debarment appeal led TDHCA staff to identify additional in-line edits in black text and matching fonts in the Q1 and Q2 CSRs, demonstrating a pattern of altered submissions and representations to TDHCA.

5. **Claim: TDHCA staff bias due to FBI investigation.** It is not explained why TDHCA would discriminate against a person for assisting federal law enforcement in a case over twenty years ago, as asserted in Exhibit 12. This specter was raised for the first time by the Fishers after the Enforcement Committee made its recommendation, and after the Debarment Determination Notice was issued by the Executive Director. This FBI investigation and criminal case against non-TDHCA parties two decades ago was not raised and was not a factor that the Enforcement Committee considered.

6. **Claim: Failure to provide due process.** Bill Fisher claims in Exhibit 12 that not allowing Board members to interview TDHCA staff making debarment recommendations compromises neutrality due to the above staff bias claim. Tex. Gov't. Code 2306.0504(a) states that, "(a) The department shall develop, and the board by rule shall adopt, a policy providing for the debarment of a person from participation in programs administered by the department." Tex. Gov't. Code 2306.0504(d) further states, "A person debarred by the department from participation in a department program may appeal the person's debarment to the board." The Department's debarment process is adopted at 10 TAC §2.401 and includes multiple steps to ensure fairness. After referral for debarment consideration, the TDHCA Enforcement Committee holds an informal conference with the referred party to identify any mitigating factors that should be considered by the Enforcement Committee. The Enforcement Committee then deliberates in a closed session after the public portion of the conference has ended, and makes a recommendation to the Executive Director, who reviews the matter and issues a Notice of Debarment Determination if he concurs with the recommendation. Finally, the referred party has an opportunity to appeal the debarment to TDHCA's Governing Board.

7. **Claim: Selective enforcement.** Bill Fisher claims in Exhibit 12, that it is common to submit the wrong reports, and that on June 12, 2025, there was an incident involving 15 developers uploading the wrong reports. Additionally, he claims that in both the December 12, 2024, and the March 6, 2025, TDHCA board meetings, individuals who "committed much more grievous errors" were not referred for debarment and received an opportunity to correct. However, these submissions are not comparable. The referenced submissions relate to 9% application deficiencies, which were considered

"administrative deficiencies" identified by TDHCA that were, by statute and rule, allowed to be corrected. If the deficiencies are not corrected, the result is applications are terminated. This debarment relates to material misrepresentations made by altering a third-party CSR in relation to a forty-million-dollar bond issuance made by the Department, and for which the Parties are subject to debarment under the Rules.

Proposed corrective plans in lieu of debarment: Melissa Fisher at Exhibit 11 suggests that going forward, the Rise VP of Compliance will submit the CSR package via CMTS, the third-party inspector will submit the inspection report directly to TDHCA, and Rise will change their internal policy for which employees are granted access to original inspection reports. Bill Fisher at Exhibit 12 suggests that he will not submit any further construction reports to TDHCA. The Board may consider whether these corrective actions, prospectively, completely mitigate the presented bases for debarment.

RECOMMENDATION: After consideration of all appropriate factors, the Enforcement Committee and Executive Director recommend a six-month debarment term for all four parties, beginning July 10, 2025, and ending January 10, 2026. The debarment term in the determination notice originally assumed a start date as of the May board meeting, however, presentation of the debarment was delayed to July due to an appeal extension request. The recommended Order includes language that would permit the Board to consider supplemental funding applications for existing engagements on a case-by-case basis during the debarment term so that current awarded construction projects are not adversely impacted.

Exhibits:

1. *Key Alteration Excerpts*
2. *TDHCA Blackline of 2024 Q3 CSR*
3. *March 6, 2025 Written Response by Melissa Fisher*
4. *April 25, 2025 Appeal by Melissa Fisher*
5. *April 25, 2025 Appeal by Bill Fisher*
6. *TDHCA Blackline of Altered Pages from 2024 Q1 CSR*
7. *TDHCA Blackline of Altered Pages from 2024 Q2 CSR*
8. *2024 Q1, Q2, and Q3 CSRs, as submitted to TDHCA*
9. *2024 Q1, Q2, and Q3 Construction Progress Reports, as prepared by CA Partners*
10. *June 6, 2025 Supplemental Information from Melissa Fisher*
11. *June 16, 2025 Supplemental Information from Melissa Fisher*
12. *June 16, 2025 Supplemental Information from Bill Fisher*

Exhibit 1
Excerpts from altered documents

The following excerpts are some of the key alterations identified by TDHCA staff. This document does not include all identified alterations.

Excerpts from 2024 Q3 Construction Status Report (CSR). This is the CSR that caused the debarment referral.

Original third-party inspection report produced by CA Partners, Inc.	**Altered version submitted to TDHCA.** Alterations are in both black and red fonts. TDHCA comments analyzing those alterations are in green.
1.1 Rise Residential – Application and Certificate for Payment No. 41 • **No new change orders have been incorporated this period and the Contract Sum remains unchanged.** • Work for the Period Ending: August 25, 2024 • Current Contract Sum: $40,168,970.41 • Application and Certificate for Payment No. 41 has been signed and certified by the Project Architect dated September 20, 2024. • We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, drywall, granite, etc.). We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log. • General Requirement line items have been drawn to 89.41% at this time. Overhead has been drawn at 100%. GC Fee has been drawn at 100%. The project has billed for 88.83%. When removing stored materials, this percentage decreases further. It is somewhat common for general conditions to outpace actual construction when drawn on a pro-rata basis, however the current difference is significantly more than typical. **We continue to recommend that funds advanced for General Conditions, Overhead, and GC Fee items be slowed or halted.**	This 10 page September 2024 G702 and G703 report was deleted. Consultant / GC instead added a newer version of the doc, which was not signed by the architect Deleted: "." **1.1** Rise Residential – Application and Certificate for Payment No. 41 • **No new change orders have been incorporated this period and the Contract Sum remains unchanged until the updated changer order is approved by Investor\Lender** • Work for the Period Ending: August 25, 2024 • Current Contract Sum: $40,168,970.41 • Application and Certificate for Payment No. 41 has been signed and certified by the Project Architect dated September 20, 2024. • We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, drywall, granite, etc.). We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders and received an official change order upated post report inspections • General Requirement line items have been drawn to 89.41% at this time. Overhead has been drawn at 100%. GC Fee has been drawn at 100%. The project has billed for 88.83%. When removing stored materials, this percentage decreases further. It is somewhat common for general conditions to outpace actual construction when drawn on a pro-rata basis, however the current difference is Deleted: "but have not received an official change order log." significantly more than typical. **We continue to recommend that funds advanced for General Conditions, Overhead, and GC Fee items be slowed or halted.**

Exhibit 1

Excerpts from altered documents

Original third-party inspection report produced by CA Partners, Inc.	**Altered version submitted to TDHCA.** Alterations are in both black and red fonts. TDHCA comments analyzing those alterations are in green.
1.5 Development/Loan Budget We have <u>not</u> received a copy of the Borrower's development budget for this project. The total project costs are not identified, and we cannot verify that the current Contract Sum or the Hard Cost request are consistent with the Contractor's Application for Payment. We have not received a copy of the Development Budget, with the current draw submission or during our pre-construction review, and we have not been able to determine if there is additional Hard Cost Contingency outside the Contractor's Schedule of Values. Approval of soft cost funding requested is left to you as an underwriting consideration.	1.5 Development/Loan Budget We have received a copy of the Borrower's development budget for this project. The total project costs are identified, and we cannot verify that the current Contract Sum or the Hard Cost request are consistent with the Contractor's Application for Payment. removed "not" in three places We have received a copy of the Development Budget, with the current draw submission or during our pre-construction review, and we have not been able to determine if there is additional Hard Cost Contingency outside the Contractor's Schedule of Values. Approval of soft cost funding requested is left to you as an underwriting consideration.
3. CHANGE ORDERS **3.1 Current Change Orders** The Contract Sum has previously been modified a total of $6,668,970.41 by Change Order Nos. 1-19. We were previously informed by the Developer/Contractor that formal change orders will not be issued for budget reallocations without additional scope changes. The Contract Sum remains $40,168,970.14. **3.2 Pending Change Orders** • We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project • At this time, we have not been informed of any potential change orders for this project.	Originally said "budget reallocations without additional scope changes" **3. CHANGE ORDERS** Removed "not" **3.1 Current Change Orders** The Contract Sum has previously been modified a total of $6,668,970.41 by Change Order Nos. 1-19. We were previously informed by the Developer/Contractor that formal change orders will be issued for budget reallocation with addtional costs. The Contract Sum remains $40,168,970.14. Pending lender and invesot approvl the CO will increase to $21.4MM per GC and Construction Risk Manger for IBC. **3.2 Pending Change Orders** • We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project • At this time, we have been informed of any potential change orders for this project. Removed "not"
4.3 Construction Schedule **Contractual Completion date:** March 21, 2023 **Contractor's estimated Substantial Completion date:** Updated Schedule Requested **CA Partners estimated Substantial Completion date:** July 31, 2025 **Has occupancy started:** No • Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2023. This date was not met. • **Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on July 31, 2025.**	**4.3 Construction Schedule** Changed from "2023" **Contractual Completion date:** March 21, 2025 **Contractor's estimated Substantial Completion date:** Updated Schedule ~~March 31, 2025~~ **CA Partners estimated Substantial Completion date:** July 31, 2025 **Has occupancy started:** First building turn 11/24 No Changed from "Updated Schedule Requested" • Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2025. This date can be met. • **Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on July 31, 2025** Removed "was not" Changed from "2023"

Exhibit 1

Excerpts from altered documents

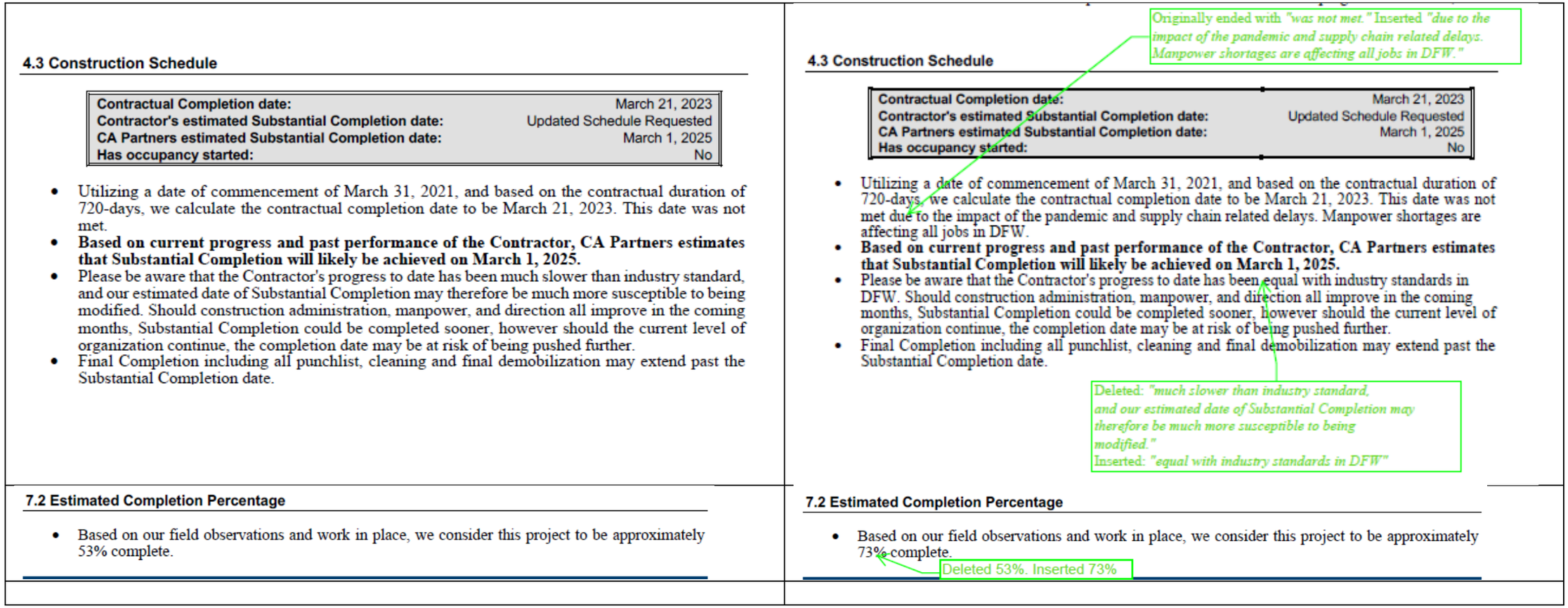
Original third-party inspection report produced by CA Partners, Inc.	**Altered version submitted to TDHCA.** Alterations are in both black and red fonts. TDHCA comments analyzing those alterations are in green.
7.2 Estimated Completion Percentage • Based on our field observations and work in place, we consider this project to be approximately 64% complete.	**7.2 Estimated Completion Percentage** • Based on our field observations and work in place, we consider this project to be approximately 67% complete. Changed from "64% complete"

Excerpts from 2024 Q2 Construction Status Report (CSR). This additional CSR was analyzed after receiving the debarment appeals.

Original third-party inspection report produced by CA Partners, Inc.	**Altered version submitted to TDHCA.** Alterations are in both black and red fonts. TDHCA comments analyzing those alterations are in green.
4.2 Construction Issues • **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction pace has now picked back up during the period from August 30, 2023 to April 11, 2024.** • There were approximately 20 laborers observed onsite at the time of our site visit. • CA Partners has had previous and current projects with Rise Residential, and we have had generally mixed results regarding timeliness of completion. Several Austin and DFW area projects have experienced severe delays, and based on interactions to date with this project, we would consider this project to have an elevated risk for schedule and price increases. • We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) on the previous G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed by the Owner/Builder that the Schedule of Values need to be reevaluated due to recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log. • Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work was observed in progress on March 5, 2024.	**4.2 Construction Issues** • **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction pace has now picked back up during the period from August 30, 2023 to April 11, 2024.** • There were approximately 20 laborers observed on-site at the time of our site visit. • CA Partners has had previous and current projects with Rise Residential, and we have had generally positive results regarding timeliness of completion. • We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) on the previous G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed by the Owner/Builder that the Schedule of Values need to be reevaluated due to recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log. • Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work was observed in progress on March 5, 2024. Deleted: *"mixed results regarding timeliness of completion. Several Austin and DFW area projects have experienced severe delays, and based on interactions to date with this project, we would consider this project to have an elevated risk for schedule and price increases."* Inserted: *"positive results regarding timeliness of completion."*

Exhibit 1

Excerpts from altered documents



4.3 Construction Schedule

Contractual Completion date:	March 21, 2023
Contractor's estimated Substantial Completion date:	Updated Schedule Requested
CA Partners estimated Substantial Completion date:	March 1, 2025
Has occupancy started:	No

- Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2023. This date was not met.
- **Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on March 1, 2025.**
- Please be aware that the Contractor's progress to date has been much slower than industry standard, and our estimated date of Substantial Completion may therefore be much more susceptible to being modified. Should construction administration, manpower, and direction all improve in the coming months, Substantial Completion could be completed sooner, however should the current level of organization continue, the completion date may be at risk of being pushed further.
- Final Completion including all punchlist, cleaning and final demobilization may extend past the Substantial Completion date.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 53% complete.

Excerpts from 2024 Q1 Construction Status Report (CSR). None. This additional CSR was analyzed after receiving the debarment appeals. No key in-line edits were identified, but multiple pages were switched, as shown at Exhibit 7.

TDHCA BLACKLINE KEY

Exhibit 2

Red edits were made by the consultant / GC in red text

TDHCA notes re: additional edits that were in black text (some edits not noted, such as formatting edits where text was moved down a line but not otherwise altered)

Legacy Riverside Senior Living Community

TDHCA # 20613

CONSTRUCTION STATUS REPORT

Q3 2024

Submitted 10/10/24

67% Complete as of 9/25/24
This percentage of total contract decreased based upon the change order necessary to complete the project.

TO OWNER/CLIENT:
Garland Housing Finance Corporation
1675 W Campbell Rd
Garland, Texas 75044

PROJECT:
Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

APPLICATION NO: 25
INVOICE NO: 42
PERIOD: 08/26/24 - 09/25/24
PROJECT NO: 2020-LRFW
CONTRACT DATE:

FROM CONTRACTOR:
Rise Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248

VIA ARCHITECT/ENGINEER:
Dan Burbine (Dan Burbine Associates)
12532 Renoir Ln.
Dallas, Texas 75230

CONTRACT FOR: Legacy Riverside Senior Living

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1.	Original Contract Sum		$33,500,000.00
2.	Net change by change orders		$21,500,000.00
3.	Contract Sum to date (Line 1 ± 2)		$55,000,000.00
4.	Total completed and stored to date (Column G on detail sheet)		$36,884,628.41
5.	Retainage:		
	a. 3.37% of completed work	$1,239,638.47	
	b. 0.00% of stored material	$0.00	
	Total retainage (Line 5a + 5b or total in column I of detail sheet)		$1,239,638.47
6.	Total earned less retainage (Line 4 less Line 5 Total)		$35,644,989.94
7.	Less previous certificates for payment (Line 6 from prior certificate)		$34,483,522.83
8.	Current payment due:		$1,161,467.11
9.	Balance to finish, including retainage (Line 3 less Line 6)		$19,355,010.06

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner/Client:	$13,879,035.71	$(7,210,065.30)
Total approved this month:	$15,089,051.59	$(258,022.00)
Totals:	$28,968,087.30	$(7,468,087.30)
Net change by change orders:	$21,500,000.00	

The undersigned certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner/Client, and that current payments shown herein is now due.

CONTRACTOR: Rise Residential Construction Riverside, LLC

By: DocuSigned by: Melissa Fisher 55DFEC86AA5B469... Date: 10/9/2024 | 1:30 PM CD

State of: TEXAS
County of: DALLAS
Subscribed and sworn to before me this 9th day of October
Notary Public: DocuSigned by: Shayla Cerrone 3121342B22A5464...
My commission expires: 2/9/26

ARCHITECT'S/ENGINEER'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on the on-site observations and the data comprising this application, the Architect/Engineer certifies to the Owner/Client that to the best of the Architect's/Engineer's knowledge, information and belief that Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: $1,161,467.11

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm the amount certified.)

ARCHITECT/ENGINEER:

By: _____ Date: _____

This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to the rights of the Owner/Client or Contractor under this Contract.

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1 **01 - General Conditions**												
1.1 **01-210000 - Mobilization Allowance**	$0.00	$150,000.00	$0.00	$150,000.00	$150,000.00	$0.00	$150,000.00	100.00%	$0.00	$0.00	0	$0.00
1.2 **01-210100 - Living & Vehicle Allowances/ Per Diem**	$0.00	$27,000.00	$0.00	$27,000.00	$26,257.00	$0.00	$26,257.00	97.25%	$743.00	$0.00	0	$0.00
1.3 **01-310010 - Project Management**	$0.00	$180,000.00	$470,000.00	$650,000.00	$364,695.41	$11,453.14	$376,148.55	57.87%	$273,851.45	$0.00	0.00%	$0.00
1.4 **01-310030 - Superintendent**	$0.00	$180,000.00	$420,000.00	$600,000.00	$401,232.60	$12,134.04	$413,366.64	68.89%	$186,633.36	$0.00	0.00%	$0.00
1.5 **01-310035 - Assistant Superintendent**	$0.00	$117,000.00	$283,000.00	$400,000.00	$195,785.49	$10,021.26	$205,806.75	51.45%	$194,193.25	$0.00	0.00%	$0.00
1.6 **01-310037 - Field Labor**	$0.00	$18,000.00	$438.00	$18,438.00	$18,438.00	$0.00	$18,438.00	100.00%	$0.00	$0.00	0	$0.00
1.7 **01-310040 - Field Administrative Staff**	$0.00	$50,000.00	$200,000.00	$250,000.00	$140,415.14	$9,718.58	$150,133.72	60.05%	$99,866.28	$0.00	0.00%	$0.00
1.8 **01-310045 - Payroll Burden**	$0.00	$122,400.00	$227,600.00	$350,000.00	$231,079.06	$7,927.58	$239,006.64	68.29%	$110,993.36	$0.00	0.00%	$0.00
1.9 **01-310050 - Travel Expenses**	$0.00	$54,000.00	$21,000.00	$75,000.00	$50,814.00	$0.00	$50,814.00	67.75%	$24,186.00	$0.00	0	$0.00
1.10 **01-323310 - Photography and Video**	$0.00	$5,400.00	$4,600.00	$10,000.00	$5,081.40	$0.00	$5,081.40	50.81%	$4,918.60	$0.00	0	$0.00
1.11 **01-331310 - Insurance - Builders Risk**	$0.00	$71,920.00	$128,080.00	$200,000.00	$126,388.25	$0.00	$126,388.25	63.19%	$73,611.75	$0.00	0	$0.00
1.12 **01-331315 - Insurance - General Liability**	$0.00	$89,900.00	$110,100.00	$200,000.00	$155,300.00	$0.00	$155,300.00	77.65%	$44,700.00	$0.00	0	$0.00
1.13 **01-331320 - Permits and Fees**	$0.00	$0.00	$560,000.00	$560,000.00	$560,000.00	$0.00	$560,000.00	100.00%	$0.00	$0.00	0	$0.00
1.14 **01-352310 - Safety and First Aid**	$0.00	$0.00	$11,064.25	$11,064.25	$0.00	$0.00	$0.00	0.00%	$11,064.25	$0.00	0	$0.00
1.15 **01-352320 - Termite & Pest Control**	$0.00	$30,750.00	($1,814.25)	$28,935.75	$28,935.75	$0.00	$28,935.75	100.00%	$0.00	$0.00	0	$0.00
1.16 **01-355300 - Security**	$0.00	$3,600.00	$96,400.00	$100,000.00	$36,107.33	$0.00	$36,107.33	36.11%	$63,892.67	$0.00	0	$0.00

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1.17 **01-432610 - Quality Testing**	$0.00	$50,000.00	$51,892.00	$101,892.00	$54,574.00	$21,845.00	$76,419.00	75.00%	$25,473.00	$0.00	0.00%	$0.00
1.18 **01-510010 - Temporary Electric**	$0.00	$6,300.00	$193,700.00	$200,000.00	$88,686.56	$32,969.13	$121,655.69	60.83%	$78,344.31	$0.00	0.00%	$0.00
1.19 **01-510030 - Temporary Water**	$0.00	$900.00	$59,100.00	$60,000.00	$17,752.70	$270.63	$18,023.33	30.04%	$41,976.67	$0.00	0.00%	$0.00
1.20 **01-510040 - Temporary Phone, Internet**	$0.00	$3,600.00	$1,400.00	$5,000.00	$3,387.60	$0.00	$3,387.60	67.75%	$1,612.40	$0.00	0	$0.00
1.21 **01-511330 - Software**	$0.00	$0.00	$50,000.00	$50,000.00	$27,000.00	$0.00	$27,000.00	54.00%	$23,000.00	$0.00	0	$0.00
1.22 **01-521310 - Field Offices**	$0.00	$9,360.00	$70,640.00	$80,000.00	$38,217.53	$0.00	$38,217.53	47.77%	$41,782.47	$0.00	0	$0.00
1.23 **01-521315 - Temporary Toilets**	$0.00	$3,600.00	$16,400.00	$20,000.00	$15,000.00	$0.00	$15,000.00	75.00%	$5,000.00	$0.00	0	$0.00
1.24 **01-521320 - Office Supplies and Equipment**	$0.00	$5,400.00	$2,600.00	$8,000.00	$5,081.40	$0.00	$5,081.40	63.52%	$2,918.60	$0.00	0	$0.00
1.25 **01-541620 - Equipment Rental**	$0.00	$13,500.00	$31,561.00	$45,061.00	$33,083.01	$0.00	$33,083.01	73.42%	$11,977.99	$0.00	0	$0.00
1.26 **01-562610 - Temporary Fencing and Walkways**	$0.00	$5,400.00	$22,860.28	$28,260.28	$25,273.57	$0.00	$25,273.57	89.43%	$2,986.71	$0.00	0	$0.00
1.27 **01-581310 - Project Signs and Identification**	$0.00	$5,000.00	($295.00)	$4,705.00	$4,705.00	$0.00	$4,705.00	100.00%	$0.00	$0.00	0	$0.00
1.28 **01-660010 - Trucking and Material Storage**	$0.00	$3,600.00	$3,465.60	$7,065.60	$7,065.60	$0.00	$7,065.60	100.00%	$0.00	$0.00	0	$0.00
1.29 **01-712312 - Estimator Expenses**	$0.00	$20,000.00	($1,180.00)	$18,820.00	$18,820.00	$0.00	$18,820.00	100.00%	$0.00	$0.00	0	$0.00
1.30 **01-731930 - Small Tools**	$0.00	$1,800.00	($106.20)	$1,693.80	$1,693.80	$0.00	$1,693.80	100.00%	$0.00	$0.00	0	$0.00
1.31 **01-741900 - General Debris and Dumpsters**	$0.00	$237,600.00	($14,018.40)	$223,581.60	$223,581.60	$0.00	$223,581.60	100.00%	$0.00	$0.00	0	$0.00
1.32 **01-771610 - Punch List and Closeout**	$0.00	$20,000.00	($1,180.00)	$18,820.00	$18,820.00	$0.00	$18,820.00	100.00%	$0.00	$0.00	0	$0.00

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1.33 **01-783910 - Project Documentation**	$0.00	$3,600.00	($212.40)	$3,387.60	$3,387.60	$0.00	$3,387.60	100.00%	$0.00	$0.00	0	$0.00
1.34 **01-784231 - Final Cleaning**	$0.00	$192,185.00	($36,895.97)	$155,289.03	$155,289.03	$0.00	$155,289.03	100.00%	$0.00	$0.00	0	$0.00
01 - General Conditions Subtotals	$0.00	$1,681,815.00	$2,980,198.91	$4,662,013.91	$3,231,948.43	$106,339.36	$3,338,287.79	71.61%	$1,323,726.12	$0.00	0.00%	$0.00
2 **03 - Concrete**												
2.1 **03-310024 - CIP Concrete Foundations**	$0.00	$987,767.00	$297,907.25	$1,285,674.25	$1,285,674.25	$0.00	$1,285,674.25	100.00%	$0.00	$0.00	0	$64,283.72
2.2 **03-540010 - Lightweight/Gypcrete**	$0.00	$592,660.00	$307,340.00	$900,000.00	$289,096.40	$55,351.40	$344,447.80	38.27%	$555,552.20	$2,767.57	5.00%	$17,222.39
03 - Concrete Subtotals	$0.00	$1,580,427.00	$605,247.25	$2,185,674.25	$1,574,770.65	$55,351.40	$1,630,122.05	74.58%	$555,552.20	$2,767.57	5.00%	$81,506.11
3 **04 - Masonry**												
3.1 **04-000010 - Masonry**	$0.00	$900,000.00	$900,000.00	$1,800,000.00	$1,013,302.38	$60,015.74	$1,073,318.12	59.63%	$726,681.88	$3,000.79	5.00%	$29,051.92
3.2 **04-050000 - Dumpster Enclosure**	$0.00	$40,000.00	($24,000.00)	$16,000.00	$16,000.00	$0.00	$16,000.00	100.00%	$0.00	$0.00	0	$800.00
04 - Masonry Subtotals	$0.00	$940,000.00	$876,000.00	$1,816,000.00	$1,029,302.38	$60,015.74	$1,089,318.12	59.98%	$726,681.88	$3,000.79	5.00%	$29,851.92
4 **05 - Metals**												
4.1 **05-511300 - Metal Pan Stairs & Rails**	$0.00	$336,000.00	$1,059,081.09	$1,395,081.09	$892,822.00	$129,174.09	$1,021,996.09	73.26%	$373,085.00	$6,458.70	5.00%	$36,099.80
4.2 **05-521320 - Pool Fence**	$0.00	$25,000.00	$24,775.00	$49,775.00	$25,000.00	$0.00	$25,000.00	50.23%	$24,775.00	$0.00	0	$1,250.00
4.3 **05-540010 - Perimeter Fence**	$0.00	$150,000.00	$350,000.00	$500,000.00	$225,300.00	$29,707.50	$255,007.50	51.00%	$244,992.50	$1,485.38	5.00%	$5,650.38
05 - Metals Subtotals	$0.00	$511,000.00	$1,433,856.09	$1,944,856.09	$1,143,122.00	$158,881.59	$1,302,003.59	66.95%	$642,852.50	$7,944.08	5.00%	$43,000.18
5 **06 - Wood & Plastics**												
5.1 **06-110002 - Wood Framing Labor**	$0.00	$2,370,640.00	($460,787.50)	$1,909,852.50	$1,794,852.50	$115,000.00	$1,909,852.50	100.00%	$0.00	$0.00	0.00%	$81,889.51
5.2 **06-110004 - Wood Framing Material**	$0.00	$2,963,300.00	$1,199,571.16	$4,162,871.16	$4,034,671.45	$0.00	$4,162,871.16	100.00%	$0.00	$0.00	0	$128,509.40
5.3 **06-175300 - Trusses**	$0.00	$888,990.00	$1,751,010.00	$2,640,000.00	$2,150,094.16	$0.00	$2,150,094.16	81.44%	$489,905.84	$0.00	0	$107,936.32

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
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5.4 06-460000 - Finish Trim Carpentry - Material	$0.00	$369,510.00	$180,490.00	$550,000.00	$44,447.53	$18,922.21	$63,369.74	11.52%	$486,630.26	$0.00	0.00%	$0.00
5.5 06-460004 - Finish Trim Carpentry - Labor	$0.00	$369,510.00	$189,352.00	$558,862.00	$100,000.00	$64,186.00	$164,186.00	29.38%	$394,676.00	$3,209.30	5.00%	$5,709.30
06 - Wood & Plastics Subtotals	$0.00	$6,961,950.00	$2,859,635.66	$9,821,585.66	$8,124,065.64	$198,108.21	$8,450,373.56	86.04%	$1,371,212.10	$3,209.30	1.62%	$324,044.53
6 07 - Thermal & Moisture Protection												
6.1 07-130000 - Waterproofing	$0.00	$0.00	$37,350.00	$37,350.00	$37,350.00	$0.00	$37,350.00	100.00%	$0.00	$0.00	0	$0.00
6.2 07-211610 - Batt Insulation	$0.00	$461,888.00	$438,112.00	$900,000.00	$250,000.00	$131,750.00	$381,750.00	42.42%	$518,250.00	$6,587.50	5.00%	$19,087.50
6.3 07-311300 - Shingles	$0.00	$0.00	$500,000.00	$500,000.00	$265,290.33	$0.00	$265,290.33	53.06%	$234,709.67	$0.00	0	$1,807.45
6.4 07-510000 - Metal Roofing	$0.00	$1,066,788.00	($26,188.00)	$1,040,600.00	$1,040,600.00	$0.00	$1,040,600.00	100.00%	$0.00	$0.00	0	$11,000.00
6.5 07-712300 - Gutters and Downspouts	$0.00	$50,000.00	$85,000.00	$135,000.00	$25,000.00	$0.00	$25,000.00	18.52%	$110,000.00	$0.00	0	$1,250.00
07 - Thermal & Moisture Protection Subtotals	$0.00	$1,578,676.00	$1,034,274.00	$2,612,950.00	$1,618,240.33	$131,750.00	$1,749,990.33	66.97%	$862,959.67	$6,587.50	5.00%	$33,144.95
7 08 - Doors & Windows												
7.1 08-140002 - Doors - Interior	$0.00	$237,600.00	$212,400.00	$450,000.00	$290,402.28	$0.00	$290,402.28	64.53%	$159,597.72	$0.00	0	$0.00
7.2 08-161400 - Doors - Exterior	$0.00	$237,600.00	$292,400.00	$530,000.00	$237,600.00	$79,320.84	$316,920.84	59.80%	$213,079.16	$0.00	0.00%	$0.00
7.3 08-531300 - Windows	$0.00	$237,600.00	$112,400.00	$350,000.00	$265,394.05	$0.00	$265,394.05	75.83%	$84,605.95	$0.00	0	$7,500.00
7.4 08-531400 - Window Coverings	$0.00	$31,680.00	$0.00	$31,680.00	$31,680.00	$0.00	$31,680.00	100.00%	$0.00	$0.00	0	$0.00
7.5 08-800000 - Glass and Glazing	$0.00	$33,000.00	$27,000.00	$60,000.00	$10,000.00	$0.00	$10,000.00	16.67%	$50,000.00	$0.00	0	$0.00
08 - Doors & Windows Subtotals	$0.00	$777,480.00	$644,200.00	$1,421,680.00	$835,076.33	$79,320.84	$914,397.17	64.32%	$507,282.83	$0.00	0.00%	$7,500.00
8 09 - Finishes												

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8.1 **09-000040 - Drywall**	$0.00	$1,201,648.00	$848,352.00	$2,050,000.00	$1,056,517.00	$139,129.25	$1,195,646.25	58.32%	$854,353.75	$6,956.47	5.00%	$59,782.32
8.2 **09-301300 - Ceramic**	$0.00	$143,000.00	$107,000.00	$250,000.00	$50,000.00	$0.00	$50,000.00	20.00%	$200,000.00	$0.00	0	$2,500.00
8.3 **09-651900 - Vinyl**	$0.00	$580,659.00	$259,220.75	$839,879.75	$50,000.00	$0.00	$50,000.00	5.95%	$789,879.75	$0.00	0	$2,500.00
8.4 **09-800000 - Clubhouse Flooring**	$0.00	$25,000.00	$20,000.00	$45,000.00	$0.00	$0.00	$0.00	0.00%	$45,000.00	$0.00	0	$0.00
8.5 **09-912300 - Painting**	$0.00	$527,872.00	$472,128.00	$1,000,000.00	$200,000.00	$45,837.58	$245,837.58	24.58%	$754,162.42	$2,291.88	5.00%	$12,291.88
09 - Finishes Subtotals	$0.00	$2,478,179.00	$1,706,700.75	$4,184,879.75	$1,356,517.00	$184,966.83	$1,541,483.83	36.83%	$2,643,395.92	$9,248.35	5.00%	$77,074.20
9 **10 - Specialties**												
9.1 **10-110000 - Door Hardware**	$0.00	$75,240.00	($21,016.10)	$54,223.90	$54,223.90	$0.00	$54,223.90	100.00%	$0.00	$0.00	0	$0.00
9.2 **10-140000 - Exterior Signs**	$0.00	$26,400.00	$13,600.00	$40,000.00	$8,200.00	$0.00	$8,200.00	20.50%	$31,800.00	$0.00	0	$0.00
9.3 **10-140010 - Interior Signs**	$0.00	$26,400.00	$3,600.00	$30,000.00	$8,200.00	$0.00	$8,200.00	27.33%	$21,800.00	$0.00	0	$0.00
9.4 **10-140020 - Monument Sign**	$0.00	$15,000.00	$35,000.00	$50,000.00	$7,500.00	$0.00	$7,500.00	15.00%	$42,500.00	$0.00	0	$0.00
9.5 **10-211300 - Toilet Partitions**	$0.00	$7,000.00	$0.00	$7,000.00	$0.00	$0.00	$0.00	0.00%	$7,000.00	$0.00	0	$0.00
9.6 **10-281300 - Toilet Accessories**	$0.00	$33,000.00	$12,000.00	$45,000.00	$24,987.54	$0.00	$24,987.54	55.53%	$20,012.46	$0.00	0	$0.00
9.7 **10-440000 - Fire Extinguishers**	$0.00	$13,200.00	$0.00	$13,200.00	$13,200.00	$0.00	$13,200.00	100.00%	$0.00	$0.00	0	$0.00
9.8 **10-550000 - Postal Equipment**	$0.00	$30,000.00	$70,000.00	$100,000.00	$15,000.00	$0.00	$15,000.00	15.00%	$85,000.00	$0.00	0	$0.00
9.9 **10-572313 - Closet and Utility Shelving**	$0.00	$39,600.00	$20,400.00	$60,000.00	$11,627.50	$0.00	$11,627.50	19.38%	$48,372.50	$0.00	0	$0.00
10 - Specialties Subtotals	$0.00	$265,840.00	$133,583.90	$399,423.90	$142,938.94	$0.00	$142,938.94	35.79%	$256,484.96	$0.00	0	$0.00
10 **11 - Equipment**												
10.1 **11-310000 - Kitchen Appliances**	$0.00	$580,800.00	$184,862.00	$765,662.00	$546,462.00	$0.00	$546,462.00	71.37%	$219,200.00	$0.00	0	$0.00

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10.2 **11-310010 - Residential Laundry Equipment: Material**	$0.00	$237,600.00	$26,400.00	$264,000.00	$0.00	$0.00	$0.00	0.00%	$264,000.00	$0.00	0	$0.00
10.3 **11-681300 - Playground Equipment**	$0.00	$45,000.00	$55,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
11 - Equipment Subtotals	$0.00	$863,400.00	$266,262.00	$1,129,662.00	$546,462.00	$0.00	$546,462.00	48.37%	$583,200.00	$0.00	0	$0.00
11 **12 - Furnishings**												
11.1 **12-353013 - Cabinets**	$0.00	$594,000.00	$206,000.00	$800,000.00	$141,000.00	$0.00	$141,000.00	17.62%	$659,000.00	$0.00	0	$0.00
11.2 **12-353015 - Granite**	$0.00	$264,000.00	$236,000.00	$500,000.00	$299,019.40	$0.00	$299,019.40	59.80%	$200,980.60	$0.00	0	$8,449.17
11.3 **12-930000 - Site Furnishings**	$0.00	$0.00	$200,000.00	$200,000.00	$50,000.00	$0.00	$50,000.00	25.00%	$150,000.00	$0.00	0	$2,500.00
12 - Furnishings Subtotals	$0.00	$858,000.00	$642,000.00	$1,500,000.00	$490,019.40	$0.00	$490,019.40	32.67%	$1,009,980.60	$0.00	0	$10,949.17
12 **13 - Special Construction**												
12.1 **13-000020 - Carports**	$0.00	$264,000.00	$264,000.00	$528,000.00	$0.00	$0.00	$0.00	0.00%	$528,000.00	$0.00	0	$0.00
12.2 **13-000040 - Maintenance Facility**	$0.00	$20,000.00	$30,000.00	$50,000.00	$0.00	$0.00	$0.00	0.00%	$50,000.00	$0.00	0	$0.00
12.3 **13-000050 - Mail Kiosks**	$0.00	$20,000.00	$80,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
12.4 **13-000080 - Sport Court**	$0.00	$35,000.00	$65,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
12.5 **13-000090 - Gazebos**	$0.00	$25,000.00	$25,000.00	$50,000.00	$0.00	$0.00	$0.00	0.00%	$50,000.00	$0.00	0	$0.00
12.6 **13-110000 - Pools and Pool Equipment**	$0.00	$300,000.00	$300,000.00	$600,000.00	$0.00	$0.00	$0.00	0.00%	$600,000.00	$0.00	0	$0.00
13 - Special Construction Subtotals	$0.00	$664,000.00	$764,000.00	$1,428,000.00	$0.00	$0.00	$0.00	0.00%	$1,428,000.00	$0.00	0	$0.00
13 **14 - Conveying Systems**												
13.1 **14-240000 - Elevators**	$0.00	$735,000.00	$765,000.00	$1,500,000.00	$996,959.00	$0.00	$996,959.00	66.46%	$503,041.00	$0.00	0	$25,447.95
14 - Conveying Systems Subtotals	$0.00	$735,000.00	$765,000.00	$1,500,000.00	$996,959.00	$0.00	$996,959.00	66.46%	$503,041.00	$0.00	0	$25,447.95

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14 **21 - Fire Protection**												
14.1 **21-100000 - Fire Sprinkler**	$0.00	$396,000.00	$854,000.00	$1,250,000.00	$736,896.68	$0.00	$736,896.68	58.95%	$513,103.32	$0.00	0	$36,844.83
21 - Fire Protection Subtotals	$0.00	$396,000.00	$854,000.00	$1,250,000.00	$736,896.68	$0.00	$736,896.68	58.95%	$513,103.32	$0.00	0	$36,844.83
15 **22 - Plumbing**												
15.1 **22-000010 - Plumbing**	$0.00	$1,273,687.39	$976,312.61	$2,250,000.00	$1,664,950.00	$0.00	$1,664,950.00	74.00%	$585,050.00	$0.00	0	$73,247.50
15.2 **22-000020 - Plumbing Fixtures**	$0.00	$352,539.66	$147,460.34	$500,000.00	$352,539.66	$0.00	$352,539.66	70.51%	$147,460.34	$0.00	0	$0.00
15.3 **22-000090 - Hot Water Heaters**	$0.00	$158,400.00	$141,600.00	$300,000.00	$50,200.00	$50,200.00	$100,400.00	33.47%	$199,600.00	$0.00	0.00%	$0.00
15.4 **22-000100 - Tub Repairs**	$0.00	$6,600.00	($405.09)	$6,194.91	$0.00	$0.00	$0.00	0.00%	$6,194.91	$0.00	0	$0.00
15.5 **22-000110 - Sub-Metering (Water)**	$0.00	$46,200.00	$13,800.00	$60,000.00	$15,576.00	$0.00	$15,576.00	25.96%	$44,424.00	$0.00	0	$778.80
22 - Plumbing Subtotals	$0.00	$1,837,427.05	$1,278,767.86	$3,116,194.91	$2,083,265.66	$50,200.00	$2,133,465.66	68.46%	$982,729.25	$0.00	0.00%	$74,026.30
16 **23 - HVAC**												
16.1 **23-000010 - HVAC**	$0.00	$1,161,600.00	$1,338,400.00	$2,500,000.00	$1,262,643.00	$174,657.00	$1,437,300.00	57.49%	$1,062,700.00	$8,732.85	5.00%	$71,864.99
16.2 **23-000080 - Testing, Balancing, Adjusting**	$0.00	$92,400.00	$32,600.00	$125,000.00	$0.00	$0.00	$0.00	0.00%	$125,000.00	$0.00	0	$0.00
23 - HVAC Subtotals	$0.00	$1,254,000.00	$1,371,000.00	$2,625,000.00	$1,262,643.00	$174,657.00	$1,437,300.00	54.75%	$1,187,700.00	$8,732.85	5.00%	$71,864.99
17 **26 - Electrical**												
17.1 **26-000010 - Electrical**	$0.00	$1,557,831.98	$1,192,168.02	$2,750,000.00	$1,893,454.26	$0.00	$1,893,454.26	68.85%	$856,545.74	$0.00	0	$69,850.78
17.2 **26-000014 - Electrical Material**	$0.00	$0.00	$52,400.00	$52,400.00	$52,400.00	$0.00	$52,400.00	100.00%	$0.00	$0.00	0	$0.00
17.3 **26-000020 - Telephone & Cable Underground**	$0.00	$50,000.00	$0.00	$50,000.00	$50,000.00	$0.00	$50,000.00	100.00%	$0.00	$0.00	0	$2,500.00
17.4 **26-000030 - Low-Voltage Distribution**	$0.00	$132,000.00	$0.00	$132,000.00	$132,000.00	$0.00	$132,000.00	100.00%	$0.00	$0.00	0	$6,600.00

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17.5 **26-000040 - Electrical Fixtures**	$0.00	$264,000.00	$336,000.00	$600,000.00	$0.00	$0.00	$0.00	0.00%	$600,000.00	$0.00	0	$0.00
17.6 **26-560020 - Secondary Underground**	$0.00	$75,000.00	$15,000.00	$90,000.00	$90,000.00	$0.00	$90,000.00	100.00%	$0.00	$0.00	0	$9,750.00
17.7 **26-560040 - Fire Alarm**	$0.00	$165,000.00	($28,750.00)	$136,250.00	$136,250.00	$0.00	$136,250.00	100.00%	$0.00	$0.00	0	$6,812.50
26 - Electrical Subtotals	$0.00	$2,243,831.98	$1,566,818.02	$3,810,650.00	$2,354,104.26	$0.00	$2,354,104.26	61.78%	$1,456,545.74	$0.00	0	$95,513.28
18 **28 - Electronic Safety**												
18.1 **28-000020 - Access Control**	$0.00	$66,000.00	$34,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
28 - Electronic Safety Subtotals	$0.00	$66,000.00	$34,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
19 **31 - Earthwork**												
19.1 **31-000030 - Earthwork Grading**	$0.00	$771,983.62	$0.00	$771,983.62	$771,983.62	$0.00	$771,983.62	100.00%	$0.00	$0.00	0	$37,302.67
19.2 **31-100000 - Site Clearing**	$0.00	$230,000.00	$0.00	$230,000.00	$230,000.00	$0.00	$230,000.00	100.00%	$0.00	$0.00	0	$11,654.81
19.3 **31-230660 - Utility Spoil Disposal**	$0.00	$205,121.00	($10,256.05)	$194,864.95	$194,864.95	$0.00	$194,864.95	100.00%	$0.00	$0.00	0	$9,743.25
19.4 **31-250000 - Erosion & Sediment Control**	$0.00	$37,831.00	$1,810.00	$39,641.00	$39,641.00	$0.00	$39,641.00	100.00%	$0.00	$0.00	0	$1,334.08
31 - Earthwork Subtotals	$0.00	$1,244,935.62	($8,446.05)	$1,236,489.57	$1,236,489.57	$0.00	$1,236,489.57	100.00%	$0.00	$0.00	0	$60,034.81
20 **32 - Exterior Improvemets**												
20.1 **32-000005 - City Required Infrastructure**	$0.00	$85,000.00	($17,674.48)	$67,325.52	$67,325.52	$0.00	$67,325.52	100.00%	$0.00	$0.00	0	$1,241.28
20.2 **32-000010 - Exterior Improvements**	$0.00	$445,497.00	($14,044.41)	$431,452.59	$431,452.59	$0.00	$431,452.59	100.00%	$0.00	$0.00	0	$21,372.63
20.3 **32-131300 - Concrete Paving**	$0.00	$1,326,800.00	$186,655.52	$1,513,455.52	$1,513,455.52	$0.00	$1,513,455.52	100.00%	$0.00	$0.00	0	$153,590.43
20.4 **32-162300 - Sidewalks**	$0.00	$348,447.00	$0.00	$348,447.00	$348,447.00	$0.00	$348,447.00	100.00%	$0.00	$0.00	0	$17,422.35

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20.5 **32-172300 - Pavement Marking**	$0.00	$43,560.00	$16,440.00	$60,000.00	$0.00	$0.00	$0.00	0.00%	$60,000.00	$0.00	0	$0.00
20.6 **32-172500 - Surveying & Layouts**	$0.00	$70,000.00	($7,000.00)	$63,000.00	$63,000.00	$0.00	$63,000.00	100.00%	$0.00	$0.00	0	$0.00
20.7 **32-800000 - Irrigation Systems**	$0.00	$200,000.00	$139,200.00	$339,200.00	$34,072.88	$0.00	$34,072.88	10.05%	$305,127.12	$0.00	0	$4,654.58
20.8 **32-930000 - Landscaping**	$0.00	$264,000.00	$36,000.00	$300,000.00	$56,584.80	$3,366.58	$59,951.38	19.98%	$240,048.62	$0.00	0.00%	$2,354.68
32 - Exterior Improvemets Subtotals	$0.00	$2,783,304.00	$339,576.63	$3,122,880.63	$2,514,338.31	$3,366.58	$2,517,704.89	80.62%	$605,175.74	$0.00	0.00%	$200,635.95
21 **33 - Utilities**												
21.1 **33-000010 - Site Utilites**	$0.00	$196,326.35	$8,073.31	$204,399.66	$204,399.66	$0.00	$204,399.66	100.00%	$0.00	$0.00	0	$9,816.32
21.2 **33-100000 - Water**	$0.00	$350,000.00	$0.00	$350,000.00	$350,000.00	$0.00	$350,000.00	100.00%	$0.00	$0.00	0	$17,500.00
21.3 **33-300000 - Sanitary Sewer**	$0.00	$250,000.00	$0.00	$250,000.00	$250,000.00	$0.00	$250,000.00	100.00%	$0.00	$0.00	0	$12,500.00
21.4 **33-400000 - Storm Drain**	$0.00	$575,000.00	($7,340.33)	$567,659.67	$567,659.67	$0.00	$567,659.67	100.00%	$0.00	$0.00	0	$28,382.98
33 - Utilities Subtotals	$0.00	$1,371,326.35	$732.98	$1,372,059.33	$1,372,059.33	$0.00	$1,372,059.33	100.00%	$0.00	$0.00	0	$68,199.30
22 **50 - Fees**												
22.1 **50-000010 - Overhead**	$0.00	$601,852.00	$358,148.00	$960,000.00	$726,063.06	$0.00	$726,063.06	75.63%	$233,936.94	$0.00	0	$0.00
22.2 **50-000020 - GC Fee**	$0.00	$1,805,556.00	$994,444.00	$2,800,000.00	$2,178,189.18	$0.00	$2,178,189.18	77.79%	$621,810.82	$0.00	0	$0.00
50 - Fees Subtotals	$0.00	$2,407,408.00	$1,352,592.00	$3,760,000.00	$2,904,252.24	$0.00	$2,904,252.24	77.24%	$855,747.76	$0.00	0	$0.00
Grand Totals	$0.00	$33,500,000.00	$21,500,000.00	$55,000,000.00	$35,553,471.15	$1,202,957.55	$36,884,628.41	67.06%	$18,115,371.59	$41,490.44	3.45%	$1,239,638.47

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #023

RISE Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248
Phone: (972) 701-5555

Project: 2020-LRFW - Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Prime Contract Change Order #023: CE #205 - September Reallocati

TO:	**Garland Housing Finance Corporation** 1675 W Campbell Rd Garland, Texas 75044	**FROM:**	**Rise Residential Construction Riverside, LLC** 16812 Dallas Parkway Dallas, Texas 75248
DATE CREATED:	10/04/2024	**CREATED BY:**	Shayla Cerrone **(Rise Residential Construction)**
CONTRACT STATUS:	Approved	**REVISION:**	0
REQUEST RECEIVED FROM:		**LOCATION:**	
DESIGNATED REVIEWER:		**REVIEWED BY:**	
DUE DATE:		**REVIEW DATE:**	10/04/2024
INVOICED DATE:		**PAID DATE:**	
REFERENCE:		**CHANGE REASON:**	Budget Constraints or Reallocations
PAID IN FULL:	No	**EXECUTED:**	No
ACCOUNTING METHOD:	Amount Based	**SCHEDULE IMPACT:**	
SIGNED CHANGE ORDER RECEIVED DATE:			
FIELD CHANGE:	No	**CONTRACT FOR:**	20-0168:Legacy Riverside Senior Living
		TOTAL AMOUNT:	$0.00

DESCRIPTION:
CE #205 - September Reallocations

ATTACHMENTS:

CHANGE ORDER LINE ITEMS:

#	Budget Code	Description	Amount
1	05.05-511300.SUB Metals.Metal Pan Stairs & Rails.Subcontracts		$(167,940.91)
2	05.05-511300.MAT Metals.Metal Pan Stairs & Rails.Materials		$63,022.00
3	06.06-110002.SUB Wood & Plastics.Wood Framing Labor.Subcontracts		$115,000.00
4	06.06-460004.SUB Wood & Plastics.Finish Trim Carpentry - Labor.Subcontracts		$(41,138.00)
5	08.08-161400.MAT Doors & Windows.Doors - Exterior.Materials		$80,000.00
6	11.11-310000.MAT Equipment.Kitchen Appliances.Materials		$(34,338.00)
7	22.22-000100.SUB Plumbing.Tub Repairs.Subcontracts		$(3,805.09)
8	32.32-800000.SUB Exterior Improvements.Irrigation Systems.Subcontracts		$(10,800.00)
		Grand Total:	**$0.00**

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #023

The original (Contract Sum)	$33,500,000.00
Net change by previously authorized Change Orders	$6,668,970.41
The contract sum prior to this Change Order was	$40,168,970.41
The contract sum will not be changed by this Change Order in the amount of	$0.00
The new contract sum including this Change Order will be	$40,168,970.41

The contract time will not be changed by this Change Order.

Dan Burbine (Dan Burbine Associates)

12532 Renoir Ln.
Dallas, Texas 75230

SIGNATURE **DATE**

Garland Housing Finance Corporation

1675 W Campbell Rd
Garland, Texas 75044

SIGNATURE **DATE**

Rise Residential Construction Riverside, LLC

16812 Dallas Parkway
Dallas, Texas 75248

DocuSigned by:
Melissa Fisher
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SIGNATURE **DATE**

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #022

RISE Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248
Phone: (972) 701-5555

Project: 2020-LRFW - Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Prime Contract Change Order #022: CE #200 - Increase Request

TO:	**Garland Housing Finance Corporation** 1675 W Campbell Rd Garland, Texas 75044	**FROM:**	**Rise Residential Construction Riverside, LLC** 16812 Dallas Parkway Dallas, Texas 75248
DATE CREATED:	9/20/2024	**CREATED BY:**	Shayla Cerrone **(Rise Residential Construction)**
CONTRACT STATUS:	Approved	**REVISION:**	0
REQUEST RECEIVED FROM:		**LOCATION:**	
DESIGNATED REVIEWER:		**REVIEWED BY:**	
DUE DATE:		**REVIEW DATE:**	10/09/2024
INVOICED DATE:		**PAID DATE:**	
REFERENCE:		**CHANGE REASON:**	Other: Please specify the reason by entering the reason in the "Other: Reason" field
PAID IN FULL:	No	**EXECUTED:**	No
ACCOUNTING METHOD:	Amount Based	**SCHEDULE IMPACT:**	
SIGNED CHANGE ORDER RECEIVED DATE:			
FIELD CHANGE:	No	**CONTRACT FOR:**	20-0168:Legacy Riverside Senior Living
		TOTAL AMOUNT:	$14,831,029.59

DESCRIPTION:
CE #200 - Increase Request

ATTACHMENTS:

CHANGE ORDER LINE ITEMS:

#	Budget Code	Description	Amount
1	01.01-310010.LABOR General Conditions.Project Management.Labor		$234,362.32
2	01.01-310030.LABOR General Conditions.Superintendent.Labor		$150,654.65
3	01.01-310035.LABOR General Conditions.Assistant Superintendent.Labor		$157,329.60
4	01.01-310040.LABOR General Conditions.Field Administrative Staff.Labor		$74,715.38
5	01.01-310045.OTHER General Conditions.Payroll Burden.Other		$88,531.88
6	01.01-310050.OTHER General Conditions.Travel Expenses.Other		$24,186.00
7	01.01-323310.OTHER General Conditions.Photography and Video.Other		$4,918.60
8	01.01-331310.OTHER General Conditions.Insurance - Builders Risk.Other		$73,611.75

RISE

PCCO #022

#	Budget Code	Description	Amount
9	01.01-331315.OTHER General Conditions.Insurance - General Liability.Other		$44,700.00
10	01.01-352310.OTHER General Conditions.Safety and First Aid.Other		$11,064.25
11	01.01-355300.OTHER General Conditions.Security.Other		$63,892.67
12	01.01-510010.OTHER General Conditions.Temporary Electric.Other		$37,792.42
13	01.01-510030.OTHER General Conditions.Temporary Water.Other		$34,100.00
14	01.01-510040.OTHER General Conditions.Temporary Phone, Internet.Other		$1,612.40
15	01.01-511330.OTHER General Conditions.Software.Other		$23,000.00
16	01.01-521310.OTHER General Conditions.Field Offices.Other		$14,911.22
17	01.01-521315.OTHER General Conditions.Temporary Toilets.Other		$5,000.00
18	01.01-521320.OTHER General Conditions.Office Supplies and Equipment.Other		$2,918.60
19	03.03-540010.MAT Concrete.Lightweight/Gypcrete.Materials		$379,600.00
20	04.04-000010.SUB Masonry.Masonry.Subcontracts		$368,909.17
21	05.05-511300.SUB Metals.Metal Pan Stairs & Rails.Subcontracts		$373,085.00
22	05.05-540010.SUB Metals.Perimeter Fence.Subcontracts		$159,990.00
23	06.06-175300.MAT Wood & Plastics.Trusses.Materials		$489,905.84
24	06.06-460000.MAT Wood & Plastics.Finish Trim Carpentry - Material.Materials		$486,630.26
25	06.06-460004.SUB Wood & Plastics.Finish Trim Carpentry - Labor.Subcontracts		$230,490.00
26	07.07-211610.SUB Thermal & Moisture Protection.Batt Insulation.Subcontracts		$391,000.00
27	07.07-311300.SUB Thermal & Moisture Protection.Shingles.Subcontracts		$234,709.67
28	07.07-712300.MAT Thermal & Moisture Protection.Gutters and Downspouts.Materials		$50,000.00
29	08.08-140002.MAT Doors & Windows.Doors - Interior.Materials		$159,597.72
30	08.08-161400.MAT Doors & Windows.Doors - Exterior.Materials		$212,400.00
31	08.08-531300.MAT Doors & Windows.Windows.Materials		$84,605.95
32	08.08-800000.SUB Doors & Windows.Glass and Glazing.Subcontracts		$37,000.00
33	09.09-000040.SUB Finishes.Drywall.Subcontracts		$455,805.00
34	09.09-301300.MAT Finishes.Ceramic.Materials		$107,000.00
35	09.09-651900.SUB Finishes.Vinyl.Subcontracts		$508,060.75
36	09.09-800000.SUB Finishes.Clubhouse Flooring.Subcontracts		$30,000.00
37	09.09-912300.SUB Finishes.Painting.Subcontracts		$230,000.00
38	10.10-140000.SUB Specialties.Exterior Signs.Subcontracts		$23,600.00
39	10.10-140010.SUB Specialties.Interior Signs.Subcontracts		$13,600.00

RISE

PCCO #022

#	Budget Code	Description	Amount
40	10.10-140020.SUB Specialties.Monument Sign.Subcontracts		$35,000.00
41	10.10-281300.MAT Specialties.Toilet Accessories.Materials		$20,012.46
42	10.10-550000.SUB Specialties.Postal Equipment.Subcontracts		$70,000.00
43	10.10-572313.SUB Specialties.Closet and Utility Shelving.Subcontracts		$36,745.00
44	11.11-310000.MAT Equipment.Kitchen Appliances.Materials		$219,200.00
45	11.11-310010.MAT Equipment.Residential Laundry Equipment: Material.Materials		$264,000.00
46	11.11-681300.SUB Equipment.Playground Equipment.Subcontracts		$100,000.00
47	12.12-353013.MAT Furnishings.Cabinets.Materials		$659,000.00
48	12.12-353015.MAT Furnishings.Granite.Materials		$144,258.00
49	12.12-930000.MAT Furnishings.Site Furnishings.Materials		$78,624.57
50	13.13-000020.SUB Special Construction.Carports.Subcontracts		$528,000.00
51	13.13-000040.SUB Special Construction.Maintenance Facility.Subcontracts		$30,000.00
52	13.13-000050.SUB Special Construction.Mail Kiosks.Subcontracts		$34,174.51
53	13.13-000080.SUB Special Construction.Sport Court.Subcontracts		$100,000.00
54	13.13-000090.SUB Special Construction.Gazebos.Subcontracts		$50,000.00
55	13.13-110000.SUB Special Construction.Pools and Pool Equipment.Subcontracts		$576,963.00
56	14.14-240000.SUB Conveying Systems.Elevators.Subcontracts		$503,041.00
57	21.21-100000.SUB Fire Protection.Fire Sprinkler.Subcontracts		$513,103.32
58	22.22-000010.SUB Plumbing.Plumbing.Subcontracts		$585,050.00
59	22.22-000020.MAT Plumbing.Plumbing Fixtures.Materials		$147,460.34
60	22.22-000090.SUB Plumbing.Hot Water Heaters.Subcontracts		$199,600.00
61	22.22-000100.SUB Plumbing.Tub Repairs.Subcontracts		$3,400.00
62	22.22-000110.SUB Plumbing.Sub-Metering (Water).Subcontracts		$28,848.00
63	23.23-000010.SUB HVAC.HVAC.Subcontracts		$1,062,700.00
64	23.23-000080.SUB HVAC.Testing, Balancing, Adjusting.Subcontracts		$125,000.00
65	26.26-000010.SUB Electrical.Electrical.Subcontracts		$856,545.74
66	26.26-000040.MAT Electrical.Electrical Fixtures.Materials		$600,000.00
67	28.28-000020.SUB Electronics Safety.Access Control.Subcontracts		$34,000.00
68	32.32-172300.SUB Exterior Improvements.Pavement Marking.Subcontracts		$60,000.00
69	32.32-800000.SUB Exterior Improvements.Irrigation Systems.Subcontracts		$184,598.39

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #022

#	Budget Code	Description	Amount
70	32.32-930000.SUB Exterior Improvements.Landscaping.Subcontracts		$52,666.40
71	50.50-000010.ZCOSTS Fees.Overhead.ZCOSTS		$233,936.94
72	50.50-000020.ZCOSTS Fees.GC Fee.ZCOSTS		$621,810.82
		Grand Total:	**$14,831,029.59**

The original (Contract Sum)	$33,500,000.00
Net change by previously authorized Change Orders	$6,668,970.41
The contract sum prior to this Change Order was	$40,168,970.41
The contract sum will be increased by this Change Order in the amount of	$14,831,029.59
The new contract sum including this Change Order will be	$55,000,000.00

The contract time will not be changed by this Change Order.

Dan Burbine (Dan Burbine Associates)

12532 Renoir Ln.
Dallas, Texas 75230

SIGNATURE **DATE**

Garland Housing Finance Corporation

1675 W Campbell Rd
Garland, Texas 75044

SIGNATURE **DATE**

Rise Residential Construction Riverside, LLC

16812 Dallas Parkway
Dallas, Texas 75248

DocuSigned by:
Melissa Fisher
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SIGNATURE **DATE**

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

September 25, 2024

Alexa Delerme
Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

RE: Legacy Riverside
Fort Worth, Texas
CA Partners, Inc Project No.: 20240

Dear Alexa,

Enclosed is Construction Progress Report No. 042 dated September 25, 2024 for the above referenced project. Please note that the first page of the report is a summary with detailed information in the pages that follow.

It is a pleasure working for you and Bellwether Enterprise. If you have any questions, please call me at (214) 468-0807 or email me at jbenson@capartnersinc.com.

Sincerely,

James Benson
Senior Project Manager

cc: constructionadmin@bwe.com - Bellwether Enterprise
Alma Navarro – IBC Bank (by reliance)
Claudia Padron – IBC Bank (by reliance)
Constantine Chigounis – 42 Equity (by reliance)
Oscar Leal, CPA – 42 Equity (by reliance)
Agustina Pesci – 42 Equity (by reliance)

Partners, Inc.
Construction Advisors

LEGACY RIVERSIDE
Fort Worth, Texas

Report No: 042 – September 25, 2024

CA Partners, Inc. Project Number: 20240

Prepared for:

Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

Professionals Serving Construction Lenders, Investors, and Participants

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

Legacy Riverside – Fort Worth, Texas

Executive Summary Report 042

Client: Bellwether Enterprise	From: James Benson, Senior Project Manager
ATTN: Alexa Delerme	CA Partners, Inc.

Project Name - City, State:			Legacy Riverside - Fort Worth, Texas
Project Type:			264-units in seven 3-story apartment buildings with a Clubhouse on 9.8 acres
Site Visit Date:			September 16, 2024
Development Draw/ Contractor Application # reviewed:	Draw No. Draw 41		Application No. 41
Complete Draw Package Received:	Yes ☒	No ☐	**September 23, 2024**
For the period ending:			August 25, 2024
Current Contract Sum through Change Order No. 19 / Contract Type:			$40,168,970.41/Cost Plus-GMP
Was the Budget revised or modified this period?		By Reallocation ☐	No ☒
Current Change Orders:		By Change Order ☐	No ☒
Executed Change Orders Received:		Yes ☐	No ☒
Stored materials requested this draw?	Onsite: ☐ Offsite: ☐	Yes ☐	No ☒
Amount of Contractor's request this period:			$1,230,379.84
Amount of Contractor's request recommended:			**See Section 1 Comments**

Completion % estimated by CA Partners, Inc. (Does not include amounts funded for Stored Materials)		64%
Completion % indicated on Contractor's Application		88.83%
Hard Cost Budget appears sufficient on a % of work in place basis? ONLY with the change order	☐	No ☒
Yes		

Construction Schedule:

Completion date per Construction Contract or extended by change order:		March 21, 2025
Is Work currently on schedule to meet this date?POSSIBLE	Yes ☐	No ☒
If not, how far behind schedule? 100% WITH COMMON AREA		July 31, 2025

Retainage:

Percent of retainage currently held		3.35%
Does % withheld agree with terms of Construction Contract? TOTALLY COMPLIANT	Yes ☐	No ／
Is any retainage release requested this period?	Yes ☐	No ☒
If Yes, how much?		

Other:

General Contractor's lien waivers received and reviewed?	Yes ☐	No ☒
Project being constructed in general accordance with approved Plan and Specifications	Yes ☐	No ☐
Foundations Complete:	Yes ☒	No ☐
Certificate(s) of Occupancy issued?	Yes ☐	No ☒
Does CA Partners, Inc. recommend client contact us to discuss issues in this report?	Yes ☒	No ☐

** This is a summary of the findings from our site visit and draw processing. Please reference the information in the pages that follow for a more comprehensive and detailed discussion of issues.*

Partially unchecked

1. CONSTRUCTION FUNDING REQUEST

Overall scope of work: The Legacy Riverside Independent Senior Living project is located at the northeast intersection of North Riverside Drive and Summerfields Boulevard in Fort Worth, Texas. The project is located on a 9.82-acre tract of land, and a total of 264 apartment units will be constructed. Access to the property will be provided from two double lane entry drives from North Riverside Drive to the central Clubhouse located adjacent the buildings. One 1-story Clubhouse and seven 3-stort apartments buildings will be provided. Carport/covered parking spaces and vehicular access gates are identified. Site amenities include a fenced swimming pool area, dog park, outdoor siting areas, picnic tables, BBQ grills, gazebo, fire pit, horseshoe pit, beanbag toss, and perimeter fencing. Perimeter building and parking lot landscaping is proposed. The centrally located Clubhouse areas will include a Club Room with kitchen, Fitness Center, Craft Room, Billiards Room, Business Center, Conference Room, Leasing area, offices, and Public Restrooms.

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Summary of Contractor's Application	Application for Payment No. 41
Original Contract Sum	**$33,500,00.00**
Net Change:$21.4MM pending at report	$6,668,970.41
Contract Sum to Date	**$40,168,970.41**
Total Completed and Stored to Date	**$35,681,670.86**
Retainage	$1,198,148.03
Total Earned Less Retainage	**$34,483,522.83**
Less Previous Certificates for Payment	$33,253,142.99
Current Payment Due	**$1,230,379.84**
Balance to Finish, Including Retainage	$5,685,447.58

This 10 pg September 2024 G702 and G703 report was deleted. Consultant / GC instead added a newer version of the doc, which was not signed by the architect

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1.1 Rise Residential – Application and Certificate for Payment No. 41

- **No new change orders have been incorporated this period and the Contract Sum remains unchanged until the updated changer order is approved by Investor\Lender**
- Work for the Period Ending: August 25, 2024
- Current Contract Sum: $40,168,970.41
- Application and Certificate for Payment No. 41 has been signed and certified by the Project Architect dated September 20, 2024.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, drywall, granite, etc.). We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders and received an official change order upated post report inspections
- General Requirement line items have been drawn to 89.41% at this time. Overhead has been drawn at 100%. GC Fee has been drawn at 100%. The project has billed for 88.83%. When removing stored materials, this percentage decreases further. It is somewhat common for general conditions to outpace actual construction when drawn on a pro-rata basis, however the current difference is

Deleted: "but have not received an official change order log."

significantly more than typical. **We continue to recommend that funds advanced for General Conditions, Overhead, and GC Fee items be slowed or halted.**

Upon receipt of previous Application for Payments, we made an inquiry to the Borrower regarding various overdrawn line items. We have recommended that budget reallocations occur, or requests be reduced so that the scope line items were in line with the percent complete in the field. We were informed by the Borrower that the Bank going to escrow funds for work NOT in place so they can release them as soon as the work is in complete. The bank will hold any funds for work they feel is not in place. We were also informed that the Elevator cabs manufactured already for Austin Manor (a different project) have been transferred to Riverside and Riverside needs to repay Manor for the elevator cabs. Not correct. Please note this is not the typical construction practice to utilize different project sources to fund other projects. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn and need supplemental**

"currently over drawn." originally black. Added "and need supplemental"

As mentioned previously, we do not object that these are actual cost incurred and that only the percent values are overdrawn based on what is complete in the field. We can only recommend funding on what is complete. If reducing the requests is not feasible, we recommend additional funds are allocated to the over drawn line items so that the percent complete is consistent with what is complete in the field. This project has been considered high risk for budget overruns, schedule delays, and line item requests that are **not** completed in the field. The recent change order addresses these issues subject to lender and investor approval

1.2 Retainage

- The Owner/Contractor Agreement indicates that 5% retainage will be withheld from subcontractor labor related line items with various exceptions including General Conditions, Overhead, GC Fees and costs, permits, insurance, bonds, and materials
- Retainage withheld appears to be generally consistent with the provisions detailed in the Owner/Contractor Agreement we reviewed, however we would consider these retainage provisions to be significantly more favorable than typical for the Contractor, and we would consider the limited amount of retainage to represent increased risk for the lender
- Based on the above exemptions, total retainage withheld to date is $1,198,148.03 reflecting 3.35% of the "Total Completed and Stored to Date" figure
- We would recommend that retainage for the project be increased. We recommend that a minimum of 5% of the total work completed be withheld for the project, and we would consider 10% total retainage to be ideal for lender protection
- We would also recommend that it be confirmed that current retainage withheld is consistent with the Loan Agreement
- No retainage release request has been indicated on the current Application for Payment

1.3 Lien Waivers

General Contractor's Conditional and Unconditional Waiver and Release on Progress Payment received:

- We have requested but not received a Conditional Waiver and Release on Progress Payment this period for Application for Payment No. 41.
- We have requested but not received Unconditional Lien Waivers referencing the amounts previously funded for Application Nos. 24-40. **We recommend you secure the Unconditional Lien Waiver prior to funding the current Draws.**
- Approval of lien waiver wording, format, and authority to sign is left to your discretion

1.4 Funding Recommendation

We have recommended additional funds be added to the project so that line items completion percentage are representative of the work actually complete in the field. At this time, based on job progress and cost incurred to date, we **do not** anticipate the current "Balance to Finish" amount of $4,487,299.55 to be sufficient for the remaining proposed scope of work. This comment is in relation to the line items that have been drawn high compared to the actual completion percentage as discussed above. Also, some material line items have been drawn 100% and do not have a line item for labor installation of these line items.

Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, granite, etc.). So, we anticipate additional funds will be needed to cover these labor costs for installation of some of the material line items. The change order submitted and pemdng final approval adddess these issues.

With the information provided within this Report, if you elect to fund the amount is noted below:

Application for Payment No. 41: $1,230,379.84

1.5 Development/Loan Budget

We have received a copy of the Borrower's development budget for this project. The total project costs are identified, and we cannot verify that the current Contract Sum or the Hard Cost request are consistent with the Contractor's Application for Payment.

removed "not" in three places

We have received a copy of the Development Budget, with the current draw submission or during our pre-construction review, and we have not been able to determine if there is additional Hard Cost Contingency outside the Contractor's Schedule of Values. Approval of soft cost funding requested is left to you as an underwriting consideration.

2. STORED MATERIALS

2.1 Materials Stored Onsite:

- Hardie plank siding
- Lumber
- Trusses
- Sheathing
- PEX piping
- Windows
- Balcony doors
- Unit entry doors
- Tubs
- Balcony rails
- Stone veneer
- Drywall

2.2 Onsite Stored Material Request:

- No on-site stored materials requests have been made this application

2.3 Offsite Stored Material Request:

Not including framing materials, approximately $3,000,000 in materials have been funded to date as reflected on the previous Contractor's Application for Payment. These materials have not been installed at this time and our estimated completion percentage does not include materials purchased. We mention this for your information. These materials are reportedly stored at the Contractor's facility, vendor facility, or locked conexes onsite.

- $425,000 for "Metal Pan Stairs and Rails" – material previously purchased and funded (complete)
- $820,600 for "Thermal & Moisture Protection" – Contractor provided Bill of Lading and Photos for Zip sheathing, metal roof rolls, and Cladding materials purchased (previously purchased and funded) – now in progress of being installed.
- $92,411.44 for "Specialties" – material previously purchased and funded
- $250,000 for "Equipment" – material previously purchased and funded
- $300,000 for "Cabinets" – material previously purchased and funded

- $785,000 for the “Elevator” deposit
- $352,539.66 for “Plumbing Fixtures” – material previously purchased and funded
- $23,272.88 “Irrigation” – material previously purchased and funded

Originally said "budget reallocations without additional scope changes"

3. CHANGE ORDERS

Removed "not"

3.1 Current Change Orders

The Contract Sum has previously been modified a total of $6,668,970.41 by Change Order Nos. 1-19. We were previously informed by the Developer/Contractor that formal change orders will be issued for budget reallocation with addtional costs. The Contract Sum remains $40,168,970.14. Pending lender and invesot approvl the CO will increase to $21.4MM per GC and Construction Risk Manger for IBC.

3.2 Pending Change Orders

- We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project
- At this time, we have been informed of any potential change orders for this project.

Removed "not"

4. CONSTRUCTION - PROGRESS, ISSUES, AND SCHEDULE

Originally said, "on September 15, 2024"

4.1 Construction Progress

Observations made at the time of this month's site visit on July 3, 2024 NOT updated are as follows:

- Retaining walls at the north perimeter of the site remained complete
- Cutting and grouting for post tension cables remained incomplete
- Concrete paving for drives and parking areas were complete for all areas except the northwest portion of the site and the main approaches from adjacent public streets
- Framing was complete for the buildings except Building 5
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work has now been completed as of April 11, 2024.
- All buildings foundations were now complete
- CMU elevator shafts were complete for each building
- Concrete paving was complete for onsite drives and parking areas
- Concrete approach from Summerfields Blvd and North Riverside Drive were complete
- Concrete sidewalks was complete at Summerfields Blvd
- Temporary electrical power was complete
- Level 1 wall framing was complete for the Clubhouse and exterior sheathing and roof decking were also complete
- Roofing was observed complete for the Clubhouse
- Zip Sheathing tape and windows were complete at the Clubhouse
- Installation of storefront style doors was complete at the Clubhouse
- Additional exterior trim was nearing completion at the Clubhouse
- Plumbing rough in, electrical rough in, and HVAC ductwork were complete at the Clubhouse
- Insulation and drywall were complete at the Clubhouse
- Framing for levels 1-3 and roof decking were complete at Buildings 1-4, 6, and 7
- Framing for levels 1-3 was complete at Building 5 – exterior sheathing complete at levels 1 and 2
- Roofing and windows were complete at Buildings 1-4, 6, and Building 7
- Exterior siding was complete at Buildings 1, 2, 3, 4, and 7
- Plumbing rough in was complete at Buildings 1, 2, 3, 4, 6, and 7 – in progress at Building 5
- Electrical rough in was complete at Buildings 1, 2, 3, 4, 6, and 7

- HVAC ductwork was complete at Buildings 1, 2, 3, 4, 6, and 7
- HVAC refrigerant lines were complete at Buildings 1, 2, 3, 4, 6, and 7
- Fire caulking at framing penetrations was complete at Buildings 1, 2, 3, 4, and 7
- Fire sprinkler rough in was complete at Buildings 1, 2, 3, 4, 6, and 7
- Unit entry doors and balcony doors were complete at Buildings 1, 2, 3, 4, and 7
- Balcony rails were nearing completion at Buildings 1 and 7 – welding in progress for remaining buildings
- Installation of tubs was complete at Buildings 1, 2, 3, and 7
- Building insulation was complete at Buildings 1 and 7
- Drywall was in progress at Buildings 1 and 7
- Building metal stairs with concrete treads was complete
- Lightweight concrete at breezeways and balconies was nearing completion
- Exterior paint was nearing completion at Buildings 1 and 7
- Stone veneer was complete at Buildings 1 and 7 – in progress at Building 2
- Metal fencing was observed complete at the north perimeter of the site

Removed "not", added "been"

4.2 Construction Issues

- **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction progress has remained at a steady pace during the period from August 30, 2023 to September 16, 2024.** **Due to bank's funding delays**
- There were approximately 30 laborers observed onsite at the time of our site visit.
- CA Partners has had previous and current projects with Rise Residential, and we have had generally mixed results regarding timeliness of completion. Several Austin and DFW area projects have experienced severe delays, and based on interactions to date with this project, we would consider this project to have an elevated risk for schedule and price increases.Addressed by CO pending
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the most recent G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have been received an official change order log.
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction at Building 5. This work is now complete and Building 5 foundation is now complete as of April 11, 2024.
- The Contractor is waiting to pass the fire sprinkler inspections for Building 1, 2 and 7 before insulation and drywall can commence. The delay appears to be a scheduling situation with the City Inspector. Fire sprinkler inspections have passed and insulation/drywall now in progress for the buildings.

Changed from "2023"

4.3 Construction Schedule

Contractual Completion date:	March 21, 2025
Contractor's estimated Substantial Completion date:	Updated Schedule ~~March 31, 2025~~
CA Partners estimated Substantial Completion date:	July 31, 2025
Has occupancy started: **First building turn 11/24**	No

Changed from "Updated Schedule Requested"

- Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2025. This date can be met.
- **Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on July 31, 2025**

Removed "was not"

Changed from "2023"

- Please be aware that the Contractor's progress to date has been much slower than industry standard, and our estimated date of Substantial Completion may therefore be much more susceptible to being modified. Should construction administration, manpower, and direction all improve in the coming months, Substantial Completion could be completed sooner, however should the current level of organization continue, the completion date may be at risk of being pushed further.
- Final Completion including all punchlist, cleaning and final demobilization may extend past the Substantial Completion date.

5. CONSTRUCTION MATERIAL TESTING

5.1 Test Results Received Since our Prior Report:

Testing was initially being performed by Intertek PSI for this project. We have not been provided with any additional copies of testing since the previous period, and we will continue to request that we be added to the direct testing distribution list.

Please be aware that it no longer appears that testing is being done for the project based on our observations onsite. Reinforcing steel is being placed over cracked soil which does not appear to have been recently compacted or tested. We recommend that testing begin immediately to ensure the project is built per plans and specifications. FAS IBC Construction risk manager

"ons" originally black

We will ultimately request a letter from the Engineer of Record be provided stating all materials tested have achieved project specifications. This is also a typical requirement of the municipality for the issuance of the Certificate of Occupancy.

6. CONSTRUCTION DOCUMENTATION

- Additional construction documentation has not been provided since the issuance of our previous Report.
- We will continue to comment on documents as they are received: Change orders pending

7. CONCLUSIONS

7.1 Job Progress

- Job progress since the previous period has been at a good pace
- Based on our observations and interactions with this project to date, we would consider the project to be at high risk of schedule delays and cost increases. Please see comments in Section 1.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 67% complete.

Changed from "64% complete"

DISCLAIMER/RELIANCE

Information contained in this report was obtained through observations made at the time of our site visit(s), communication with on and off-site construction personnel, communication with Borrower/Owners, draw

documentation provided with applicable backup, meeting minutes, third party reports (testing, etc.), and documentation items (change orders, construction schedules, Certificates of Occupancy, etc.) provided by the Borrower and/or Contractor. Where necessary, information was also obtained by verbal communication, meetings, access to online portals, and/or email correspondence on specific issues requiring clarification in order for us to fulfill our report scope obligation. CA Partners, Inc. (CAP) will have no obligation or authority to direct any other party (Borrower, Architect, Engineer, Contractor, etc.) involved in the project. CAP will have no liability regarding acts or omissions of these parties, their employees, or agents. CAP will not provide construction management or supervision for this project and do not have authority to reject work. CAP services will not include any testing related to soil conditions, environmental issues, structural issues or mechanical /electrical systems, or construction materials. No destructive testing of building components will be performed. All reports issued by CAP reflect our judgement and opinion based on construction elements visible at the time of our monthly site observations.

The information contained in this report may be used and relied upon by Bellwether Enterprise and IBC Bank subject to terms, conditions, limitations and qualifications contained in the Agreement between the client named herein and CA Partners, Inc. This report, or any report prepared by CA Partners, Inc., is not to be relied upon by any third party financial institution, investor or lending entity unless arrangements are made by executed reliance letter signed by CA Partners, Inc. and the lead client named above. Third party reliance will require acceptance of the report scope agreed to and outlined in our original engagement unless engaged to perform added scope outlined in an additional agreement or co-engagement. Our reports are solely for the use of our client(s), approved reliant parties and/or co-engagements in administering the construction loan for this project. CA Partners, Inc. will not name or distribute our reports to Borrowers as we believe our reports are proprietary to our clients. However, named clients may distribute reports, if needed, at their discretion, to better administrate the construction loan per their polices. We recommend that any third parties perform their own due diligence in examining the above property.

This report is for the use and benefit of, and may be relied upon by,

a) the Seller/Servicer, Freddie Mac and all successors and assigns ("Lender");

b) independent auditors, accountants, attorneys and other professionals acting on behalf of the Lender;

c) governmental agencies having regulatory authority over Lender;

d) designated persons pursuant to an order or legal process of any court or governmental agency;

e) prospective purchasers of the mortgage; and

f) with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is the subject of this report, the following parties in their respective successors and assigns:

- any placement agent or broker/dealer and any of their prospective affiliates, agents, and advisers;
- any initial purchaser or subsequent holder of such debt and/or security;
- any Servicer or other agent acting on behalf of the holders of such debt and/or security;
- any indenture trustee;
- any rating agencies; and
- any institutional provider from time to time of any liquidity facility or credit support for such financings

1. Exterior siding complete and balcony rails nearing completion at Building 1. Stone veneer was complete and exterior paint nearing completion.

2. Breezeway wall insulation was complete at Building 1.

3. Unit insulation was complete at building 1.

4. Exterior paint was nearing complete at the Clubhouse.

5. Drywall was complete at the Clubhouse.

6. Stone veneer was in progress at Building 2.

7. Metal stairs with concrete treads was complete at Building 2.

8. Breezeway lightweight concrete was complete at Building 2.

9. MEP rough in was complete at Building 2. Insulation and drywall were stored.

10. Lightweight concrete was complete at Building 2 unit balconies.

11. Installation of electrical transformers was in progress.

12. Exterior siding was complete at Building 3.

13. Breezeway lightweight concrete was complete at Building 3.

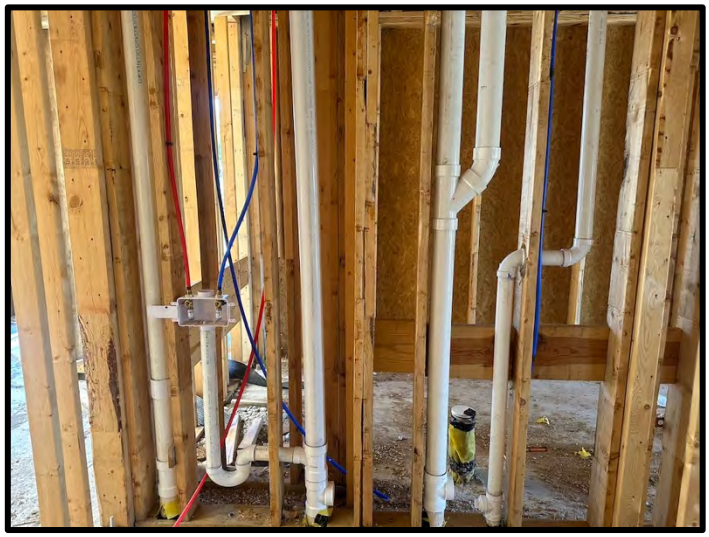
14. MEP rough in was complete at Building 3.

15. Exterior siding was complete at Building 4.

16. Balcony doors were complete at Building 4.

17. Electrical rough in was complete at Building 4.

18. Framing for levels 1-2 were complete at Building 5. Level 3 framing was in progress.



19. Plumbing rough in was in progress at Building 5.

20. Exterior siding was complete at Building 6.

21. MEP rough in was complete at Building 6.

22. Lightweight concrete was complete at Building 6 unit balconies.

23. Exterior paint was nearing completion at Building 7.

24. Insulation was complete and drywall in progress at Building 7.

Texas Department of Housing and Community Affairs, Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941,Austin, TX 78701, Main Number: 512-475-3800, Toll Free: 800-525-0657, Email: info@tdhca.state.tx.us, Web: www.tdhca.state.tx.us

Construction Status Report – Minority Owned Business Report (HTC Only)

TDHCA Asset Management Division - P.O. Box 13941, Austin, Texas 78711-3941 www.tdhca.state.tx.us/asset-management

This report must be provided every 90 days in coordination with the construction status reports for all HTC developments as required by Tex. Gov't Code §2306.6734 to demonstrate the Owner's attempt to ensure that at least 30% of the construction and management businesses with which the Owner contracts in connection with the development are minority-owned businesses.

TDHCA File No.: p20613 Development Name: Legacy Riverside Senior Living Community

NAME and ADDRESS of OWNERSHIP ENTITY	
Name of Ownership Entity: TX Riverside Seniors, LP	Contact Name: Melissa Fisher
Mailing Address: 16812 Dallas Parkway	City: Dallas, State: TX Zip: 75248
Phone: (972) 701-5555	Email: mfisher@rise-residential.com

In accordance with Texas Government Code, I, the Owner, as agreed in the Owner's Certification submitted with the Housing Tax Credit Application for the above named Development, have attempted to ensure that at least 30% of the construction and management businesses with which I contract in connection with the Development identified above are Minority Owned Businesses. I understand that a Minority Owned Business is defined by Section 2306.6734 as a business entity that is 51% owned, managed, and controlled by members of a minority group in its daily operations (for purposes of this report, Section 2306.6734 defines "minority group" as women, African Americans, American Indians, Asian Americans, Mexican Americans, and other Americans of Hispanic origin).

As of today, the percentage of businesses with which I, the Owner, have contracted that qualify as Minority Owned Businesses is as follows:

PERCENTAGE OF CONTRACTED MINORITY OWNED BUSINESSES
CONSTRUCTION: **35 %**
MANAGEMENT: **35 %**

Back up documentation will be provided to the Department in the event such documentation is requested to confirm the contracted percentages referenced above.

By: _____ 10/09/24

Signature of Owner Representative Date

Melissa Fisher, Manager

Printed Name of Owner Representative

Submit this form in accordance with the instructions related to Construction Status Reports in the Post Award Activities Manual. Construction Status Reports begin with an initial report and are received every 90 days via the applicant's FTP account. Please contact your Asset Manager or the general Asset Management inbox (asset.management@tdhca.state.tx.us) with questions.

Exhibit 3

RISE RESIDENTIAL

March 6, 2025

Texas Dept of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: 02.14.25 Debarment Referral Letter – HTC #20613 / Bond #20613B

Dear Mr. Banuelos,

I received your letter dated February 14, 2025, regarding the referral of Rise Residential Construction Riverside, LLC, Sonoma Housing Advisors, LLC, James R. (Bill) Fisher, and myself to the Enforcement Committee for possible debarment.

I deny any unethical behavior or intent to misrepresent information included in the submission of the Quarter 3 2024 Construction Status Report. I take compliance with TDHCA's regulations and ethical standards very seriously and would never knowingly participate in or condone an action of that nature.

The submission of this notated inspection report was an oversight, not an intentional misrepresentation of another professional's work. In this instance, Bill Fisher mistakenly selected a copy of the inspection report that contained internal comments from the field team rather than the original version when submitting the Construction Status Report to the Department. It is common practice for the field team to review the third-party reports and to add comments to the document if they disagree with anything reflected in the report so that we may discuss those findings with the relevant lender during our regularly scheduled meetings. I would be somewhat surprised that someone would reasonably conclude that we intentionally tried to mislead the department by submitting this obviously altered report. As noted in the Department's letter to us, the copy submitted contained red font in a styling was materially different from the rest of the report. Also, it is obvious that certain parts of sentences had been deleted, and the comments added clearly do not complete the sentences in a logical or coherent manner. I believe a reasonable person would identify this as a red-lined document. Further, when staff asked Bill Fisher about the report via email, he investigated and reported back that it had been notated by our staff internally. This would normally result in a request for the original report and perhaps a late fee for the submission, but not debarment.

This submission occurred while I was traveling back from a TDHCA Board meeting, I was not involved in the submission process at that time. Given that we have submitted four to six of these reports every quarter for years—totaling approximately 30 per year and hundreds over our 22-year working relationship with the Department—this was an isolated clerical mistake, not an act of deception.

Debarment is a penalty that would have far-reaching consequences beyond myself and Bill Fisher. RISE Residential employs approximately 120 people whose livelihoods depend on our ability to continue our work. Further, hundreds of subcontractors, suppliers, and workers engaged in our ongoing projects would be negatively impacted. Our developments provide much-needed affordable housing across Texas, aligning with TDHCA's mission, and an administrative oversight of this nature should not warrant a punishment that would disrupt nine active housing projects, harm countless families and workers, and dismantle a company that has developed over 10,000 affordable homes in Texas.

16812 DALLAS PARKWAY • DALLAS, TX • 75248
PHONE: 972-701-5558 • MFISHER@RISE-RESIDENTIAL.COM

Since 2007, I have committed my career to the mission of creating affordable housing in Texas, working diligently with TDHCA to ensure quality developments that serve communities in need. My professional reputation has been built on integrity, transparency, and my respect for the Department and its staff's critical role in regulating and supporting housing initiatives.

I look forward to working with the Department to resolve this issue in a fair and factual manner.

Respectfully,

Melissa Fisher
RISE Residential

16812 DALLAS PARKWAY • DALLAS, TX • 75248
PHONE: 972-701-5558 • MFISHER@RISE-RESIDENTIAL.COM

Exhibit 4

Shackelford
A LIMITED LIABILITY PARTNERSHIP
ATTORNEYS & COUNSELORS

John C. Shackelford
9201 N. Central Expressway
Fourth Floor
Dallas, Texas 75231
(214) 780-1400 (Main)
(214) 780-1414 (Direct)
(214) 780-1401 (Fax)
jshack@shackelford.law

April 25, 2025

VIA ELECTRONIC MAIL
TDHCA Governing Board
Attention: Ysella Kaseman
221 East 11th Street
Austin, Texas 78701

RE: Appeal of Notice of Debarment Determination for Melissa Fisher

Dear Board Members:

Our Firm represents Melissa Fisher and we have been requested by Ms. Fisher to appeal the Texas Department of Housing and Community Affairs' ("TDHCA") decision to debar Ms. Fisher.

We are submitting this letter pursuant to 10 TAC §2.401(k) and 10 TAC § 1.7(f) which provides for a person to appeal in writing directly to the Board within seven calendar days after the date of the Executive Director's debarment determination.

Background

On February 14, 2025, Ms. Fisher received a notice of a Debarment Referral to the TDHCA's Enforcement Committee relating to Riverside Heights Senior Living AKA Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B) ("Riverside"). This was the first indication from TDHCA that it had escalated a rectified clerical error to a basis for potential debarment.

Previous email correspondence (included as Exhibit A) occurred on December 5, 2024, when Rosalio Banuelos (Director of Multifamily Asset Management at TDHCA) emailed Bill Fisher, a consultant, with a copy to Ms. Fisher asking about the construction inspection report submitted October 10, 2024 in the quarterly construction status report ("CSR"): (1) was it the original version prepared by CA Partners, Inc. (the third-party inspector), (2) was it edited by the third-party inspector or someone else, and (3) requesting the original report.

Mr. Fisher emailed the correct report within an hour and explained that the project manager made the edits as part of his review of the report for accuracy and completeness. Mr.

Fisher did not explicitly state in his email that he sent the project manager's review copy by mistake. He knew it was a mistake and gave the explanation of the marked-up copy with that understanding. The project manager's copy was not to be distributed in lieu of the actual report. It was for internal discussion to prepare Ms. Fisher to speak to the lender about the findings in the report regarding the pending change orders.

Debarment Requires Intent

10 TAC §2.401(a)(5) provides that "[t]he Department may debar a Responsible Party, a Consultant and/or a Vendor who has exhibited past failure to comply with any condition imposed by the Department in the administration of its programs. A Responsible Party, Consultant or Vendor may be referred to the Committee for Debarment for any of the following: [p]roviding fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department." (emphasis added)

TDHCA staff decided that the clerical error, which was promptly corrected, is the same as *providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department* under 10 TAC §2.401(a)(5). However, consideration for debarment pursuant to 10 TAC §2.401(a)(5) requires intent, knowledge, or negligence. Inadvertently including the project manager's review copy in a quarterly reporting package is a clerical error lacking intent, knowledge, and negligence.

The edits to the consultant's inspection report were obvious and extensive. The edits to the inspection report included varying fonts (including the color red), incomplete sentences, misspellings, and grammatical errors. Anyone reviewing the consultant's report submitted on behalf of Ms. Fisher would immediately realize this report was "doctored" without any chance of misleading or deceiving anyone to think it is the original consultant's inspection report. (See Exhibit B) Ms. Fisher does not deny the first three violations set forth on Exhibit 1 to Bobby Wilkinson's Notice of Debarment Determination dated April 11, 2025 (the "Letter"). Despite these violations the mere obviousness of the majority of edits in a large font and red color in no way caused anyone at TDHCA to believe in the authenticity of those edits as being written by the consultant. It is implausible and inconceivable. Accordingly, there can be no misrepresentation to or misleading of TDHCA Staff if the reader of the edited consultant's report was not mislead or deceived. The obviousness of the edits and comments in the report that Mr. Fisher emailed to TDHCA on October 10, 2024, should have prompted TDHCA to email Mr. Fisher to request the original report.

The basis for the project manager editing the inspection report deserves an explanation. Ms. Fisher asks all her project managers on projects she's overseeing to get a copy of the inspection report sent to the lender and her company and go through it to correct errors and

provide commentary to equip Ms. Fisher with information she may need when she discusses the inspection report with her lenders and investors. This is standard operating procedure in Ms. Fisher's organization. The edited report is done solely for internal purposes and is not to be shared with anyone outside of the organization.

It is extremely important to acknowledge that Mr. Fisher emailed the quarterly reporting package to TDHCA while Ms. Fisher was out of the office attending a TDHCA Board meeting. This fact is in the email string in Exhibit A. She had neither the intent nor knowledge to provide the project manager's review copy to TDHCA. The report in question was due the day of the Board meeting Ms. Fisher was attending and Mr. Fisher, in his haste, selected the wrong report and sent it to the TDHCA.

As to the fourth violation listed on Exhibit 1 to the Letter, it is important to note that the G702 and G703 #42 drafts submitted in the CSR was for the period 8/26/24 to 9/25/24 and was unsigned by the architect. It was included to show current progress as the required first section of the CSR, but not intended to be part of CA Partners, Inc.'s report located in the second section of the CSR. A current G702 is a required section in the CSR each quarter. Separately, the G702 and G703 #41 originally attached to the consultant's inspection report submitted was for the period 7/26/24 to 8/25/24 and was signed by the architect. It appears that staff is suggesting that G702 #42 was intended to be an altered replacement for the G702 #41 originally included in CA Partners, Inc.'s report. That is completely inaccurate. The G702 and G703 #41 that CA Partners, Inc. had originally included in their report was not included in the notated report that was erroneously included in the CSR, but Ms. Fisher had no involvement in those revisions and she cannot presume to know why it was not included. These facts about the G702 and G703 clearly undermine the claim that Ms. Fisher attempted to make either an intentional or knowing misrepresentation to TDHCA Staff or attempted to mislead TDHCA Staff.

Debarment is Not Mandatory

Tex. Gov't. Code 2306.0504(b) states, "(b) The department may debar a person from participation in a department program on the basis of the person's past failure to comply with any condition imposed by the department in the administration of its programs." (emphasis added)

10 TAC §2.401(a) states, "The Department may debar a Responsible Party, a Consultant and/or a Vendor who has exhibited past failure to comply with any condition imposed by the Department in the administration of its programs. (emphasis added)

Further, the Debarment Referral letter acknowledges that "providing intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department is criteria for possible debarment in accordance with 10 TAC §2.401(a)(5)." (emphasis added)

Debarment is discretionary and is not required for a clerical error in one quarterly filing. The clerical error did not cause any type of loss.

Considering the Debarment Recommendation

The recommendation for debarment does not include any discussion of the factors considered in making the decision.

The Enforcement Committee's Debarment Referral and Notice of Informal Conference Regarding Potential Debarment includes a footnote with factors for a recommended period of debarment. They include repeated occurrences, seriousness of underlying issues, and presence or absence of corrective action taken or planned, including corrective action to install new responsible persons and ensure they are qualified and properly trained, along with any other mitigating factors that are relevant to the referral.

- Having developed over 10,000 affordable units, this is the first occurrence in twenty-two years that Ms. Fisher submitted the wrong copy of a quarterly inspection report. Ms. Fisher has no prior enforcement occurrences while partnering with TDHCA and filing hundreds of quarterly reports.

- The error is not serious. A clerical error in one quarterly report out of hundreds over twenty-two years is not a serious issue or indicative of serious underlying issues. The clerical error could not and did not cause loss of money, loss of affordable housing units, loss of jobs, loss of tax-exempt bond status, loss of tax credits, loss of qualified investors, or any other type of loss.

- Corrective action was promptly taken by providing the correct report in less than one hour of receiving the email alerting Ms. Fisher and Mr. Fisher to the error.

- A qualified employee can be trained to carefully review the reporting packages to ensure compliant reporting and to protect against future errors.

When the factors are applied to the facts, there is no reasonable basis for any debarment period.

Considering the Debarment Purpose

Operating in a compliant manner:

"One purpose of debarment is to allow Responsible Parties to focus on their current responsibilities and maintaining them in a compliant manner before taking on further obligations," according to the Notice of Debarment Determination letter.

As discussed above, this is a clerical error that does not indicate serious underlying issues. Mr. Fisher is a consultant who ordinarily does not send the quarterly inspection reports to the TDHCA. Ms. Fisher is willing to take steps to ensure Mr. Fisher is never in position to send materials to the TDHCA to avoid a repeat of his mistake.

As previously stated, Ms. Fisher's responsibilities include projects in the process to apply for bonds and tax credits to develop much-needed affordable housing in Texas. The applications require substantial lead time, predevelopment work, and investment by many parties. A debarment for any period of time directly harms all parties and delays provision of affordable housing in Texas. The estimated financial damage to Ms. Fisher's company would be enormous, possibly exceeding $20,000,000. We anticipate having a witness at the Board meeting to speak about the cost to Ms. Fisher's company if she is debarred. From an equitable and just standpoint, a debarment of Ms. Fisher constitutes an egregious penalty for her having no part in the submission of an edited inspection report that is blatantly obvious to anyone and for having no past issues of non-compliance or submitting misleading or inaccurate materials, document or information.

The following projects are at TDHCA pending a decision:

Lakeview supplemental bonds 17435
Riverside supplemental bonds 20613
Austin Manor supplemental bonds 19471
Culebra 9% award pending 25210
Liberty Seniors 9% award pending 25211
Lancaster 9% application pending 25433
Austin Manor owner transfer request 19471

Protecting affordable housing programs:

The other purpose of debarment is to protect the program and its funding from bad actors who are not committed to the provision of quality affordable housing.

Ms. Fisher has developed over 10,000 affordable homes in Texas without any previous issues. As Ms. Fisher observed in her response to the Debarment Referral letter, they have submitted hundreds of quarterly reports during their 22-year working relationship with TDHCA and their first error is a clerical error that did not cause any loss nor indicate serious underlying issues.

Debarring two of TDHCA's dedicated partners over a clerical error does not protect the affordable housing program. It reduces the number of qualified people and organizations who are committed to the affordable housing programs.

Considering the Severity of Debarment

A debarment is more than a forced pause in participating in new affordable housing projects. Debarments are published for all to see. A debarment is permanent and must be disclosed when a person or entity wants to work with any government agency. For individuals, their reputations and careers in affordable housing and other government programs are ruined. Agencies and investors will question their ethics and integrity and may choose to avoid working with them altogether for fear their past debarment will attract negative and unfair scrutiny of their applications and projects.

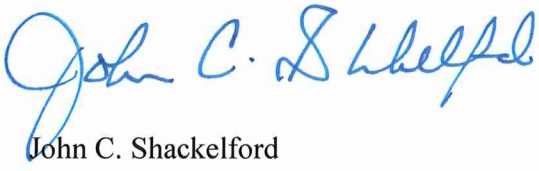
Inflicting permanent and far-reaching damage on Ms. Fisher, a well-known and respected professional in affordable housing, for a clerical error is grossly disproportionate punishment. Debarments for immaterial and questionable reasons can deter other strong, ethical professionals from pursuing work in affordable housing while the need grows greater each year.

Conclusion

Debarment should be reserved for bad actors that the Department wants to eliminate from its programs because they fail or refuse to pursue the Department's policy objectives. We respectfully request that you reverse the potential debarment of Ms. Fisher so that she may continue to provide quality affordable housing in partnership with the TDHCA and other government agencies and programs that rely on her work.

Lastly, Ms. Fisher greatly appreciates your granting an extended appeal submission deadline of April 25, 2025, and placing this matter on the agenda for the June 12, 2025, Board meeting.

Very truly yours,



John C. Shackelford

cc: Melissa Fisher *(via email)*
Bobby Wilkinson *(via email)*
Beau Eccles *(via email)*

R:\SHACKLAW\Rise Residential Construction, LP (50408)\7 - General Business Matters\ TDHCA Appeal Letter - Melissa Fisher Rise (clean 4.25.2025) no aff.docx

EXHIBIT A

EMAIL CORRESPONDENCE

From: Bill Fisher <Bill.Fisher@sonomaadvisors.com>
Sent: Thursday, December 5, 2024 4:27 PM
To: Rosalio Banuelos; Lucy Weber
Cc: Melissa R Fisher
Subject: Re: Construction status report for Riverside

GC responses to their report comments are in red. Standard practice to respond to and correct issues in these reports. They go to the interim and permanent lender as well as the investor. So GC's do not leave inaccuracy un-rebutted in these circumstances.

Bill

James R. (Bill) Fisher
Sonoma Housing Advisors, LLC
16812 Dallas Parkway
Dallas, TX 75248
bill.fisher@sonomaadvisors.com
214-608-7201 Cell

From: Rosalio Banuelos <Rosalio.Banuelos@tdhca.texas.gov>
Sent: Thursday, December 5, 2024 3:54 PM
To: Bill Fisher <Bill.Fisher@sonomaadvisors.com>; Lucy Weber <Lucy.Weber@tdhca.texas.gov>
Cc: Melissa R Fisher <mfisher@rise-residential.com>
Subject: RE: Construction status report for Riverside

Bill,

The construction inspection report from CA Partners, Inc., as of September 25, 2024, submitted with the email below includes text in red font. Were these changes made by CA Partners, Inc.? If not, please submit the original version of this report and clarify who made the changes to the report submitted.

Thank you,

Rosalio Banuelos
Director of Multifamily Asset Management
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.3357

From: Bill Fisher <Bill.Fisher@sonomaadvisors.com>
Sent: Thursday, October 10, 2024 5:18 PM
To: Lucy Weber <Lucy.Weber@tdhca.texas.gov>
Cc: Melissa R Fisher <mfisher@rise-residential.com>
Subject: Construction status report for Riverside

From: Bill Fisher <Bill.Fisher@sonomaadvisors.com>
Sent: Thursday, December 5, 2024 5:20 PM
To: Rosalio Banuelos; Lucy Weber
Cc: Melissa R Fisher
Subject: Re: Construction status report for Riverside

The PM on the job at the time made the response.

James R. (Bill) Fisher
Sonoma Housing Advisors, LLC
16812 Dallas Parkway
Dallas, TX 75248
bill.fisher@sonomaadvisors.com
214-608-7201 Cell

From: Rosalio Banuelos <Rosalio.Banuelos@tdhca.texas.gov>
Sent: Thursday, December 5, 2024 3:54 PM
To: Bill Fisher <Bill.Fisher@sonomaadvisors.com>; Lucy Weber <Lucy.Weber@tdhca.texas.gov>
Cc: Melissa R Fisher <mfisher@rise-residential.com>
Subject: RE: Construction status report for Riverside

Bill,

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Thank you,

Rosalio Banuelos
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Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
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From: Bill Fisher <Bill.Fisher@sonomaadvisors.com>
Sent: Thursday, October 10, 2024 5:18 PM
To: Lucy Weber <Lucy.Weber@tdhca.texas.gov>
Cc: Melissa R Fisher <mfisher@rise-residential.com>
Subject: Construction status report for Riverside

Melissa appeared at the board meeting today. Here is the report. She has CMTS access and will also upload to the portal in the AM.

James R. (Bill) Fisher
Sonoma Housing Advisors, LLC

16812 Dallas Parkway
Dallas, TX 75248
214-608-7201
bill.fisher@sonomaadvisors.com

EXHIBIT B

QUARTERLY CONSTRUCTION

STATUS REPORTS

DRAFT G702 AND G703 FOR THE
PERIOD 8/26/24 TO 9/25/24
AND
PROJECT MANAGER'S MARKED REPORT
SUBMITTED IN CLERICAL ERROR

TO OWNER/CLIENT:
Garland Housing Finance Corporation
1675 W Campbell Rd
Garland, Texas 75044

PROJECT:
Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

APPLICATION NO: 25
INVOICE NO: 42
PERIOD: 08/26/24 - 09/25/24
PROJECT NO: 2020-LRFW
CONTRACT DATE:

FROM CONTRACTOR:
Rise Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248

VIA ARCHITECT/ENGINEER:
Dan Burbine (Dan Burbine Associates)
12532 Renoir Ln.
Dallas, Texas 75230

CONTRACT FOR: Legacy Riverside Senior Living

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1.	Original Contract Sum		$33,500,000.00
2.	Net change by change orders		$21,500,000.00
3.	Contract Sum to date (Line 1 ± 2)		$55,000,000.00
4.	Total completed and stored to date (Column G on detail sheet)		$36,884,628.41
5.	Retainage:		
	a. 3.37% of completed work	$1,239,638.47	
	b. 0.00% of stored material	$0.00	
	Total retainage (Line 5a + 5b or total in column I of detail sheet)		$1,239,638.47
6.	Total earned less retainage (Line 4 less Line 5 Total)		$35,644,989.94
7.	Less previous certificates for payment (Line 6 from prior certificate)		$34,483,522.83
8.	Current payment due:		$1,161,467.11
9.	Balance to finish, including retainage (Line 3 less Line 6)		$19,355,010.06

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner/Client:	$13,879,035.71	$(7,210,065.30)
Total approved this month:	$15,089,051.59	$(258,022.00)
Totals:	$28,968,087.30	$(7,468,087.30)
Net change by change orders:	$21,500,000.00	

The undersigned certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner/Client, and that current payments shown herein is now due.

CONTRACTOR: Rise Residential Construction Riverside, LLC

By: DocuSigned by: Melissa Fisher 55DFEC86AA5B469... Date: 10/9/2024 | 1:30 PM CD

State of: TEXAS
County of: DALLAS
Subscribed and sworn to before me this 9th day of October
Notary Public: DocuSigned by: Shayla Cerrone 3121342B22A5464...
My commission expires: 2/9/26

ARCHITECT'S/ENGINEER'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on the on-site observations and the data comprising this application, the Architect/Engineer certifies to the Owner/Client that to the best of the Architect's/Engineer's knowledge, information and belief that Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: $1,161,467.11

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm the amount certified.)

ARCHITECT/ENGINEER:

By: _____ Date: _____

This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to the rights of the Owner/Client or Contractor under this Contract.

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1 **01 - General Conditions**												
1.1 **01-210000 - Mobilization Allowance**	$0.00	$150,000.00	$0.00	$150,000.00	$150,000.00	$0.00	$150,000.00	100.00%	$0.00	$0.00	0	$0.00
1.2 **01-210100 - Living & Vehicle Allowances/ Per Diem**	$0.00	$27,000.00	$0.00	$27,000.00	$26,257.00	$0.00	$26,257.00	97.25%	$743.00	$0.00	0	$0.00
1.3 **01-310010 - Project Management**	$0.00	$180,000.00	$470,000.00	$650,000.00	$364,695.41	$11,453.14	$376,148.55	57.87%	$273,851.45	$0.00	0.00%	$0.00
1.4 **01-310030 - Superintendent**	$0.00	$180,000.00	$420,000.00	$600,000.00	$401,232.60	$12,134.04	$413,366.64	68.89%	$186,633.36	$0.00	0.00%	$0.00
1.5 **01-310035 - Assistant Superintendent**	$0.00	$117,000.00	$283,000.00	$400,000.00	$195,785.49	$10,021.26	$205,806.75	51.45%	$194,193.25	$0.00	0.00%	$0.00
1.6 **01-310037 - Field Labor**	$0.00	$18,000.00	$438.00	$18,438.00	$18,438.00	$0.00	$18,438.00	100.00%	$0.00	$0.00	0	$0.00
1.7 **01-310040 - Field Administrative Staff**	$0.00	$50,000.00	$200,000.00	$250,000.00	$140,415.14	$9,718.58	$150,133.72	60.05%	$99,866.28	$0.00	0.00%	$0.00
1.8 **01-310045 - Payroll Burden**	$0.00	$122,400.00	$227,600.00	$350,000.00	$231,079.06	$7,927.58	$239,006.64	68.29%	$110,993.36	$0.00	0.00%	$0.00
1.9 **01-310050 - Travel Expenses**	$0.00	$54,000.00	$21,000.00	$75,000.00	$50,814.00	$0.00	$50,814.00	67.75%	$24,186.00	$0.00	0	$0.00
1.10 **01-323310 - Photography and Video**	$0.00	$5,400.00	$4,600.00	$10,000.00	$5,081.40	$0.00	$5,081.40	50.81%	$4,918.60	$0.00	0	$0.00
1.11 **01-331310 - Insurance - Builders Risk**	$0.00	$71,920.00	$128,080.00	$200,000.00	$126,388.25	$0.00	$126,388.25	63.19%	$73,611.75	$0.00	0	$0.00
1.12 **01-331315 - Insurance - General Liability**	$0.00	$89,900.00	$110,100.00	$200,000.00	$155,300.00	$0.00	$155,300.00	77.65%	$44,700.00	$0.00	0	$0.00
1.13 **01-331320 - Permits and Fees**	$0.00	$0.00	$560,000.00	$560,000.00	$560,000.00	$0.00	$560,000.00	100.00%	$0.00	$0.00	0	$0.00
1.14 **01-352310 - Safety and First Aid**	$0.00	$0.00	$11,064.25	$11,064.25	$0.00	$0.00	$0.00	0.00%	$11,064.25	$0.00	0	$0.00
1.15 **01-352320 - Termite & Pest Control**	$0.00	$30,750.00	($1,814.25)	$28,935.75	$28,935.75	$0.00	$28,935.75	100.00%	$0.00	$0.00	0	$0.00
1.16 **01-355300 - Security**	$0.00	$3,600.00	$96,400.00	$100,000.00	$36,107.33	$0.00	$36,107.33	36.11%	$63,892.67	$0.00	0	$0.00

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1.17 **01-432610 - Quality Testing**	$0.00	$50,000.00	$51,892.00	$101,892.00	$54,574.00	$21,845.00	$76,419.00	75.00%	$25,473.00	$0.00	0.00%	$0.00
1.18 **01-510010 - Temporary Electric**	$0.00	$6,300.00	$193,700.00	$200,000.00	$88,686.56	$32,969.13	$121,655.69	60.83%	$78,344.31	$0.00	0.00%	$0.00
1.19 **01-510030 - Temporary Water**	$0.00	$900.00	$59,100.00	$60,000.00	$17,752.70	$270.63	$18,023.33	30.04%	$41,976.67	$0.00	0.00%	$0.00
1.20 **01-510040 - Temporary Phone, Internet**	$0.00	$3,600.00	$1,400.00	$5,000.00	$3,387.60	$0.00	$3,387.60	67.75%	$1,612.40	$0.00	0	$0.00
1.21 **01-511330 - Software**	$0.00	$0.00	$50,000.00	$50,000.00	$27,000.00	$0.00	$27,000.00	54.00%	$23,000.00	$0.00	0	$0.00
1.22 **01-521310 - Field Offices**	$0.00	$9,360.00	$70,640.00	$80,000.00	$38,217.53	$0.00	$38,217.53	47.77%	$41,782.47	$0.00	0	$0.00
1.23 **01-521315 - Temporary Toilets**	$0.00	$3,600.00	$16,400.00	$20,000.00	$15,000.00	$0.00	$15,000.00	75.00%	$5,000.00	$0.00	0	$0.00
1.24 **01-521320 - Office Supplies and Equipment**	$0.00	$5,400.00	$2,600.00	$8,000.00	$5,081.40	$0.00	$5,081.40	63.52%	$2,918.60	$0.00	0	$0.00
1.25 **01-541620 - Equipment Rental**	$0.00	$13,500.00	$31,561.00	$45,061.00	$33,083.01	$0.00	$33,083.01	73.42%	$11,977.99	$0.00	0	$0.00
1.26 **01-562610 - Temporary Fencing and Walkways**	$0.00	$5,400.00	$22,860.28	$28,260.28	$25,273.57	$0.00	$25,273.57	89.43%	$2,986.71	$0.00	0	$0.00
1.27 **01-581310 - Project Signs and Identification**	$0.00	$5,000.00	($295.00)	$4,705.00	$4,705.00	$0.00	$4,705.00	100.00%	$0.00	$0.00	0	$0.00
1.28 **01-660010 - Trucking and Material Storage**	$0.00	$3,600.00	$3,465.60	$7,065.60	$7,065.60	$0.00	$7,065.60	100.00%	$0.00	$0.00	0	$0.00
1.29 **01-712312 - Estimator Expenses**	$0.00	$20,000.00	($1,180.00)	$18,820.00	$18,820.00	$0.00	$18,820.00	100.00%	$0.00	$0.00	0	$0.00
1.30 **01-731930 - Small Tools**	$0.00	$1,800.00	($106.20)	$1,693.80	$1,693.80	$0.00	$1,693.80	100.00%	$0.00	$0.00	0	$0.00
1.31 **01-741900 - General Debris and Dumpsters**	$0.00	$237,600.00	($14,018.40)	$223,581.60	$223,581.60	$0.00	$223,581.60	100.00%	$0.00	$0.00	0	$0.00
1.32 **01-771610 - Punch List and Closeout**	$0.00	$20,000.00	($1,180.00)	$18,820.00	$18,820.00	$0.00	$18,820.00	100.00%	$0.00	$0.00	0	$0.00

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
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1.33 **01-783910 - Project Documentation**	$0.00	$3,600.00	($212.40)	$3,387.60	$3,387.60	$0.00	$3,387.60	100.00%	$0.00	$0.00	0	$0.00
1.34 **01-784231 - Final Cleaning**	$0.00	$192,185.00	($36,895.97)	$155,289.03	$155,289.03	$0.00	$155,289.03	100.00%	$0.00	$0.00	0	$0.00
01 - General Conditions Subtotals	$0.00	$1,681,815.00	$2,980,198.91	$4,662,013.91	$3,231,948.43	$106,339.36	$3,338,287.79	71.61%	$1,323,726.12	$0.00	0.00%	$0.00
2 **03 - Concrete**												
2.1 **03-310024 - CIP Concrete Foundations**	$0.00	$987,767.00	$297,907.25	$1,285,674.25	$1,285,674.25	$0.00	$1,285,674.25	100.00%	$0.00	$0.00	0	$64,283.72
2.2 **03-540010 - Lightweight/Gypcrete**	$0.00	$592,660.00	$307,340.00	$900,000.00	$289,096.40	$55,351.40	$344,447.80	38.27%	$555,552.20	$2,767.57	5.00%	$17,222.39
03 - Concrete Subtotals	$0.00	$1,580,427.00	$605,247.25	$2,185,674.25	$1,574,770.65	$55,351.40	$1,630,122.05	74.58%	$555,552.20	$2,767.57	5.00%	$81,506.11
3 **04 - Masonry**												
3.1 **04-000010 - Masonry**	$0.00	$900,000.00	$900,000.00	$1,800,000.00	$1,013,302.38	$60,015.74	$1,073,318.12	59.63%	$726,681.88	$3,000.79	5.00%	$29,051.92
3.2 **04-050000 - Dumpster Enclosure**	$0.00	$40,000.00	($24,000.00)	$16,000.00	$16,000.00	$0.00	$16,000.00	100.00%	$0.00	$0.00	0	$800.00
04 - Masonry Subtotals	$0.00	$940,000.00	$876,000.00	$1,816,000.00	$1,029,302.38	$60,015.74	$1,089,318.12	59.98%	$726,681.88	$3,000.79	5.00%	$29,851.92
4 **05 - Metals**												
4.1 **05-511300 - Metal Pan Stairs & Rails**	$0.00	$336,000.00	$1,059,081.09	$1,395,081.09	$892,822.00	$129,174.09	$1,021,996.09	73.26%	$373,085.00	$6,458.70	5.00%	$36,099.80
4.2 **05-521320 - Pool Fence**	$0.00	$25,000.00	$24,775.00	$49,775.00	$25,000.00	$0.00	$25,000.00	50.23%	$24,775.00	$0.00	0	$1,250.00
4.3 **05-540010 - Perimeter Fence**	$0.00	$150,000.00	$350,000.00	$500,000.00	$225,300.00	$29,707.50	$255,007.50	51.00%	$244,992.50	$1,485.38	5.00%	$5,650.38
05 - Metals Subtotals	$0.00	$511,000.00	$1,433,856.09	$1,944,856.09	$1,143,122.00	$158,881.59	$1,302,003.59	66.95%	$642,852.50	$7,944.08	5.00%	$43,000.18
5 **06 - Wood & Plastics**												
5.1 **06-110002 - Wood Framing Labor**	$0.00	$2,370,640.00	($460,787.50)	$1,909,852.50	$1,794,852.50	$115,000.00	$1,909,852.50	100.00%	$0.00	$0.00	0.00%	$81,889.51
5.2 **06-110004 - Wood Framing Material**	$0.00	$2,963,300.00	$1,199,571.16	$4,162,871.16	$4,034,671.45	$0.00	$4,162,871.16	100.00%	$0.00	$0.00	0	$128,509.40
5.3 **06-175300 - Trusses**	$0.00	$888,990.00	$1,751,010.00	$2,640,000.00	$2,150,094.16	$0.00	$2,150,094.16	81.44%	$489,905.84	$0.00	0	$107,936.32

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
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5.4 06-460000 - Finish Trim Carpentry - Material	$0.00	$369,510.00	$180,490.00	$550,000.00	$44,447.53	$18,922.21	$63,369.74	11.52%	$486,630.26	$0.00	0.00%	$0.00
5.5 06-460004 - Finish Trim Carpentry - Labor	$0.00	$369,510.00	$189,352.00	$558,862.00	$100,000.00	$64,186.00	$164,186.00	29.38%	$394,676.00	$3,209.30	5.00%	$5,709.30
06 - Wood & Plastics Subtotals	$0.00	$6,961,950.00	$2,859,635.66	$9,821,585.66	$8,124,065.64	$198,108.21	$8,450,373.56	86.04%	$1,371,212.10	$3,209.30	1.62%	$324,044.53
6 07 - Thermal & Moisture Protection												
6.1 07-130000 - Waterproofing	$0.00	$0.00	$37,350.00	$37,350.00	$37,350.00	$0.00	$37,350.00	100.00%	$0.00	$0.00	0	$0.00
6.2 07-211610 - Batt Insulation	$0.00	$461,888.00	$438,112.00	$900,000.00	$250,000.00	$131,750.00	$381,750.00	42.42%	$518,250.00	$6,587.50	5.00%	$19,087.50
6.3 07-311300 - Shingles	$0.00	$0.00	$500,000.00	$500,000.00	$265,290.33	$0.00	$265,290.33	53.06%	$234,709.67	$0.00	0	$1,807.45
6.4 07-510000 - Metal Roofing	$0.00	$1,066,788.00	($26,188.00)	$1,040,600.00	$1,040,600.00	$0.00	$1,040,600.00	100.00%	$0.00	$0.00	0	$11,000.00
6.5 07-712300 - Gutters and Downspouts	$0.00	$50,000.00	$85,000.00	$135,000.00	$25,000.00	$0.00	$25,000.00	18.52%	$110,000.00	$0.00	0	$1,250.00
07 - Thermal & Moisture Protection Subtotals	$0.00	$1,578,676.00	$1,034,274.00	$2,612,950.00	$1,618,240.33	$131,750.00	$1,749,990.33	66.97%	$862,959.67	$6,587.50	5.00%	$33,144.95
7 08 - Doors & Windows												
7.1 08-140002 - Doors - Interior	$0.00	$237,600.00	$212,400.00	$450,000.00	$290,402.28	$0.00	$290,402.28	64.53%	$159,597.72	$0.00	0	$0.00
7.2 08-161400 - Doors - Exterior	$0.00	$237,600.00	$292,400.00	$530,000.00	$237,600.00	$79,320.84	$316,920.84	59.80%	$213,079.16	$0.00	0.00%	$0.00
7.3 08-531300 - Windows	$0.00	$237,600.00	$112,400.00	$350,000.00	$265,394.05	$0.00	$265,394.05	75.83%	$84,605.95	$0.00	0	$7,500.00
7.4 08-531400 - Window Coverings	$0.00	$31,680.00	$0.00	$31,680.00	$31,680.00	$0.00	$31,680.00	100.00%	$0.00	$0.00	0	$0.00
7.5 08-800000 - Glass and Glazing	$0.00	$33,000.00	$27,000.00	$60,000.00	$10,000.00	$0.00	$10,000.00	16.67%	$50,000.00	$0.00	0	$0.00
08 - Doors & Windows Subtotals	$0.00	$777,480.00	$644,200.00	$1,421,680.00	$835,076.33	$79,320.84	$914,397.17	64.32%	$507,282.83	$0.00	0.00%	$7,500.00
8 09 - Finishes												

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8.1 **09-000040 - Drywall**	$0.00	$1,201,648.00	$848,352.00	$2,050,000.00	$1,056,517.00	$139,129.25	$1,195,646.25	58.32%	$854,353.75	$6,956.47	5.00%	$59,782.32
8.2 **09-301300 - Ceramic**	$0.00	$143,000.00	$107,000.00	$250,000.00	$50,000.00	$0.00	$50,000.00	20.00%	$200,000.00	$0.00	0	$2,500.00
8.3 **09-651900 - Vinyl**	$0.00	$580,659.00	$259,220.75	$839,879.75	$50,000.00	$0.00	$50,000.00	5.95%	$789,879.75	$0.00	0	$2,500.00
8.4 **09-800000 - Clubhouse Flooring**	$0.00	$25,000.00	$20,000.00	$45,000.00	$0.00	$0.00	$0.00	0.00%	$45,000.00	$0.00	0	$0.00
8.5 **09-912300 - Painting**	$0.00	$527,872.00	$472,128.00	$1,000,000.00	$200,000.00	$45,837.58	$245,837.58	24.58%	$754,162.42	$2,291.88	5.00%	$12,291.88
09 - Finishes Subtotals	$0.00	$2,478,179.00	$1,706,700.75	$4,184,879.75	$1,356,517.00	$184,966.83	$1,541,483.83	36.83%	$2,643,395.92	$9,248.35	5.00%	$77,074.20
9 **10 - Specialties**												
9.1 **10-110000 - Door Hardware**	$0.00	$75,240.00	($21,016.10)	$54,223.90	$54,223.90	$0.00	$54,223.90	100.00%	$0.00	$0.00	0	$0.00
9.2 **10-140000 - Exterior Signs**	$0.00	$26,400.00	$13,600.00	$40,000.00	$8,200.00	$0.00	$8,200.00	20.50%	$31,800.00	$0.00	0	$0.00
9.3 **10-140010 - Interior Signs**	$0.00	$26,400.00	$3,600.00	$30,000.00	$8,200.00	$0.00	$8,200.00	27.33%	$21,800.00	$0.00	0	$0.00
9.4 **10-140020 - Monument Sign**	$0.00	$15,000.00	$35,000.00	$50,000.00	$7,500.00	$0.00	$7,500.00	15.00%	$42,500.00	$0.00	0	$0.00
9.5 **10-211300 - Toilet Partitions**	$0.00	$7,000.00	$0.00	$7,000.00	$0.00	$0.00	$0.00	0.00%	$7,000.00	$0.00	0	$0.00
9.6 **10-281300 - Toilet Accessories**	$0.00	$33,000.00	$12,000.00	$45,000.00	$24,987.54	$0.00	$24,987.54	55.53%	$20,012.46	$0.00	0	$0.00
9.7 **10-440000 - Fire Extinguishers**	$0.00	$13,200.00	$0.00	$13,200.00	$13,200.00	$0.00	$13,200.00	100.00%	$0.00	$0.00	0	$0.00
9.8 **10-550000 - Postal Equipment**	$0.00	$30,000.00	$70,000.00	$100,000.00	$15,000.00	$0.00	$15,000.00	15.00%	$85,000.00	$0.00	0	$0.00
9.9 **10-572313 - Closet and Utility Shelving**	$0.00	$39,600.00	$20,400.00	$60,000.00	$11,627.50	$0.00	$11,627.50	19.38%	$48,372.50	$0.00	0	$0.00
10 - Specialties Subtotals	$0.00	$265,840.00	$133,583.90	$399,423.90	$142,938.94	$0.00	$142,938.94	35.79%	$256,484.96	$0.00	0	$0.00
10 **11 - Equipment**												
10.1 **11-310000 - Kitchen Appliances**	$0.00	$580,800.00	$184,862.00	$765,662.00	$546,462.00	$0.00	$546,462.00	71.37%	$219,200.00	$0.00	0	$0.00

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10.2 **11-310010 - Residential Laundry Equipment: Material**	$0.00	$237,600.00	$26,400.00	$264,000.00	$0.00	$0.00	$0.00	0.00%	$264,000.00	$0.00	0	$0.00
10.3 **11-681300 - Playground Equipment**	$0.00	$45,000.00	$55,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
11 - Equipment Subtotals	$0.00	$863,400.00	$266,262.00	$1,129,662.00	$546,462.00	$0.00	$546,462.00	48.37%	$583,200.00	$0.00	0	$0.00
11 **12 - Furnishings**												
11.1 **12-353013 - Cabinets**	$0.00	$594,000.00	$206,000.00	$800,000.00	$141,000.00	$0.00	$141,000.00	17.62%	$659,000.00	$0.00	0	$0.00
11.2 **12-353015 - Granite**	$0.00	$264,000.00	$236,000.00	$500,000.00	$299,019.40	$0.00	$299,019.40	59.80%	$200,980.60	$0.00	0	$8,449.17
11.3 **12-930000 - Site Furnishings**	$0.00	$0.00	$200,000.00	$200,000.00	$50,000.00	$0.00	$50,000.00	25.00%	$150,000.00	$0.00	0	$2,500.00
12 - Furnishings Subtotals	$0.00	$858,000.00	$642,000.00	$1,500,000.00	$490,019.40	$0.00	$490,019.40	32.67%	$1,009,980.60	$0.00	0	$10,949.17
12 **13 - Special Construction**												
12.1 **13-000020 - Carports**	$0.00	$264,000.00	$264,000.00	$528,000.00	$0.00	$0.00	$0.00	0.00%	$528,000.00	$0.00	0	$0.00
12.2 **13-000040 - Maintenance Facility**	$0.00	$20,000.00	$30,000.00	$50,000.00	$0.00	$0.00	$0.00	0.00%	$50,000.00	$0.00	0	$0.00
12.3 **13-000050 - Mail Kiosks**	$0.00	$20,000.00	$80,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
12.4 **13-000080 - Sport Court**	$0.00	$35,000.00	$65,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
12.5 **13-000090 - Gazebos**	$0.00	$25,000.00	$25,000.00	$50,000.00	$0.00	$0.00	$0.00	0.00%	$50,000.00	$0.00	0	$0.00
12.6 **13-110000 - Pools and Pool Equipment**	$0.00	$300,000.00	$300,000.00	$600,000.00	$0.00	$0.00	$0.00	0.00%	$600,000.00	$0.00	0	$0.00
13 - Special Construction Subtotals	$0.00	$664,000.00	$764,000.00	$1,428,000.00	$0.00	$0.00	$0.00	0.00%	$1,428,000.00	$0.00	0	$0.00
13 **14 - Conveying Systems**												
13.1 **14-240000 - Elevators**	$0.00	$735,000.00	$765,000.00	$1,500,000.00	$996,959.00	$0.00	$996,959.00	66.46%	$503,041.00	$0.00	0	$25,447.95
14 - Conveying Systems Subtotals	$0.00	$735,000.00	$765,000.00	$1,500,000.00	$996,959.00	$0.00	$996,959.00	66.46%	$503,041.00	$0.00	0	$25,447.95

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14 **21 - Fire Protection**												
14.1 **21-100000 - Fire Sprinkler**	$0.00	$396,000.00	$854,000.00	$1,250,000.00	$736,896.68	$0.00	$736,896.68	58.95%	$513,103.32	$0.00	0	$36,844.83
21 - Fire Protection Subtotals	$0.00	$396,000.00	$854,000.00	$1,250,000.00	$736,896.68	$0.00	$736,896.68	58.95%	$513,103.32	$0.00	0	$36,844.83
15 **22 - Plumbing**												
15.1 **22-000010 - Plumbing**	$0.00	$1,273,687.39	$976,312.61	$2,250,000.00	$1,664,950.00	$0.00	$1,664,950.00	74.00%	$585,050.00	$0.00	0	$73,247.50
15.2 **22-000020 - Plumbing Fixtures**	$0.00	$352,539.66	$147,460.34	$500,000.00	$352,539.66	$0.00	$352,539.66	70.51%	$147,460.34	$0.00	0	$0.00
15.3 **22-000090 - Hot Water Heaters**	$0.00	$158,400.00	$141,600.00	$300,000.00	$50,200.00	$50,200.00	$100,400.00	33.47%	$199,600.00	$0.00	0.00%	$0.00
15.4 **22-000100 - Tub Repairs**	$0.00	$6,600.00	($405.09)	$6,194.91	$0.00	$0.00	$0.00	0.00%	$6,194.91	$0.00	0	$0.00
15.5 **22-000110 - Sub-Metering (Water)**	$0.00	$46,200.00	$13,800.00	$60,000.00	$15,576.00	$0.00	$15,576.00	25.96%	$44,424.00	$0.00	0	$778.80
22 - Plumbing Subtotals	$0.00	$1,837,427.05	$1,278,767.86	$3,116,194.91	$2,083,265.66	$50,200.00	$2,133,465.66	68.46%	$982,729.25	$0.00	0.00%	$74,026.30
16 **23 - HVAC**												
16.1 **23-000010 - HVAC**	$0.00	$1,161,600.00	$1,338,400.00	$2,500,000.00	$1,262,643.00	$174,657.00	$1,437,300.00	57.49%	$1,062,700.00	$8,732.85	5.00%	$71,864.99
16.2 **23-000080 - Testing, Balancing, Adjusting**	$0.00	$92,400.00	$32,600.00	$125,000.00	$0.00	$0.00	$0.00	0.00%	$125,000.00	$0.00	0	$0.00
23 - HVAC Subtotals	$0.00	$1,254,000.00	$1,371,000.00	$2,625,000.00	$1,262,643.00	$174,657.00	$1,437,300.00	54.75%	$1,187,700.00	$8,732.85	5.00%	$71,864.99
17 **26 - Electrical**												
17.1 **26-000010 - Electrical**	$0.00	$1,557,831.98	$1,192,168.02	$2,750,000.00	$1,893,454.26	$0.00	$1,893,454.26	68.85%	$856,545.74	$0.00	0	$69,850.78
17.2 **26-000014 - Electrical Material**	$0.00	$0.00	$52,400.00	$52,400.00	$52,400.00	$0.00	$52,400.00	100.00%	$0.00	$0.00	0	$0.00
17.3 **26-000020 - Telephone & Cable Underground**	$0.00	$50,000.00	$0.00	$50,000.00	$50,000.00	$0.00	$50,000.00	100.00%	$0.00	$0.00	0	$2,500.00
17.4 **26-000030 - Low-Voltage Distribution**	$0.00	$132,000.00	$0.00	$132,000.00	$132,000.00	$0.00	$132,000.00	100.00%	$0.00	$0.00	0	$6,600.00

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17.5 **26-000040 - Electrical Fixtures**	$0.00	$264,000.00	$336,000.00	$600,000.00	$0.00	$0.00	$0.00	0.00%	$600,000.00	$0.00	0	$0.00
17.6 **26-560020 - Secondary Underground**	$0.00	$75,000.00	$15,000.00	$90,000.00	$90,000.00	$0.00	$90,000.00	100.00%	$0.00	$0.00	0	$9,750.00
17.7 **26-560040 - Fire Alarm**	$0.00	$165,000.00	($28,750.00)	$136,250.00	$136,250.00	$0.00	$136,250.00	100.00%	$0.00	$0.00	0	$6,812.50
26 - Electrical Subtotals	$0.00	$2,243,831.98	$1,566,818.02	$3,810,650.00	$2,354,104.26	$0.00	$2,354,104.26	61.78%	$1,456,545.74	$0.00	0	$95,513.28
18 **28 - Electronic Safety**												
18.1 **28-000020 - Access Control**	$0.00	$66,000.00	$34,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
28 - Electronic Safety Subtotals	$0.00	$66,000.00	$34,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
19 **31 - Earthwork**												
19.1 **31-000030 - Earthwork Grading**	$0.00	$771,983.62	$0.00	$771,983.62	$771,983.62	$0.00	$771,983.62	100.00%	$0.00	$0.00	0	$37,302.67
19.2 **31-100000 - Site Clearing**	$0.00	$230,000.00	$0.00	$230,000.00	$230,000.00	$0.00	$230,000.00	100.00%	$0.00	$0.00	0	$11,654.81
19.3 **31-230660 - Utility Spoil Disposal**	$0.00	$205,121.00	($10,256.05)	$194,864.95	$194,864.95	$0.00	$194,864.95	100.00%	$0.00	$0.00	0	$9,743.25
19.4 **31-250000 - Erosion & Sediment Control**	$0.00	$37,831.00	$1,810.00	$39,641.00	$39,641.00	$0.00	$39,641.00	100.00%	$0.00	$0.00	0	$1,334.08
31 - Earthwork Subtotals	$0.00	$1,244,935.62	($8,446.05)	$1,236,489.57	$1,236,489.57	$0.00	$1,236,489.57	100.00%	$0.00	$0.00	0	$60,034.81
20 **32 - Exterior Improvemets**												
20.1 **32-000005 - City Required Infrastructure**	$0.00	$85,000.00	($17,674.48)	$67,325.52	$67,325.52	$0.00	$67,325.52	100.00%	$0.00	$0.00	0	$1,241.28
20.2 **32-000010 - Exterior Improvements**	$0.00	$445,497.00	($14,044.41)	$431,452.59	$431,452.59	$0.00	$431,452.59	100.00%	$0.00	$0.00	0	$21,372.63
20.3 **32-131300 - Concrete Paving**	$0.00	$1,326,800.00	$186,655.52	$1,513,455.52	$1,513,455.52	$0.00	$1,513,455.52	100.00%	$0.00	$0.00	0	$153,590.43
20.4 **32-162300 - Sidewalks**	$0.00	$348,447.00	$0.00	$348,447.00	$348,447.00	$0.00	$348,447.00	100.00%	$0.00	$0.00	0	$17,422.35

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20.5 **32-172300 - Pavement Marking**	$0.00	$43,560.00	$16,440.00	$60,000.00	$0.00	$0.00	$0.00	0.00%	$60,000.00	$0.00	0	$0.00
20.6 **32-172500 - Surveying & Layouts**	$0.00	$70,000.00	($7,000.00)	$63,000.00	$63,000.00	$0.00	$63,000.00	100.00%	$0.00	$0.00	0	$0.00
20.7 **32-800000 - Irrigation Systems**	$0.00	$200,000.00	$139,200.00	$339,200.00	$34,072.88	$0.00	$34,072.88	10.05%	$305,127.12	$0.00	0	$4,654.58
20.8 **32-930000 - Landscaping**	$0.00	$264,000.00	$36,000.00	$300,000.00	$56,584.80	$3,366.58	$59,951.38	19.98%	$240,048.62	$0.00	0.00%	$2,354.68
32 - Exterior Improvemets Subtotals	$0.00	$2,783,304.00	$339,576.63	$3,122,880.63	$2,514,338.31	$3,366.58	$2,517,704.89	80.62%	$605,175.74	$0.00	0.00%	$200,635.95
21 **33 - Utilities**												
21.1 **33-000010 - Site Utilites**	$0.00	$196,326.35	$8,073.31	$204,399.66	$204,399.66	$0.00	$204,399.66	100.00%	$0.00	$0.00	0	$9,816.32
21.2 **33-100000 - Water**	$0.00	$350,000.00	$0.00	$350,000.00	$350,000.00	$0.00	$350,000.00	100.00%	$0.00	$0.00	0	$17,500.00
21.3 **33-300000 - Sanitary Sewer**	$0.00	$250,000.00	$0.00	$250,000.00	$250,000.00	$0.00	$250,000.00	100.00%	$0.00	$0.00	0	$12,500.00
21.4 **33-400000 - Storm Drain**	$0.00	$575,000.00	($7,340.33)	$567,659.67	$567,659.67	$0.00	$567,659.67	100.00%	$0.00	$0.00	0	$28,382.98
33 - Utilities Subtotals	$0.00	$1,371,326.35	$732.98	$1,372,059.33	$1,372,059.33	$0.00	$1,372,059.33	100.00%	$0.00	$0.00	0	$68,199.30
22 **50 - Fees**												
22.1 **50-000010 - Overhead**	$0.00	$601,852.00	$358,148.00	$960,000.00	$726,063.06	$0.00	$726,063.06	75.63%	$233,936.94	$0.00	0	$0.00
22.2 **50-000020 - GC Fee**	$0.00	$1,805,556.00	$994,444.00	$2,800,000.00	$2,178,189.18	$0.00	$2,178,189.18	77.79%	$621,810.82	$0.00	0	$0.00
50 - Fees Subtotals	$0.00	$2,407,408.00	$1,352,592.00	$3,760,000.00	$2,904,252.24	$0.00	$2,904,252.24	77.24%	$855,747.76	$0.00	0	$0.00
Grand Totals	$0.00	$33,500,000.00	$21,500,000.00	$55,000,000.00	$35,553,471.15	$1,202,957.55	$36,884,628.41	67.06%	$18,115,371.59	$41,490.44	3.45%	$1,239,638.47

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #023

RISE Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248
Phone: (972) 701-5555

Project: 2020-LRFW - Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Prime Contract Change Order #023: CE #205 - September Reallocati

TO:	**Garland Housing Finance Corporation** 1675 W Campbell Rd Garland, Texas 75044	**FROM:**	**Rise Residential Construction Riverside, LLC** 16812 Dallas Parkway Dallas, Texas 75248
DATE CREATED:	10/04/2024	**CREATED BY:**	Shayla Cerrone **(Rise Residential Construction)**
CONTRACT STATUS:	Approved	**REVISION:**	0
REQUEST RECEIVED FROM:		**LOCATION:**	
DESIGNATED REVIEWER:		**REVIEWED BY:**	
DUE DATE:		**REVIEW DATE:**	10/04/2024
INVOICED DATE:		**PAID DATE:**	
REFERENCE:		**CHANGE REASON:**	Budget Constraints or Reallocations
PAID IN FULL:	No	**EXECUTED:**	No
ACCOUNTING METHOD:	Amount Based	**SCHEDULE IMPACT:**	
SIGNED CHANGE ORDER RECEIVED DATE:			
FIELD CHANGE:	No	**CONTRACT FOR:**	20-0168:Legacy Riverside Senior Living
		TOTAL AMOUNT:	$0.00

DESCRIPTION:
CE #205 - September Reallocations

ATTACHMENTS:

CHANGE ORDER LINE ITEMS:

#	Budget Code	Description	Amount
1	05.05-511300.SUB Metals.Metal Pan Stairs & Rails.Subcontracts		$(167,940.91)
2	05.05-511300.MAT Metals.Metal Pan Stairs & Rails.Materials		$63,022.00
3	06.06-110002.SUB Wood & Plastics.Wood Framing Labor.Subcontracts		$115,000.00
4	06.06-460004.SUB Wood & Plastics.Finish Trim Carpentry - Labor.Subcontracts		$(41,138.00)
5	08.08-161400.MAT Doors & Windows.Doors - Exterior.Materials		$80,000.00
6	11.11-310000.MAT Equipment.Kitchen Appliances.Materials		$(34,338.00)
7	22.22-000100.SUB Plumbing.Tub Repairs.Subcontracts		$(3,805.09)
8	32.32-800000.SUB Exterior Improvements.Irrigation Systems.Subcontracts		$(10,800.00)
		Grand Total:	**$0.00**

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #023

The original (Contract Sum)	$33,500,000.00
Net change by previously authorized Change Orders	$6,668,970.41
The contract sum prior to this Change Order was	$40,168,970.41
The contract sum will not be changed by this Change Order in the amount of	$0.00
The new contract sum including this Change Order will be	$40,168,970.41

The contract time will not be changed by this Change Order.

Dan Burbine (Dan Burbine Associates)

12532 Renoir Ln.
Dallas, Texas 75230

SIGNATURE **DATE**

Garland Housing Finance Corporation

1675 W Campbell Rd
Garland, Texas 75044

SIGNATURE **DATE**

Rise Residential Construction Riverside, LLC

16812 Dallas Parkway
Dallas, Texas 75248

DocuSigned by:
Melissa Fisher
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SIGNATURE **DATE**

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #022

RISE Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248
Phone: (972) 701-5555

Project: 2020-LRFW - Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Prime Contract Change Order #022: CE #200 - Increase Request

TO:	**Garland Housing Finance Corporation** 1675 W Campbell Rd Garland, Texas 75044	**FROM:**	**Rise Residential Construction Riverside, LLC** 16812 Dallas Parkway Dallas, Texas 75248
DATE CREATED:	9/20/2024	**CREATED BY:**	Shayla Cerrone **(Rise Residential Construction)**
CONTRACT STATUS:	Approved	**REVISION:**	0
REQUEST RECEIVED FROM:		**LOCATION:**	
DESIGNATED REVIEWER:		**REVIEWED BY:**	
DUE DATE:		**REVIEW DATE:**	10/09/2024
INVOICED DATE:		**PAID DATE:**	
REFERENCE:		**CHANGE REASON:**	Other: Please specify the reason by entering the reason in the "Other: Reason" field
PAID IN FULL:	No	**EXECUTED:**	No
ACCOUNTING METHOD:	Amount Based	**SCHEDULE IMPACT:**	
SIGNED CHANGE ORDER RECEIVED DATE:			
FIELD CHANGE:	No	**CONTRACT FOR:**	20-0168:Legacy Riverside Senior Living
		TOTAL AMOUNT:	$14,831,029.59

DESCRIPTION:
CE #200 - Increase Request

ATTACHMENTS:

CHANGE ORDER LINE ITEMS:

#	Budget Code	Description	Amount
1	01.01-310010.LABOR General Conditions.Project Management.Labor		$234,362.32
2	01.01-310030.LABOR General Conditions.Superintendent.Labor		$150,654.65
3	01.01-310035.LABOR General Conditions.Assistant Superintendent.Labor		$157,329.60
4	01.01-310040.LABOR General Conditions.Field Administrative Staff.Labor		$74,715.38
5	01.01-310045.OTHER General Conditions.Payroll Burden.Other		$88,531.88
6	01.01-310050.OTHER General Conditions.Travel Expenses.Other		$24,186.00
7	01.01-323310.OTHER General Conditions.Photography and Video.Other		$4,918.60
8	01.01-331310.OTHER General Conditions.Insurance - Builders Risk.Other		$73,611.75

RISE

PCCO #022

#	Budget Code	Description	Amount
9	01.01-331315.OTHER General Conditions.Insurance - General Liability.Other		$44,700.00
10	01.01-352310.OTHER General Conditions.Safety and First Aid.Other		$11,064.25
11	01.01-355300.OTHER General Conditions.Security.Other		$63,892.67
12	01.01-510010.OTHER General Conditions.Temporary Electric.Other		$37,792.42
13	01.01-510030.OTHER General Conditions.Temporary Water.Other		$34,100.00
14	01.01-510040.OTHER General Conditions.Temporary Phone, Internet.Other		$1,612.40
15	01.01-511330.OTHER General Conditions.Software.Other		$23,000.00
16	01.01-521310.OTHER General Conditions.Field Offices.Other		$14,911.22
17	01.01-521315.OTHER General Conditions.Temporary Toilets.Other		$5,000.00
18	01.01-521320.OTHER General Conditions.Office Supplies and Equipment.Other		$2,918.60
19	03.03-540010.MAT Concrete.Lightweight/Gypcrete.Materials		$379,600.00
20	04.04-000010.SUB Masonry.Masonry.Subcontracts		$368,909.17
21	05.05-511300.SUB Metals.Metal Pan Stairs & Rails.Subcontracts		$373,085.00
22	05.05-540010.SUB Metals.Perimeter Fence.Subcontracts		$159,990.00
23	06.06-175300.MAT Wood & Plastics.Trusses.Materials		$489,905.84
24	06.06-460000.MAT Wood & Plastics.Finish Trim Carpentry - Material.Materials		$486,630.26
25	06.06-460004.SUB Wood & Plastics.Finish Trim Carpentry - Labor.Subcontracts		$230,490.00
26	07.07-211610.SUB Thermal & Moisture Protection.Batt Insulation.Subcontracts		$391,000.00
27	07.07-311300.SUB Thermal & Moisture Protection.Shingles.Subcontracts		$234,709.67
28	07.07-712300.MAT Thermal & Moisture Protection.Gutters and Downspouts.Materials		$50,000.00
29	08.08-140002.MAT Doors & Windows.Doors - Interior.Materials		$159,597.72
30	08.08-161400.MAT Doors & Windows.Doors - Exterior.Materials		$212,400.00
31	08.08-531300.MAT Doors & Windows.Windows.Materials		$84,605.95
32	08.08-800000.SUB Doors & Windows.Glass and Glazing.Subcontracts		$37,000.00
33	09.09-000040.SUB Finishes.Drywall.Subcontracts		$455,805.00
34	09.09-301300.MAT Finishes.Ceramic.Materials		$107,000.00
35	09.09-651900.SUB Finishes.Vinyl.Subcontracts		$508,060.75
36	09.09-800000.SUB Finishes.Clubhouse Flooring.Subcontracts		$30,000.00
37	09.09-912300.SUB Finishes.Painting.Subcontracts		$230,000.00
38	10.10-140000.SUB Specialties.Exterior Signs.Subcontracts		$23,600.00
39	10.10-140010.SUB Specialties.Interior Signs.Subcontracts		$13,600.00

RISE

PCCO #022

#	Budget Code	Description	Amount
40	10.10-140020.SUB Specialties.Monument Sign.Subcontracts		$35,000.00
41	10.10-281300.MAT Specialties.Toilet Accessories.Materials		$20,012.46
42	10.10-550000.SUB Specialties.Postal Equipment.Subcontracts		$70,000.00
43	10.10-572313.SUB Specialties.Closet and Utility Shelving.Subcontracts		$36,745.00
44	11.11-310000.MAT Equipment.Kitchen Appliances.Materials		$219,200.00
45	11.11-310010.MAT Equipment.Residential Laundry Equipment: Material.Materials		$264,000.00
46	11.11-681300.SUB Equipment.Playground Equipment.Subcontracts		$100,000.00
47	12.12-353013.MAT Furnishings.Cabinets.Materials		$659,000.00
48	12.12-353015.MAT Furnishings.Granite.Materials		$144,258.00
49	12.12-930000.MAT Furnishings.Site Furnishings.Materials		$78,624.57
50	13.13-000020.SUB Special Construction.Carports.Subcontracts		$528,000.00
51	13.13-000040.SUB Special Construction.Maintenance Facility.Subcontracts		$30,000.00
52	13.13-000050.SUB Special Construction.Mail Kiosks.Subcontracts		$34,174.51
53	13.13-000080.SUB Special Construction.Sport Court.Subcontracts		$100,000.00
54	13.13-000090.SUB Special Construction.Gazebos.Subcontracts		$50,000.00
55	13.13-110000.SUB Special Construction.Pools and Pool Equipment.Subcontracts		$576,963.00
56	14.14-240000.SUB Conveying Systems.Elevators.Subcontracts		$503,041.00
57	21.21-100000.SUB Fire Protection.Fire Sprinkler.Subcontracts		$513,103.32
58	22.22-000010.SUB Plumbing.Plumbing.Subcontracts		$585,050.00
59	22.22-000020.MAT Plumbing.Plumbing Fixtures.Materials		$147,460.34
60	22.22-000090.SUB Plumbing.Hot Water Heaters.Subcontracts		$199,600.00
61	22.22-000100.SUB Plumbing.Tub Repairs.Subcontracts		$3,400.00
62	22.22-000110.SUB Plumbing.Sub-Metering (Water).Subcontracts		$28,848.00
63	23.23-000010.SUB HVAC.HVAC.Subcontracts		$1,062,700.00
64	23.23-000080.SUB HVAC.Testing, Balancing, Adjusting.Subcontracts		$125,000.00
65	26.26-000010.SUB Electrical.Electrical.Subcontracts		$856,545.74
66	26.26-000040.MAT Electrical.Electrical Fixtures.Materials		$600,000.00
67	28.28-000020.SUB Electronics Safety.Access Control.Subcontracts		$34,000.00
68	32.32-172300.SUB Exterior Improvements.Pavement Marking.Subcontracts		$60,000.00
69	32.32-800000.SUB Exterior Improvements.Irrigation Systems.Subcontracts		$184,598.39

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #022

#	Budget Code	Description	Amount
70	32.32-930000.SUB Exterior Improvements.Landscaping.Subcontracts		$52,666.40
71	50.50-000010.ZCOSTS Fees.Overhead.ZCOSTS		$233,936.94
72	50.50-000020.ZCOSTS Fees.GC Fee.ZCOSTS		$621,810.82
		Grand Total:	**$14,831,029.59**

The original (Contract Sum)	$33,500,000.00
Net change by previously authorized Change Orders	$6,668,970.41
The contract sum prior to this Change Order was	$40,168,970.41
The contract sum will be increased by this Change Order in the amount of	$14,831,029.59
The new contract sum including this Change Order will be	$55,000,000.00

The contract time will not be changed by this Change Order.

Dan Burbine (Dan Burbine Associates)

12532 Renoir Ln.
Dallas, Texas 75230

SIGNATURE **DATE**

Garland Housing Finance Corporation

1675 W Campbell Rd
Garland, Texas 75044

SIGNATURE **DATE**

Rise Residential Construction Riverside, LLC

16812 Dallas Parkway
Dallas, Texas 75248

DocuSigned by:
Melissa Fisher
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SIGNATURE **DATE**

Partners, Inc.
Construction Advisors

LEGACY RIVERSIDE
Fort Worth, Texas

Report No: 042 – September 25, 2024

CA Partners, Inc. Project Number: 20240

Prepared for:

Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

Professionals Serving Construction Lenders, Investors, and Participants

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

Legacy Riverside – Fort Worth, Texas

Executive Summary Report 042

Client: Bellwether Enterprise	From: James Benson, Senior Project Manager
ATTN: Alexa Delerme	CA Partners, Inc.

Project Name - City, State:			Legacy Riverside - Fort Worth, Texas
Project Type:			264-units in seven 3-story apartment buildings with a Clubhouse on 9.8 acres
Site Visit Date:			September 16, 2024
Development Draw/ Contractor Application # reviewed:	Draw No. Draw 41		Application No. 41
Complete Draw Package Received:	Yes ☒	No ☐	**September 23, 2024**
For the period ending:			August 25, 2024

Current Contract Sum through Change Order No. 19 / Contract Type:			$40,168,970.41/Cost Plus-GMP	
Was the Budget revised or modified this period?			By Reallocation ☐	No ☒
Current Change Orders:			By Change Order ☐	No ☒
Executed Change Orders Received:			Yes ☐	No ☒
Stored materials requested this draw?	Onsite: ☐	Offsite: ☐	Yes ☐	No ☒

Amount of Contractor's request this period:	$1,230,379.84
Amount of Contractor's request recommended:	**See Section 1 Comments**

Completion % estimated by CA Partners, Inc. (Does not include amounts funded for Stored Materials)		64%
Completion % indicated on Contractor's Application		88.83%
Hard Cost Budget appears sufficient on a % of work in place basis? ONLY with the change order	☐	No ☒
Yes		

Construction Schedule:

Completion date per Construction Contract or extended by change order:		March 21, 2025
Is Work currently on schedule to meet this date?POSSIBLE	Yes ☐	No ☒
If not, how far behind schedule? 100% WITH COMMON AREA		July 31, 2025

Retainage:

Percent of retainage currently held		3.35%
Does % withheld agree with terms of Construction Contract? TOTALLY COMPLIANT	Yes ☐	No ／
Is any retainage release requested this period?	Yes ☐	No ☒
If Yes, how much?		

Other:

General Contractor's lien waivers received and reviewed?	Yes ☐	No ☒
Project being constructed in general accordance with approved Plan and Specifications	Yes ☐	No ☐
Foundations Complete:	Yes ☒	No ☐
Certificate(s) of Occupancy issued?	Yes ☐	No ☒
Does CA Partners, Inc. recommend client contact us to discuss issues in this report?	Yes ☒	No ☐

** This is a summary of the findings from our site visit and draw processing. Please reference the information in the pages that follow for a more comprehensive and detailed discussion of issues.*

1. CONSTRUCTION FUNDING REQUEST

Overall scope of work: The Legacy Riverside Independent Senior Living project is located at the northeast intersection of North Riverside Drive and Summerfields Boulevard in Fort Worth, Texas. The project is located on a 9.82-acre tract of land, and a total of 264 apartment units will be constructed. Access to the property will be provided from two double lane entry drives from North Riverside Drive to the central Clubhouse located adjacent the buildings. One 1-story Clubhouse and seven 3-stort apartments buildings will be provided. Carport/covered parking spaces and vehicular access gates are identified. Site amenities include a fenced swimming pool area, dog park, outdoor siting areas, picnic tables, BBQ grills, gazebo, fire pit, horseshoe pit, beanbag toss, and perimeter fencing. Perimeter building and parking lot landscaping is proposed. The centrally located Clubhouse areas will include a Club Room with kitchen, Fitness Center, Craft Room, Billiards Room, Business Center, Conference Room, Leasing area, offices, and Public Restrooms.

Summary of Contractor's Application	Application for Payment No. 41
Original Contract Sum	**$33,500,00.00**
Net Change:$21.4MM pending at report	$6,668,970.41
Contract Sum to Date	**$40,168,970.41**
Total Completed and Stored to Date	**$35,681,670.86**
Retainage	$1,198,148.03
Total Earned Less Retainage	**$34,483,522.83**
Less Previous Certificates for Payment	$33,253,142.99
Current Payment Due	**$1,230,379.84**
Balance to Finish, Including Retainage	$5,685,447.58

1.1 Rise Residential – Application and Certificate for Payment No. 41

- **No new change orders have been incorporated this period and the Contract Sum remains unchanged until the updated changer order is approved by Investor\Lender**
- Work for the Period Ending: August 25, 2024
- Current Contract Sum: $40,168,970.41
- Application and Certificate for Payment No. 41 has been signed and certified by the Project Architect dated September 20, 2024.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, drywall, granite, etc.). We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders and received an official change order upated post report inspections
- General Requirement line items have been drawn to 89.41% at this time. Overhead has been drawn at 100%. GC Fee has been drawn at 100%. The project has billed for 88.83%. When removing stored materials, this percentage decreases further. It is somewhat common for general conditions to outpace actual construction when drawn on a pro-rata basis, however the current difference is

significantly more than typical. **We continue to recommend that funds advanced for General Conditions, Overhead, and GC Fee items be slowed or halted.**

Upon receipt of previous Application for Payments, we made an inquiry to the Borrower regarding various overdrawn line items. We have recommended that budget reallocations occur, or requests be reduced so that the scope line items were in line with the percent complete in the field. We were informed by the Borrower that the Bank going to escrow funds for work NOT in place so they can release them as soon as the work is in complete. The bank will hold any funds for work they feel is not in place. We were also informed that the Elevator cabs manufactured already for Austin Manor (a different project) have been transferred to Riverside and Riverside needs to repay Manor for the elevator cabs. Not correct. Please note this is not the typical construction practice to utilize different project sources to fund other projects. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn and need supplemental**

As mentioned previously, we do not object that these are actual cost incurred and that only the percent values are overdrawn based on what is complete in the field. We can only recommend funding on what is complete. If reducing the requests is not feasible, we recommend additional funds are allocated to the over drawn line items so that the percent complete is consistent with what is complete in the field. This project has been considered high risk for budget overruns, schedule delays, and line item requests that are **not** completed in the field. The recent change order addresses these issues subject to lender and investor approval

1.2 Retainage

- The Owner/Contractor Agreement indicates that 5% retainage will be withheld from subcontractor labor related line items with various exceptions including General Conditions, Overhead, GC Fees and costs, permits, insurance, bonds, and materials
- Retainage withheld appears to be generally consistent with the provisions detailed in the Owner/Contractor Agreement we reviewed, however we would consider these retainage provisions to be significantly more favorable than typical for the Contractor, and we would consider the limited amount of retainage to represent increased risk for the lender
- Based on the above exemptions, total retainage withheld to date is $1,198,148.03 reflecting 3.35% of the "Total Completed and Stored to Date" figure
- We would recommend that retainage for the project be increased. We recommend that a minimum of 5% of the total work completed be withheld for the project, and we would consider 10% total retainage to be ideal for lender protection
- We would also recommend that it be confirmed that current retainage withheld is consistent with the Loan Agreement
- No retainage release request has been indicated on the current Application for Payment

1.3 Lien Waivers

General Contractor's Conditional and Unconditional Waiver and Release on Progress Payment received:

- We have requested but not received a Conditional Waiver and Release on Progress Payment this period for Application for Payment No. 41.
- We have requested but not received Unconditional Lien Waivers referencing the amounts previously funded for Application Nos. 24-40. **We recommend you secure the Unconditional Lien Waiver prior to funding the current Draws.**
- Approval of lien waiver wording, format, and authority to sign is left to your discretion

1.4 Funding Recommendation

We have recommended additional funds be added to the project so that line items completion percentage are representative of the work actually complete in the field. At this time, based on job progress and cost incurred to date, we **do not** anticipate the current "Balance to Finish" amount of $4,487,299.55 to be sufficient for the remaining proposed scope of work. This comment is in relation to the line items that have been drawn high compared to the actual completion percentage as discussed above. Also, some material line items have been drawn 100% and do not have a line item for labor installation of these line items.

Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, granite, etc.). So, we anticipate additional funds will be needed to cover these labor costs for installation of some of the material line items. The change order submitted and pemdng final approval adddess these issues.

With the information provided within this Report, if you elect to fund the amount is noted below:

Application for Payment No. 41: $1,230,379.84

1.5 Development/Loan Budget

We have received a copy of the Borrower's development budget for this project. The total project costs are identified, and we cannot verify that the current Contract Sum or the Hard Cost request are consistent with the Contractor's Application for Payment.

We have received a copy of the Development Budget, with the current draw submission or during our pre-construction review, and we have not been able to determine if there is additional Hard Cost Contingency outside the Contractor's Schedule of Values. Approval of soft cost funding requested is left to you as an underwriting consideration.

2. STORED MATERIALS

2.1 Materials Stored Onsite:

- Hardie plank siding
- Lumber
- Trusses
- Sheathing
- PEX piping
- Windows
- Balcony doors
- Unit entry doors
- Tubs
- Balcony rails
- Stone veneer
- Drywall

2.2 Onsite Stored Material Request:

- No on-site stored materials requests have been made this application

2.3 Offsite Stored Material Request:

Not including framing materials, approximately $3,000,000 in materials have been funded to date as reflected on the previous Contractor's Application for Payment. These materials have not been installed at this time and our estimated completion percentage does not include materials purchased. We mention this for your information. These materials are reportedly stored at the Contractor's facility, vendor facility, or locked conexes onsite.

- $425,000 for "Metal Pan Stairs and Rails" – material previously purchased and funded (complete)
- $820,600 for "Thermal & Moisture Protection" – Contractor provided Bill of Lading and Photos for Zip sheathing, metal roof rolls, and Cladding materials purchased (previously purchased and funded) – now in progress of being installed.
- $92,411.44 for "Specialties" – material previously purchased and funded
- $250,000 for "Equipment" – material previously purchased and funded
- $300,000 for "Cabinets" – material previously purchased and funded

- $785,000 for the "Elevator" deposit
- $352,539.66 for "Plumbing Fixtures" – material previously purchased and funded
- $23,272.88 "Irrigation" – material previously purchased and funded

3. CHANGE ORDERS

3.1 Current Change Orders

The Contract Sum has previously been modified a total of $6,668,970.41 by Change Order Nos. 1-19. We were previously informed by the Developer/Contractor that formal change orders will be issued for budget reallocation with addtional costs. The Contract Sum remains $40,168,970.14. Pending lender and invesot approvl the CO will increase to $21.4MM per GC and Construction Risk Manger for IBC.

3.2 Pending Change Orders

- We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project
- At this time, we have been informed of any potential change orders for this project.

4. CONSTRUCTION - PROGRESS, ISSUES, AND SCHEDULE

4.1 Construction Progress

Observations made at the time of this month's site visit on July 3, 2024 NOT updated are as follows:

- Retaining walls at the north perimeter of the site remained complete
- Cutting and grouting for post tension cables remained incomplete
- Concrete paving for drives and parking areas were complete for all areas except the northwest portion of the site and the main approaches from adjacent public streets
- Framing was complete for the buildings except Building 5
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work has now been completed as of April 11, 2024.
- All buildings foundations were now complete
- CMU elevator shafts were complete for each building
- Concrete paving was complete for onsite drives and parking areas
- Concrete approach from Summerfields Blvd and North Riverside Drive were complete
- Concrete sidewalks was complete at Summerfields Blvd
- Temporary electrical power was complete
- Level 1 wall framing was complete for the Clubhouse and exterior sheathing and roof decking were also complete
- Roofing was observed complete for the Clubhouse
- Zip Sheathing tape and windows were complete at the Clubhouse
- Installation of storefront style doors was complete at the Clubhouse
- Additional exterior trim was nearing completion at the Clubhouse
- Plumbing rough in, electrical rough in, and HVAC ductwork were complete at the Clubhouse
- Insulation and drywall were complete at the Clubhouse
- Framing for levels 1-3 and roof decking were complete at Buildings 1-4, 6, and 7
- Framing for levels 1-3 was complete at Building 5 – exterior sheathing complete at levels 1 and 2
- Roofing and windows were complete at Buildings 1-4, 6, and Building 7
- Exterior siding was complete at Buildings 1, 2, 3, 4, and 7
- Plumbing rough in was complete at Buildings 1, 2, 3, 4, 6, and 7 – in progress at Building 5
- Electrical rough in was complete at Buildings 1, 2, 3, 4, 6, and 7

- HVAC ductwork was complete at Buildings 1, 2, 3, 4, 6, and 7
- HVAC refrigerant lines were complete at Buildings 1, 2, 3, 4, 6, and 7
- Fire caulking at framing penetrations was complete at Buildings 1, 2, 3, 4, and 7
- Fire sprinkler rough in was complete at Buildings 1, 2, 3, 4, 6, and 7
- Unit entry doors and balcony doors were complete at Buildings 1, 2, 3, 4, and 7
- Balcony rails were nearing completion at Buildings 1 and 7 – welding in progress for remaining buildings
- Installation of tubs was complete at Buildings 1, 2, 3, and 7
- Building insulation was complete at Buildings 1 and 7
- Drywall was in progress at Buildings 1 and 7
- Building metal stairs with concrete treads was complete
- Lightweight concrete at breezeways and balconies was nearing completion
- Exterior paint was nearing completion at Buildings 1 and 7
- Stone veneer was complete at Buildings 1 and 7 – in progress at Building 2
- Metal fencing was observed complete at the north perimeter of the site

4.2 Construction Issues

- **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction progress has remained at a steady pace during the period from August 30, 2023 to September 16, 2024.** **Due to bank's funding delays**
- There were approximately 30 laborers observed onsite at the time of our site visit.
- CA Partners has had previous and current projects with Rise Residential, and we have had generally mixed results regarding timeliness of completion. Several Austin and DFW area projects have experienced severe delays, and based on interactions to date with this project, we would consider this project to have an elevated risk for schedule and price increases.Addressed by CO pending
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the most recent G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have been received an official change order log.
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction at Building 5. This work is now complete and Building 5 foundation is now complete as of April 11, 2024.
- The Contractor is waiting to pass the fire sprinkler inspections for Building 1, 2 and 7 before insulation and drywall can commence. The delay appears to be a scheduling situation with the City Inspector. Fire sprinkler inspections have passed and insulation/drywall now in progress for the buildings.

4.3 Construction Schedule

Contractual Completion date:	March 21, 2025
Contractor's estimated Substantial Completion date:	Updated Schedule March 31, 2025
CA Partners estimated Substantial Completion date:	July 31, 2025
Has occupancy started: **First building turn 11/24**	No

- Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2025. This date can be met.
- **Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on July 31, 2025**

- Please be aware that the Contractor's progress to date has been much slower than industry standard, and our estimated date of Substantial Completion may therefore be much more susceptible to being modified. Should construction administration, manpower, and direction all improve in the coming months, Substantial Completion could be completed sooner, however should the current level of organization continue, the completion date may be at risk of being pushed further.
- Final Completion including all punchlist, cleaning and final demobilization may extend past the Substantial Completion date.

5. CONSTRUCTION MATERIAL TESTING

5.1 Test Results Received Since our Prior Report:

Testing was initially being performed by Intertek PSI for this project. We have not been provided with any additional copies of testing since the previous period, and we will continue to request that we be added to the direct testing distribution list.

Please be aware that it no longer appears that testing is being done for the project based on our observations onsite. Reinforcing steel is being placed over cracked soil which does not appear to have been recently compacted or tested. We recommend that testing begin immediately to ensure the project is built per plans and specifications. FAS IBC Construction risk manager

We will ultimately request a letter from the Engineer of Record be provided stating all materials tested have achieved project specifications. This is also a typical requirement of the municipality for the issuance of the Certificate of Occupancy.

6. CONSTRUCTION DOCUMENTATION

- Additional construction documentation has not been provided since the issuance of our previous Report.
- We will continue to comment on documents as they are received: Change orders pending

7. CONCLUSIONS

7.1 Job Progress

- Job progress since the previous period has been at a good pace
- Based on our observations and interactions with this project to date, we would consider the project to be at high risk of schedule delays and cost increases. Please see comments in Section 1.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 67% complete.

DISCLAIMER/RELIANCE

Information contained in this report was obtained through observations made at the time of our site visit(s), communication with on and off-site construction personnel, communication with Borrower/Owners, draw

documentation provided with applicable backup, meeting minutes, third party reports (testing, etc.), and documentation items (change orders, construction schedules, Certificates of Occupancy, etc.) provided by the Borrower and/or Contractor. Where necessary, information was also obtained by verbal communication, meetings, access to online portals, and/or email correspondence on specific issues requiring clarification in order for us to fulfill our report scope obligation. CA Partners, Inc. (CAP) will have no obligation or authority to direct any other party (Borrower, Architect, Engineer, Contractor, etc.) involved in the project. CAP will have no liability regarding acts or omissions of these parties, their employees, or agents. CAP will not provide construction management or supervision for this project and do not have authority to reject work. CAP services will not include any testing related to soil conditions, environmental issues, structural issues or mechanical /electrical systems, or construction materials. No destructive testing of building components will be performed. All reports issued by CAP reflect our judgement and opinion based on construction elements visible at the time of our monthly site observations.

The information contained in this report may be used and relied upon by Bellwether Enterprise and IBC Bank subject to terms, conditions, limitations and qualifications contained in the Agreement between the client named herein and CA Partners, Inc. This report, or any report prepared by CA Partners, Inc., is not to be relied upon by any third party financial institution, investor or lending entity unless arrangements are made by executed reliance letter signed by CA Partners, Inc. and the lead client named above. Third party reliance will require acceptance of the report scope agreed to and outlined in our original engagement unless engaged to perform added scope outlined in an additional agreement or co-engagement. Our reports are solely for the use of our client(s), approved reliant parties and/or co-engagements in administering the construction loan for this project. CA Partners, Inc. will not name or distribute our reports to Borrowers as we believe our reports are proprietary to our clients. However, named clients may distribute reports, if needed, at their discretion, to better administrate the construction loan per their polices. We recommend that any third parties perform their own due diligence in examining the above property.

This report is for the use and benefit of, and may be relied upon by,

a) the Seller/Servicer, Freddie Mac and all successors and assigns ("Lender");

b) independent auditors, accountants, attorneys and other professionals acting on behalf of the Lender;

c) governmental agencies having regulatory authority over Lender;

d) designated persons pursuant to an order or legal process of any court or governmental agency;

e) prospective purchasers of the mortgage; and

f) with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is the subject of this report, the following parties in their respective successors and assigns:

- any placement agent or broker/dealer and any of their prospective affiliates, agents, and advisers;
- any initial purchaser or subsequent holder of such debt and/or security;
- any Servicer or other agent acting on behalf of the holders of such debt and/or security;
- any indenture trustee;
- any rating agencies; and
- any institutional provider from time to time of any liquidity facility or credit support for such financings

1. Exterior siding complete and balcony rails nearing completion at Building 1. Stone veneer was complete and exterior paint nearing completion.

2. Breezeway wall insulation was complete at Building 1.

3. Unit insulation was complete at building 1.

4. Exterior paint was nearing complete at the Clubhouse.

5. Drywall was complete at the Clubhouse.

6. Stone veneer was in progress at Building 2.

7. Metal stairs with concrete treads was complete at Building 2.

8. Breezeway lightweight concrete was complete at Building 2.

9. MEP rough in was complete at Building 2. Insulation and drywall were stored.

10. Lightweight concrete was complete at Building 2 unit balconies.

11. Installation of electrical transformers was in progress.

12. Exterior siding was complete at Building 3.

13. Breezeway lightweight concrete was complete at Building 3.

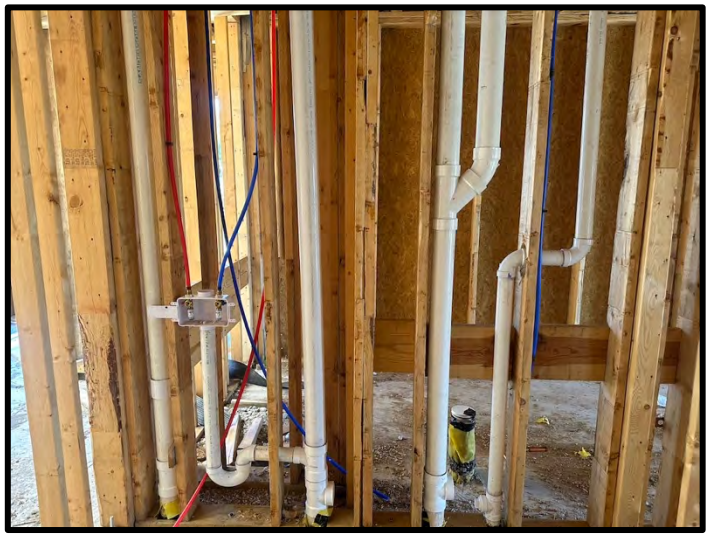
14. MEP rough in was complete at Building 3.

15. Exterior siding was complete at Building 4.

16. Balcony doors were complete at Building 4.

17. Electrical rough in was complete at Building 4.

18. Framing for levels 1-2 were complete at Building 5. Level 3 framing was in progress.



19. Plumbing rough in was in progress at Building 5.

20. Exterior siding was complete at Building 6.

21. MEP rough in was complete at Building 6.

22. Lightweight concrete was complete at Building 6 unit balconies.

23. Exterior paint was nearing completion at Building 7.

24. Insulation was complete and drywall in progress at Building 7.

Texas Department of Housing and Community Affairs, Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941,Austin, TX 78701, Main Number: 512-475-3800, Toll Free: 800-525-0657, Email: info@tdhca.state.tx.us, Web: www.tdhca.state.tx.us

Construction Status Report – Minority Owned Business Report (HTC Only)

TDHCA Asset Management Division - P.O. Box 13941, Austin, Texas 78711-3941 www.tdhca.state.tx.us/asset-management

This report must be provided every 90 days in coordination with the construction status reports for all HTC developments as required by Tex. Gov't Code §2306.6734 to demonstrate the Owner's attempt to ensure that at least 30% of the construction and management businesses with which the Owner contracts in connection with the development are minority-owned businesses.

TDHCA File No.: p20613 Development Name: Legacy Riverside Senior Living Community

NAME and ADDRESS of OWNERSHIP ENTITY	
Name of Ownership Entity: TX Riverside Seniors, LP	Contact Name: Melissa Fisher
Mailing Address: 16812 Dallas Parkway	City: Dallas, State: TX Zip: 75248
Phone: (972) 701-5555	Email: mfisher@rise-residential.com

In accordance with Texas Government Code, I, the Owner, as agreed in the Owner's Certification submitted with the Housing Tax Credit Application for the above named Development, have attempted to ensure that at least 30% of the construction and management businesses with which I contract in connection with the Development identified above are Minority Owned Businesses. I understand that a Minority Owned Business is defined by Section 2306.6734 as a business entity that is 51% owned, managed, and controlled by members of a minority group in its daily operations (for purposes of this report, Section 2306.6734 defines "minority group" as women, African Americans, American Indians, Asian Americans, Mexican Americans, and other Americans of Hispanic origin).

As of today, the percentage of businesses with which I, the Owner, have contracted that qualify as Minority Owned Businesses is as follows:

PERCENTAGE OF CONTRACTED MINORITY OWNED BUSINESSES
CONSTRUCTION: **35 %**
MANAGEMENT: **35 %**

Back up documentation will be provided to the Department in the event such documentation is requested to confirm the contracted percentages referenced above.

By: _____ 10/09/24

Signature of Owner Representative Date

Melissa Fisher, Manager

Printed Name of Owner Representative

Submit this form in accordance with the instructions related to Construction Status Reports in the Post Award Activities Manual. Construction Status Reports begin with an initial report and are received every 90 days via the applicant's FTP account. Please contact your Asset Manager or the general Asset Management inbox (asset.management@tdhca.state.tx.us) with questions.

REPORT AS ISSUED BY CA PARTNERS, INC.

Partners, Inc.
Construction Advisors

LEGACY RIVERSIDE
Fort Worth, Texas

Report No: 042 – September 25, 2024

CA Partners, Inc. Project Number: 20240

Prepared for:

Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

Professionals Serving Construction Lenders, Investors, and Participants

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

Legacy Riverside – Fort Worth, Texas

Executive Summary Report 042

Client: Bellwether Enterprise	From: James Benson, Senior Project Manager
ATTN: Alexa Delerme	CA Partners, Inc.

Project Name - City, State:			Legacy Riverside - Fort Worth, Texas
Project Type:			264-units in seven 3-story apartment buildings with a Clubhouse on 9.8 acres
Site Visit Date:			September 16, 2024
Development Draw/ Contractor Application # reviewed:	Draw No. Draw 41		Application No. 41
Complete Draw Package Received:	Yes ☒	No ☐	**September 23, 2024**
For the period ending:			August 25, 2024

Current Contract Sum through Change Order No. 19 / Contract Type:			$40,168,970.41/Cost Plus-GMP	
Was the Budget revised or modified this period?			By Reallocation ☐	No ☒
Current Change Orders:			By Change Order ☐	No ☒
Executed Change Orders Received:			Yes ☐	No ☒
Stored materials requested this draw?	Onsite: ☐	Offsite: ☐	Yes ☐	No ☒

Amount of Contractor's request this period:	$1,230,379.84
Amount of Contractor's request recommended:	**See Section 1 Comments**

Completion % estimated by CA Partners, Inc. (Does not include amounts funded for Stored Materials)		64%
Completion % indicated on Contractor's Application		88.83%
Hard Cost Budget appears sufficient on a % of work in place basis?	Yes ☐	No ☒

Construction Schedule:

Completion date per Construction Contract or extended by change order:		March 21, 2023
Is Work currently on schedule to meet this date?	Yes ☐	No ☒
If not, how far behind schedule?		July 31, 2025

Retainage:

Percent of retainage currently held		3.35%
Does % withheld agree with terms of Construction Contract?	Yes ☐	No ☒
Is any retainage release requested this period?	Yes ☐	No ☒
If Yes, how much?		

Other:

General Contractor's lien waivers received and reviewed?	Yes ☐	No ☒
Project being constructed in general accordance with approved Plan and Specifications	Yes ☐	No ☐
Foundations Complete:	Yes ☒	No ☐
Certificate(s) of Occupancy issued?	Yes ☐	No ☒
Does CA Partners, Inc. recommend client contact us to discuss issues in this report?	Yes ☒	No ☐

** This is a summary of the findings from our site visit and draw processing. Please reference the information in the pages that follow for a more comprehensive and detailed discussion of issues.*

1. CONSTRUCTION FUNDING REQUEST

Overall scope of work: The Legacy Riverside Independent Senior Living project is located at the northeast intersection of North Riverside Drive and Summerfields Boulevard in Fort Worth, Texas. The project is located on a 9.82-acre tract of land, and a total of 264 apartment units will be constructed. Access to the property will be provided from two double lane entry drives from North Riverside Drive to the central Clubhouse located adjacent the buildings. One 1-story Clubhouse and seven 3-stort apartments buildings will be provided. Carport/covered parking spaces and vehicular access gates are identified. Site amenities include a fenced swimming pool area, dog park, outdoor siting areas, picnic tables, BBQ grills, gazebo, fire pit, horseshoe pit, beanbag toss, and perimeter fencing. Perimeter building and parking lot landscaping is proposed. The centrally located Clubhouse areas will include a Club Room with kitchen, Fitness Center, Craft Room, Billiards Room, Business Center, Conference Room, Leasing area, offices, and Public Restrooms.

Summary of Contractor's Application	Application for Payment No. 41
Original Contract Sum	**$33,500,00.00**
Net Change by Change Orders	$6,668,970.41
Contract Sum to Date	**$40,168,970.41**
Total Completed and Stored to Date	**$35,681,670.86**
Retainage	$1,198,148.03
Total Earned Less Retainage	**$34,483,522.83**
Less Previous Certificates for Payment	$33,253,142.99
Current Payment Due	**$1,230,379.84**
Balance to Finish, Including Retainage	$5,685,447.58

1.1 Rise Residential – Application and Certificate for Payment No. 41

- **No new change orders have been incorporated this period and the Contract Sum remains unchanged.**
- Work for the Period Ending: August 25, 2024
- Current Contract Sum: $40,168,970.41
- Application and Certificate for Payment No. 41 has been signed and certified by the Project Architect dated September 20, 2024.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, drywall, granite, etc.). We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log.
- General Requirement line items have been drawn to 89.41% at this time. Overhead has been drawn at 100%. GC Fee has been drawn at 100%. The project has billed for 88.83%. When removing stored materials, this percentage decreases further. It is somewhat common for general conditions to outpace actual construction when drawn on a pro-rata basis, however the current difference is

significantly more than typical. **We continue to recommend that funds advanced for General Conditions, Overhead, and GC Fee items be slowed or halted.**

Upon receipt of previous Application for Payments, we made an inquiry to the Borrower regarding various overdrawn line items. We have recommended that budget reallocations occur, or requests be reduced so that the scope line items were in line with the percent complete in the field. We were informed by the Borrower that the Bank going to escrow funds for work NOT in place so they can release them as soon as the work is in complete. The bank will hold any funds for work they feel is not in place. We were also informed that the Elevator cabs manufactured already for Austin Manor (a different project) have been transferred to Riverside and Riverside needs to repay Manor for the elevator cabs. Please note this is not the typical construction practice to utilize different project sources to fund other projects. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn.**

As mentioned previously, we do not object that these are actual cost incurred and that only the percent values are overdrawn based on what is complete in the field. We can only recommend funding on what is complete. If reducing the requests is not feasible, we recommend additional funds are allocated to the over drawn line items so that the percent complete is consistent with what is complete in the field. This project is considered high risk for budget overruns, schedule delays, and line item requests that are **not** completed in the field.

1.2 Retainage

- The Owner/Contractor Agreement indicates that 5% retainage will be withheld from subcontractor labor related line items with various exceptions including General Conditions, Overhead, GC Fees and costs, permits, insurance, bonds, and materials
- Retainage withheld appears to be generally consistent with the provisions detailed in the Owner/Contractor Agreement we reviewed, however we would consider these retainage provisions to be significantly more favorable than typical for the Contractor, and we would consider the limited amount of retainage to represent increased risk for the lender
- Based on the above exemptions, total retainage withheld to date is $1,198,148.03 reflecting 3.35% of the "Total Completed and Stored to Date" figure
- We would recommend that retainage for the project be increased. We recommend that a minimum of 5% of the total work completed be withheld for the project, and we would consider 10% total retainage to be ideal for lender protection
- We would also recommend that it be confirmed that current retainage withheld is consistent with the Loan Agreement
- No retainage release request has been indicated on the current Application for Payment

1.3 Lien Waivers

General Contractor's Conditional and Unconditional Waiver and Release on Progress Payment received:

- We have requested but not received a Conditional Waiver and Release on Progress Payment this period for Application for Payment No. 41.
- We have requested but not received Unconditional Lien Waivers referencing the amounts previously funded for Application Nos. 24-40. **We recommend you secure the Unconditional Lien Waiver prior to funding the current Draws.**
- Approval of lien waiver wording, format, and authority to sign is left to your discretion

1.4 Funding Recommendation

We have recommended additional funds be added to the project so that line items completion percentage are representative of the work actually complete in the field. At this time, based on job progress and cost incurred to date, we **do not** anticipate the current “Balance to Finish” amount of $4,487,299.55 to be sufficient for the remaining proposed scope of work. This comment is in relation to the line items that have been drawn high compared to the actual completion percentage as discussed above. Also, some material line items have been drawn 100% and do not have a line item for labor installation of these line items.

Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, granite, etc.). So, we anticipate additional funds will be needed to cover these labor costs for installation of some of the material line items.

With the information provided within this Report, if you elect to fund the amount is noted below:

Application for Payment No. 41: $1,230,379.84

1.5 Development/Loan Budget

We have not received a copy of the Borrower's development budget for this project. The total project costs are not identified, and we cannot verify that the current Contract Sum or the Hard Cost request are consistent with the Contractor's Application for Payment.

We have not received a copy of the Development Budget, with the current draw submission or during our pre-construction review, and we have not been able to determine if there is additional Hard Cost Contingency outside the Contractor's Schedule of Values. Approval of soft cost funding requested is left to you as an underwriting consideration.

2. STORED MATERIALS

2.1 Materials Stored Onsite:

- Hardie plank siding
- Lumber
- Trusses
- Sheathing
- PEX piping
- Windows
- Balcony doors
- Unit entry doors
- Tubs
- Balcony rails
- Stone veneer
- Drywall

2.2 Onsite Stored Material Request:

- No on-site stored materials requests have been made this application

2.3 Offsite Stored Material Request:

Not including framing materials, approximately $3,000,000 in materials have been funded to date as reflected on the previous Contractor's Application for Payment. These materials have not been installed at this time and our estimated completion percentage does not include materials purchased. We mention this for your information. These materials are reportedly stored at the Contractor's facility, vendor facility, or locked conexes onsite.

- $425,000 for "Metal Pan Stairs and Rails" – material previously purchased and funded (complete)
- $820,600 for "Thermal & Moisture Protection" – Contractor provided Bill of Lading and Photos for Zip sheathing, metal roof rolls, and Cladding materials purchased (previously purchased and funded) – now in progress of being installed.
- $92,411.44 for "Specialties" – material previously purchased and funded
- $250,000 for "Equipment" – material previously purchased and funded
- $300,000 for "Cabinets" – material previously purchased and funded

- $785,000 for the "Elevator" deposit
- $352,539.66 for "Plumbing Fixtures" – material previously purchased and funded
- $23,272.88 "Irrigation" – material previously purchased and funded

3. CHANGE ORDERS

3.1 Current Change Orders

The Contract Sum has previously been modified a total of $6,668,970.41 by Change Order Nos. 1-19. We were previously informed by the Developer/Contractor that formal change orders will not be issued for budget reallocations without additional scope changes. The Contract Sum remains $40,168,970.14.

3.2 Pending Change Orders

- We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project
- At this time, we have not been informed of any potential change orders for this project.

4. CONSTRUCTION - PROGRESS, ISSUES, AND SCHEDULE

4.1 Construction Progress

Observations made at the time of this month's site visit on September 16, 2024 are as follows:

- Retaining walls at the north perimeter of the site remained complete
- Cutting and grouting for post tension cables remained incomplete
- Concrete paving for drives and parking areas were complete for all areas except the northwest portion of the site and the main approaches from adjacent public streets
- Framing was complete for the buildings except Building 5
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work has now been completed as of April 11, 2024.
- All buildings foundations were now complete
- CMU elevator shafts were complete for each building
- Concrete paving was complete for onsite drives and parking areas
- Concrete approach from Summerfields Blvd and North Riverside Drive were complete
- Concrete sidewalks was complete at Summerfields Blvd
- Temporary electrical power was complete
- Level 1 wall framing was complete for the Clubhouse and exterior sheathing and roof decking were also complete
- Roofing was observed complete for the Clubhouse
- Zip Sheathing tape and windows were complete at the Clubhouse
- Installation of storefront style doors was complete at the Clubhouse
- Additional exterior trim was nearing completion at the Clubhouse
- Plumbing rough in, electrical rough in, and HVAC ductwork were complete at the Clubhouse
- Insulation and drywall were complete at the Clubhouse
- Framing for levels 1-3 and roof decking were complete at Buildings 1-4, 6, and 7
- Framing for levels 1-3 was complete at Building 5 – exterior sheathing complete at levels 1 and 2
- Roofing and windows were complete at Buildings 1-4, 6, and Building 7
- Exterior siding was complete at Buildings 1, 2, 3, 4, and 7
- Plumbing rough in was complete at Buildings 1, 2, 3, 4, 6, and 7 – in progress at Building 5
- Electrical rough in was complete at Buildings 1, 2, 3, 4, 6, and 7

- HVAC ductwork was complete at Buildings 1, 2, 3, 4, 6, and 7
- HVAC refrigerant lines were complete at Buildings 1, 2, 3, 4, 6, and 7
- Fire caulking at framing penetrations was complete at Buildings 1, 2, 3, 4, and 7
- Fire sprinkler rough in was complete at Buildings 1, 2, 3, 4, 6, and 7
- Unit entry doors and balcony doors were complete at Buildings 1, 2, 3, 4, and 7
- Balcony rails were nearing completion at Buildings 1 and 7 – welding in progress for remaining buildings
- Installation of tubs was complete at Buildings 1, 2, 3, and 7
- Building insulation was complete at Buildings 1 and 7
- Drywall was in progress at Buildings 1 and 7
- Building metal stairs with concrete treads was complete
- Lightweight concrete at breezeways and balconies was nearing completion
- Exterior paint was nearing completion at Buildings 1 and 7
- Stone veneer was complete at Buildings 1 and 7 – in progress at Building 2
- Metal fencing was observed complete at the north perimeter of the site

4.2 Construction Issues

- **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction progress has remained at a steady pace during the period from August 30, 2023 to September 16, 2024.**
- There were approximately 30 laborers observed onsite at the time of our site visit.
- CA Partners has had previous and current projects with Rise Residential, and we have had generally mixed results regarding timeliness of completion. Several Austin and DFW area projects have experienced severe delays, and based on interactions to date with this project, we would consider this project to have an elevated risk for schedule and price increases.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the most recent G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log.
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction at Building 5. This work is now complete and Building 5 foundation is now complete as of April 11, 2024.
- The Contractor is waiting to pass the fire sprinkler inspections for Building 1, 2 and 7 before insulation and drywall can commence. The delay appears to be a scheduling situation with the City Inspector. Fire sprinkler inspections have passed and insulation/drywall now in progress for the buildings.

4.3 Construction Schedule

Contractual Completion date:	March 21, 2023
Contractor's estimated Substantial Completion date:	Updated Schedule Requested
CA Partners estimated Substantial Completion date:	July 31, 2025
Has occupancy started:	No

- Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2023. This date was not met.
- **Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on July 31, 2025.**

- Please be aware that the Contractor's progress to date has been much slower than industry standard, and our estimated date of Substantial Completion may therefore be much more susceptible to being modified. Should construction administration, manpower, and direction all improve in the coming months, Substantial Completion could be completed sooner, however should the current level of organization continue, the completion date may be at risk of being pushed further.
- Final Completion including all punchlist, cleaning and final demobilization may extend past the Substantial Completion date.

5. CONSTRUCTION MATERIAL TESTING

5.1 Test Results Received Since our Prior Report:

Testing was initially being performed by Intertek PSI for this project. We have not been provided with any additional copies of testing since the previous period, and we will continue to request that we be added to the direct testing distribution list.

Please be aware that it no longer appears that testing is being done for the project based on our observations onsite. Reinforcing steel is being placed over cracked soil which does not appear to have been recently compacted or tested. We recommend that testing begin immediately to ensure the project is built per plans and specifications

We will ultimately request a letter from the Engineer of Record be provided stating all materials tested have achieved project specifications. This is also a typical requirement of the municipality for the issuance of the Certificate of Occupancy.

6. CONSTRUCTION DOCUMENTATION

- Additional construction documentation has not been provided since the issuance of our previous Report.
- We will continue to comment on documents as they are received

7. CONCLUSIONS

7.1 Job Progress

- Job progress since the previous period has been at a good pace
- Based on our observations and interactions with this project to date, we would consider the project to be at high risk of schedule delays and cost increases. Please see comments in Section 1.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 64% complete.

DISCLAIMER/RELIANCE

Information contained in this report was obtained through observations made at the time of our site visit(s), communication with on and off-site construction personnel, communication with Borrower/Owners, draw

documentation provided with applicable backup, meeting minutes, third party reports (testing, etc.), and documentation items (change orders, construction schedules, Certificates of Occupancy, etc.) provided by the Borrower and/or Contractor. Where necessary, information was also obtained by verbal communication, meetings, access to online portals, and/or email correspondence on specific issues requiring clarification in order for us to fulfill our report scope obligation. CA Partners, Inc. (CAP) will have no obligation or authority to direct any other party (Borrower, Architect, Engineer, Contractor, etc.) involved in the project. CAP will have no liability regarding acts or omissions of these parties, their employees, or agents. CAP will not provide construction management or supervision for this project and do not have authority to reject work. CAP services will not include any testing related to soil conditions, environmental issues, structural issues or mechanical /electrical systems, or construction materials. No destructive testing of building components will be performed. All reports issued by CAP reflect our judgement and opinion based on construction elements visible at the time of our monthly site observations.

The information contained in this report may be used and relied upon by Bellwether Enterprise and IBC Bank subject to terms, conditions, limitations and qualifications contained in the Agreement between the client named herein and CA Partners, Inc. This report, or any report prepared by CA Partners, Inc., is not to be relied upon by any third party financial institution, investor or lending entity unless arrangements are made by executed reliance letter signed by CA Partners, Inc. and the lead client named above. Third party reliance will require acceptance of the report scope agreed to and outlined in our original engagement unless engaged to perform added scope outlined in an additional agreement or co-engagement. Our reports are solely for the use of our client(s), approved reliant parties and/or co-engagements in administering the construction loan for this project. CA Partners, Inc. will not name or distribute our reports to Borrowers as we believe our reports are proprietary to our clients. However, named clients may distribute reports, if needed, at their discretion, to better administrate the construction loan per their polices. We recommend that any third parties perform their own due diligence in examining the above property.

This report is for the use and benefit of, and may be relied upon by,

a) the Seller/Servicer, Freddie Mac and all successors and assigns ("Lender");

b) independent auditors, accountants, attorneys and other professionals acting on behalf of the Lender;

c) governmental agencies having regulatory authority over Lender;

d) designated persons pursuant to an order or legal process of any court or governmental agency;

e) prospective purchasers of the mortgage; and

f) with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is the subject of this report, the following parties in their respective successors and assigns:

- any placement agent or broker/dealer and any of their prospective affiliates, agents, and advisers;
- any initial purchaser or subsequent holder of such debt and/or security;
- any Servicer or other agent acting on behalf of the holders of such debt and/or security;
- any indenture trustee;
- any rating agencies; and
- any institutional provider from time to time of any liquidity facility or credit support for such financings

1. Exterior siding complete and balcony rails nearing completion at Building 1. Stone veneer was complete and exterior paint nearing completion.

2. Breezeway wall insulation was complete at Building 1.

3. Unit insulation was complete at building 1.

4. Exterior paint was nearing complete at the Clubhouse.

5. Drywall was complete at the Clubhouse.

6. Stone veneer was in progress at Building 2.

7. Metal stairs with concrete treads was complete at Building 2.

8. Breezeway lightweight concrete was complete at Building 2.

9. MEP rough in was complete at Building 2. Insulation and drywall were stored.

10. Lightweight concrete was complete at Building 2 unit balconies.

11. Installation of electrical transformers was in progress.

12. Exterior siding was complete at Building 3.

13. Breezeway lightweight concrete was complete at Building 3.

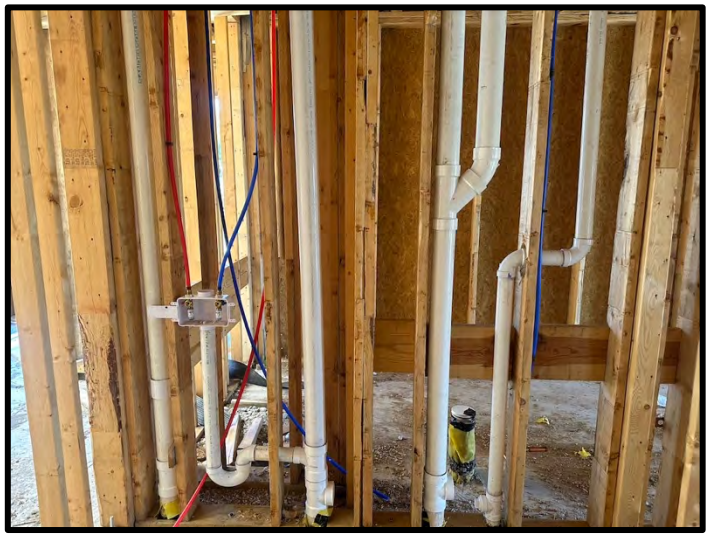
14. MEP rough in was complete at Building 3.

15. Exterior siding was complete at Building 4.

16. Balcony doors were complete at Building 4.

17. Electrical rough in was complete at Building 4.

18. Framing for levels 1-2 were complete at Building 5. Level 3 framing was in progress.



19. Plumbing rough in was in progress at Building 5.

20. Exterior siding was complete at Building 6.

21. MEP rough in was complete at Building 6.

22. Lightweight concrete was complete at Building 6 unit balconies.

23. Exterior paint was nearing completion at Building 7.

24. Insulation was complete and drywall in progress at Building 7.

TO OWNER/CLIENT:
Garland Housing Finance Corporation
1675 W Campbell Rd
Garland, Texas 75044

PROJECT:
Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

APPLICATION NO: 24 ✓
INVOICE NO: 41
PERIOD: 07/26/24 - 08/25/24 ✓
PROJECT NO: 2020-LRFW
CONTRACT DATE:

FROM CONTRACTOR:
Rise Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248

VIA ARCHITECT/ENGINEER:
Randy Richards (Hodges Architecture)

CONTRACT FOR: Legacy Riverside Senior Living

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1.	Original Contract Sum		$33,500,000.00 ✓
2.	Net change by change orders		$6,668,970.41 ✓
3.	Contract Sum to date (Line 1 ± 2)		$40,168,970.41 ✓
4.	Total completed and stored to date (Column G on detail sheet)		$35,681,670.86
5.	Retainage:		
	a. 3.37% of completed work	$1,198,148.03	
	b. 0.00% of stored material	$0.00	
	Total retainage (Line 5a + 5b or total in column I of detail sheet)		$1,198,148.03
6.	Total earned less retainage (Line 4 less Line 5 Total)		$34,483,522.83 ✓
7.	Less previous certificates for payment (Line 6 from prior certificate)		$33,253,142.99 ✓
8.	Current payment due:		$1,230,379.84 *
9.	Balance to finish, including retainage (Line 3 less Line 6)		$5,685,447.58

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner/Client:	$13,879,035.71	$(7,210,065.30)
Total approved this month:	$0.00	$0.00
Totals:	$13,879,035.71	$(7,210,065.30)
Net change by change orders:	$6,668,970.41	

The undersigned certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner/Client, and that current payments shown herein is now due.

CONTRACTOR: Rise Residential Construction Riverside, LLC

By: DocuSigned by: Melissa Fisher 55DFEC86AA5B409... Date: 9/13/2024 | 5:04 PM

State of: TEXAS
County of: DALLAS
Subscribed and sworn to before me this 13th day of September
Notary Public: DocuSigned by: Shayla Cerrone 3121342B22A5464...
My commission expires: 2/9/26

SHAYLA CERRONE
Notary Public, State of Texas
Comm. Expires 02-09-2026
Notary ID 133579493

ARCHITECT'S/ENGINEER'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on the on-site observations and the data comprising this application, the Architect/Engineer certifies to the Owner/Client that to the best of the Architect's/Engineer's knowledge, information and belief that Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: $1,230,379.84

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm the amount certified.)

ARCHITECT/ENGINEER:

By: [signature] Date: 13 Sept 2024 ✓

This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to the rights of the Owner/Client or Contractor under this Contract.

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1 01 - General Conditions												
1.1 01-210000 - Mobilization Allowance	$0.00	$150,000.00	$0.00	$150,000.00	$150,000.00	$0.00	$150,000.00	100.00%	$0.00	$0.00	0	$0.00
1.2 01-210100 - Living & Vehicle Allowances/ Per Diem	$0.00	$27,000.00	$0.00	$27,000.00	$26,257.00	$0.00	$26,257.00	97.25%	$743.00	$0.00	0	$0.00
1.3 01-310010 - Project Management	$0.00	$180,000.00	$235,637.68	$415,637.68	$353,242.27	$11,453.14	$364,695.41	87.74% *	$50,942.27	$0.00	0.00%	$0.00
1.4 01-310030 - Superintendent	$0.00	$180,000.00	$269,345.35	$449,345.35	$389,098.56	$12,134.04	$401,232.60	89.29% *	$48,112.75	$0.00	0.00%	$0.00
1.5 01-310035 - Assistant Superintendent	$0.00	$117,000.00	$125,670.40	$242,670.40	$185,764.23	$10,021.26	$195,785.49	80.68% *	$46,884.91	$0.00	0.00%	$0.00
1.6 01-310037 - Field Labor	$0.00	$18,000.00	$438.00	$18,438.00	$18,438.00	$0.00	$18,438.00	100.00%	$0.00	$0.00	0	$0.00
1.7 01-310040 - Field Administrative Staff	$0.00	$50,000.00	$125,284.62	$175,284.62	$130,696.56	$9,718.58	$140,415.14	80.11% *	$34,869.48	$0.00	0.00%	$0.00
1.8 01-310045 - Payroll Burden	$0.00	$122,400.00	$139,068.12	$261,468.12	$223,151.48	$7,927.58	$231,079.06	88.38% *	$30,389.06	$0.00	0.00%	$0.00
1.9 01-310050 - Travel Expenses	$0.00	$54,000.00	($3,186.00)	$50,814.00	$50,814.00	$0.00	$50,814.00	100.00%	$0.00	$0.00	0	$0.00
1.10 01-323310 - Photography and Video	$0.00	$5,400.00	($318.60)	$5,081.40	$5,081.40	$0.00	$5,081.40	100.00%	$0.00	$0.00	0	$0.00
1.11 01-331310 - Insurance - Builders Risk	$0.00	$71,920.00	$54,468.25	$126,388.25	$126,388.25	$0.00	$126,388.25	100.00%	$0.00	$0.00	0	$0.00
1.12 01-331315 - Insurance - General Liability	$0.00	$89,900.00	$65,400.00	$155,300.00	$155,300.00	$0.00	$155,300.00	100.00%	$0.00	$0.00	0	$0.00
1.13 01-331320 - Permits and Fees	$0.00	$0.00	$560,000.00	$560,000.00	$560,000.00	$0.00	$560,000.00	100.00%	$0.00	$0.00	0	$0.00
1.14 01-352320 - Termite & Pest Control	$0.00	$30,750.00	($1,814.25)	$28,935.75	$28,935.75	$0.00	$28,935.75	100.00%	$0.00	$0.00	0	$0.00
1.15 01-355300 - Security	$0.00	$3,600.00	$32,507.33	$36,107.33	$36,107.33	$0.00	$36,107.33	100.00%	$0.00	$0.00	0	$0.00
1.16 01-432610 - Quality Testing	$0.00	$50,000.00	$51,892.00	$101,892.00	$49,574.00	$5,000.00	$54,574.00	53.56%	$47,318.00	$0.00	0.00%	$0.00

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1.17 01-510010 - Temporary Electric	$0.00	$6,300.00	$155,907.58	$162,207.58	$83,686.56	$5,000.00	$88,686.56	54.67%	$73,521.02	$0.00	0.00%	$0.00
1.18 01-510030 - Temporary Water	$0.00	$900.00	$25,000.00	$25,900.00	$17,482.07	$270.63	$17,752.70	68.54%	$8,147.30	$0.00	0.00%	$0.00
1.19 01-510040 - Temporary Phone, Internet	$0.00	$3,600.00	($212.40)	$3,387.60	$3,387.60	$0.00	$3,387.60	100.00%	$0.00	$0.00	0	$0.00
1.20 01-511330 - Software	$0.00	$0.00	$27,000.00	$27,000.00	$27,000.00	$0.00	$27,000.00	100.00%	$0.00	$0.00	0	$0.00
1.21 01-521310 - Field Offices	$0.00	$9,360.00	$55,728.78	$65,088.78	$38,051.88	$165.65	$38,217.53	58.72%	$26,871.25	$0.00	0.00%	$0.00
1.22 01-521315 - Temporary Toilets	$0.00	$3,600.00	$11,400.00	$15,000.00	$15,000.00	$0.00	$15,000.00	100.00%	$0.00	$0.00	0	$0.00
1.23 01-521320 - Office Supplies and Equipment	$0.00	$5,400.00	($318.60)	$5,081.40	$5,081.40	$0.00	$5,081.40	100.00%	$0.00	$0.00	0	$0.00
1.24 01-541620 - Equipment Rental	$0.00	$13,500.00	$31,561.00	$45,061.00	$33,083.01	$0.00	$33,083.01	73.42%	$11,977.99	$0.00	0	$0.00
1.25 01-562610 - Temporary Fencing and Walkways	$0.00	$5,400.00	$22,860.28	$28,260.28	$25,273.57	$0.00	$25,273.57	89.43%	$2,986.71	$0.00	0	$0.00
1.26 01-581310 - Project Signs and Identification	$0.00	$5,000.00	($295.00)	$4,705.00	$4,705.00	$0.00	$4,705.00	100.00%	$0.00	$0.00	0	$0.00
1.27 01-660010 - Trucking and Material Storage	$0.00	$3,600.00	$3,465.60	$7,065.60	$7,065.60	$0.00	$7,065.60	100.00%	$0.00	$0.00	0	$0.00
1.28 01-712312 - Estimator Expenses	$0.00	$20,000.00	($1,180.00)	$18,820.00	$18,820.00	$0.00	$18,820.00	100.00%	$0.00	$0.00	0	$0.00
1.29 01-731930 - Small Tools	$0.00	$1,800.00	($106.20)	$1,693.80	$1,693.80	$0.00	$1,693.80	100.00%	$0.00	$0.00	0	$0.00
1.30 01-741900 - General Debris and Dumpsters	$0.00	$237,600.00	($14,018.40)	$223,581.60	$223,581.60	$0.00	$223,581.60	100.00%	$0.00	$0.00	0	$0.00
1.31 01-771610 - Punch List and Closeout	$0.00	$20,000.00	($1,180.00)	$18,820.00	$18,820.00	$0.00	$18,820.00	100.00%	$0.00	$0.00	0	$0.00
1.32 01-783910 - Project Documentation	$0.00	$3,600.00	($212.40)	$3,387.60	$3,387.60	$0.00	$3,387.60	100.00%	$0.00	$0.00	0	$0.00
1.33 01-784231 - Final Cleaning	$0.00	$192,185.00	($36,895.97)	$155,289.03	$155,289.03	$0.00	$155,289.03	100.00%	$0.00	$0.00	0	$0.00

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
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01 - General Conditions Subtotals	$0.00	$1,681,815.00	$1,932,897.17	$3,614,712.17	$3,170,257.55	$61,690.88	$3,231,948.43	89.41%	$382,763.74	$0.00	0.00%	$0.00
2 03 - Concrete												
2.1 03-310024 - CIP Concrete Foundations	$0.00	$987,767.00	$297,907.25	$1,285,674.25	$1,285,674.25	$0.00	$1,285,674.25	100.00%	$0.00	$0.00	0	$64,283.72
2.2 03-540010 - Lightweight/Gypcrete	$0.00	$592,660.00	($72,260.00)	$520,400.00	$289,096.40	$0.00	$289,096.40	55.55%	$231,303.60	$0.00	0	$14,454.82
03 - Concrete Subtotals	$0.00	$1,580,427.00	$225,647.25	$1,806,074.25	$1,574,770.65	$0.00	$1,574,770.65	87.19%	$231,303.60	$0.00	0	$78,738.54
3 04 - Masonry												
3.1 04-000010 - Masonry	$0.00	$900,000.00	$531,090.83	$1,431,090.83	$713,302.38	$300,000.00	$1,013,302.38	70.81%	$417,788.45	$15,000.00	5.00%	$26,051.13
3.2 04-050000 - Dumpster Enclosure	$0.00	$40,000.00	($24,000.00)	$16,000.00	$16,000.00	$0.00	$16,000.00	100.00%	$0.00	$0.00	0	$800.00
04 - Masonry Subtotals	$0.00	$940,000.00	$507,090.83	$1,447,090.83	$729,302.38	$300,000.00	$1,029,302.38	71.13%	$417,788.45	$15,000.00	5.00%	$26,851.13
4 05 - Metals												
4.1 05-511300 - Metal Pan Stairs & Rails	$0.00	$336,000.00	$790,915.00	$1,126,915.00	$825,000.00	$67,822.00	$892,822.00	79.23%	$234,093.00	$3,391.10	5.00%	$29,641.10
4.2 05-521320 - Pool Fence	$0.00	$25,000.00	$24,775.00	$49,775.00	$25,000.00	$0.00	$25,000.00	50.23%	$24,775.00	$0.00	0	$1,250.00
4.3 05-540010 - Perimeter Fence	$0.00	$150,000.00	$190,010.00	$340,010.00	$217,000.00	$8,300.00	$225,300.00	66.26%	$114,710.00	$415.00	5.00%	$4,165.00
05 - Metals Subtotals	$0.00	$511,000.00	$1,005,700.00	$1,516,700.00	$1,067,000.00	$76,122.00	$1,143,122.00	75.37%	$373,578.00	$3,806.10	5.00%	$35,056.10
5 06 - Wood & Plastics												
5.1 06-110002 - Wood Framing Labor	$0.00	$2,370,640.00	($575,787.50)	$1,794,852.50	$1,794,852.50	$0.00	$1,794,852.50	100.00%	$0.00	$0.00	0	$81,889.51
5.2 06-110004 - Wood Framing Material	$0.00	$2,963,300.00	$1,199,571.16	$4,162,871.16	$4,034,671.45	$0.00	$4,162,871.16	100.00%	$0.00	$0.00	0	$128,509.40
5.3 06-175300 - Trusses	$0.00	$888,990.00	$1,261,104.16	$2,150,094.16	$2,150,094.16	$0.00	$2,150,094.16	100.00%	$0.00	$0.00	0	$107,936.32
5.4 06-460000 - Finish Trim Carpentry - Material	$0.00	$369,510.00	($308,140.26)	$63,369.74	$44,447.53	$0.00	$44,447.53	70.14%	$18,922.21	$0.00	0	$0.00
5.5 06-460004 - Finish Trim Carpentry - Labor	$0.00	$369,510.00	$0.00	$369,510.00	$50,000.00	$50,000.00	$100,000.00	27.06%	$269,510.00	$0.00	0.00%	$2,500.00

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
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06 - Wood & Plastics Subtotals	$0.00	$6,961,950.00	$1,578,747.56	$8,540,697.56	$8,074,065.64	$50,000.00	$8,252,265.35	96.62%	$288,432.21	$0.00	0.00%	$320,835.23
6 07 - Thermal & Moisture Protection												
6.1 07-130000 - Waterproofing	$0.00	$0.00	$37,350.00	$37,350.00	$37,350.00	$0.00	$37,350.00	100.00%	$0.00	$0.00	0	$0.00
6.2 07-211610 - Batt Insulation	$0.00	$461,888.00	$47,112.00	$509,000.00	$200,000.00	$50,000.00	$250,000.00	49.12% *	$259,000.00	$2,500.00	5.00%	$12,500.00
6.3 07-311300 - Shingles	$0.00	$0.00	$265,290.33	$265,290.33	$265,290.33	$0.00	$265,290.33	100.00%	$0.00	$0.00	0	$1,807.45
6.4 07-510000 - Metal Roofing	$0.00	$1,066,788.00	($26,188.00)	$1,040,600.00	$1,040,600.00	$0.00	$1,040,600.00	100.00%	$0.00	$0.00	0	$11,000.00
6.5 07-712300 - Gutters and Downspouts	$0.00	$50,000.00	$35,000.00	$85,000.00	$0.00	$25,000.00	$25,000.00	29.41% *	$60,000.00	$1,250.00	5.00%	$1,250.00
07 - Thermal & Moisture Protection Subtotals	$0.00	$1,578,676.00	$358,564.33	$1,937,240.33	$1,543,240.33	$75,000.00	$1,618,240.33	83.53%	$319,000.00	$3,750.00	5.00%	$26,557.45
7 08 - Doors & Windows												
7.1 08-140002 - Doors - Interior	$0.00	$237,600.00	$52,802.28	$290,402.28	$290,402.28	$0.00	$290,402.28	100.00%	$0.00	$0.00	0	$0.00
7.2 08-161400 - Doors - Exterior	$0.00	$237,600.00	$0.00	$237,600.00	$237,600.00	$0.00	$237,600.00	100.00%	$0.00	$0.00	0	$0.00
7.3 08-531300 - Windows	$0.00	$237,600.00	$27,794.05	$265,394.05	$265,394.05	$0.00	$265,394.05	100.00%	$0.00	$0.00	0	$7,500.00
7.4 08-531400 - Window Coverings	$0.00	$31,680.00	$0.00	$31,680.00	$31,680.00	$0.00	$31,680.00	100.00%	$0.00	$0.00	0	$0.00
7.5 08-800000 - Glass and Glazing	$0.00	$33,000.00	($10,000.00)	$23,000.00	$10,000.00	$0.00	$10,000.00	43.48%	$13,000.00	$0.00	0	$0.00
08 - Doors & Windows Subtotals	$0.00	$777,480.00	$70,596.33	$848,076.33	$835,076.33	$0.00	$835,076.33	98.47%	$13,000.00	$0.00	0	$7,500.00
8 09 - Finishes												
8.1 09-000040 - Drywall	$0.00	$1,201,648.00	$392,547.00	$1,594,195.00	$956,517.00	$100,000.00	$1,056,517.00	66.27% *	$537,678.00	$5,000.00	5.00%	$52,825.85
8.2 09-301300 - Ceramic	$0.00	$143,000.00	$0.00	$143,000.00	$0.00	$50,000.00	$50,000.00	34.97% *	$93,000.00	$2,500.00	5.00%	$2,500.00
8.3 09-651900 - Vinyl	$0.00	$580,659.00	($248,840.00)	$331,819.00	$0.00	$50,000.00	$50,000.00	15.07% *	$281,819.00	$2,500.00	5.00%	$2,500.00
8.4 09-800000 - Clubhouse Flooring	$0.00	$25,000.00	($10,000.00)	$15,000.00	$0.00	$0.00	$0.00	0.00%	$15,000.00	$0.00	0	$0.00

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8.5 09-912300 - Painting	$0.00	$527,872.00	$242,128.00	$770,000.00	$100,000.00	$100,000.00	$200,000.00	25.97%	$570,000.00	$5,000.00	5.00%	$10,000.00
09 - Finishes Subtotals	$0.00	$2,478,179.00	$375,835.00	$2,854,014.00	$1,056,517.00	$300,000.00	$1,356,517.00	47.53%	$1,497,497.00	$15,000.00	5.00%	$67,825.85
9 10 - Specialties												
9.1 10-110000 - Door Hardware	$0.00	$75,240.00	($21,016.10)	$54,223.90	$54,223.90	$0.00	$54,223.90	100.00%	$0.00	$0.00	0	$0.00
9.2 10-140000 - Exterior Signs	$0.00	$26,400.00	($10,000.00)	$16,400.00	$8,200.00	$0.00	$8,200.00	50.00%	$8,200.00	$0.00	0	$0.00
9.3 10-140010 - Interior Signs	$0.00	$26,400.00	($10,000.00)	$16,400.00	$8,200.00	$0.00	$8,200.00	50.00%	$8,200.00	$0.00	0	$0.00
9.4 10-140020 - Monument Sign	$0.00	$15,000.00	$0.00	$15,000.00	$7,500.00	$0.00	$7,500.00	50.00%	$7,500.00	$0.00	0	$0.00
9.5 10-211300 - Toilet Partitions	$0.00	$7,000.00	$0.00	$7,000.00	$0.00	$0.00	$0.00	0.00%	$7,000.00	$0.00	0	$0.00
9.6 10-281300 - Toilet Accessories	$0.00	$33,000.00	($8,012.46)	$24,987.54	$24,987.54	$0.00	$24,987.54	100.00%	$0.00	$0.00	0	$0.00
9.7 10-440000 - Fire Extinguishers	$0.00	$13,200.00	$0.00	$13,200.00	$13,200.00	$0.00	$13,200.00	100.00%	$0.00	$0.00	0	$0.00
9.8 10-550000 - Postal Equipment	$0.00	$30,000.00	$0.00	$30,000.00	$15,000.00	$0.00	$15,000.00	50.00%	$15,000.00	$0.00	0	$0.00
9.9 10-572313 - Closet and Utility Shelving	$0.00	$39,600.00	($16,345.00)	$23,255.00	$11,627.50	$0.00	$11,627.50	50.00%	$11,627.50	$0.00	0	$0.00
10 - Specialties Subtotals	$0.00	$265,840.00	($65,373.56)	$200,466.44	$142,938.94	$0.00	$142,938.94	71.30%	$57,527.50	$0.00	0	$0.00
10 11 - Equipment												
10.1 11-310000 - Kitchen Appliances	$0.00	$580,800.00	$0.00	$580,800.00	$546,462.00	$0.00	$546,462.00	94.09%	$34,338.00	$0.00	0	$0.00
10.2 11-310010 - Residential Laundry Equipment: Material	$0.00	$237,600.00	($237,600.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
10.3 11-681300 - Playground Equipment	$0.00	$45,000.00	($45,000.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
11 - Equipment Subtotals	$0.00	$863,400.00	($282,600.00)	$580,800.00	$546,462.00	$0.00	$546,462.00	94.09%	$34,338.00	$0.00	0	$0.00
11 12 - Furnishings												
11.1 12-353013 - Cabinets	$0.00	$594,000.00	($453,000.00)	$141,000.00	$141,000.00	$0.00	$141,000.00	100.00%	$0.00	$0.00	0	$0.00

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11.2 12-353015 - Granite	$0.00	$264,000.00	$91,742.00	$355,742.00	$249,019.40	$50,000.00	$299,019.40	84.06%	$56,722.60	$2,500.00	5.00%	$8,449.17
11.3 12-930000 - Site Furnishings	$0.00	$0.00	$121,375.43	$121,375.43	$0.00	$50,000.00	$50,000.00	41.19%	$71,375.43	$2,500.00	5.00%	$2,500.00
12 - Furnishings Subtotals	$0.00	$858,000.00	($239,882.57)	$618,117.43	$390,019.40	$100,000.00	$490,019.40	79.28%	$128,098.03	$5,000.00	5.00%	$10,949.17
12 13 - Special Construction												
12.1 13-000020 - Carports	$0.00	$264,000.00	($264,000.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
12.2 13-000040 - Maintenance Facility	$0.00	$20,000.00	$0.00	$20,000.00	$0.00	$0.00	$0.00	0.00%	$20,000.00	$0.00	0	$0.00
12.3 13-000050 - Mail Kiosks	$0.00	$20,000.00	$45,825.49	$65,825.49	$0.00	$0.00	$0.00	0.00%	$65,825.49	$0.00	0	$0.00
12.4 13-000080 - Sport Court	$0.00	$35,000.00	($35,000.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
12.5 13-000090 - Gazebos	$0.00	$25,000.00	($25,000.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
12.6 13-110000 - Pools and Pool Equipment	$0.00	$300,000.00	($276,963.00)	$23,037.00	$0.00	$0.00	$0.00	0.00%	$23,037.00	$0.00	0	$0.00
13 - Special Construction Subtotals	$0.00	$664,000.00	($555,137.51)	$108,862.49	$0.00	$0.00	$0.00	0.00%	$108,862.49	$0.00	0	$0.00
13 14 - Conveying Systems												
13.1 14-240000 - Elevators	$0.00	$735,000.00	$261,959.00	$996,959.00	$996,959.00	$0.00	$996,959.00	100.00%	$0.00	$0.00	0	$25,447.95
14 - Conveying Systems Subtotals	$0.00	$735,000.00	$261,959.00	$996,959.00	$996,959.00	$0.00	$996,959.00	100.00%	$0.00	$0.00	0	$25,447.95
14 21 - Fire Protection												
14.1 21-100000 - Fire Sprinkler	$0.00	$396,000.00	$340,896.68	$736,896.68	$626,362.18	$110,534.50	$736,896.68	100.00%	$0.00	$5,526.73	5.00%	$36,844.83
21 - Fire Protection Subtotals	$0.00	$396,000.00	$340,896.68	$736,896.68	$626,362.18	$110,534.50	$736,896.68	100.00%	$0.00	$5,526.73	5.00%	$36,844.83
15 22 - Plumbing												
15.1 22-000010 - Plumbing	$0.00	$1,273,687.39	$391,262.61	$1,664,950.00	$1,664,950.00	$0.00	$1,664,950.00	100.00%	$0.00	$0.00	0	$73,247.50
15.2 22-000020 - Plumbing Fixtures	$0.00	$352,539.66	$0.00	$352,539.66	$352,539.66	$0.00	$352,539.66	100.00%	$0.00	$0.00	0	$0.00

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15.3 22-000090 - Hot Water Heaters	$0.00	$158,400.00	($58,000.00)	$100,400.00	$0.00	$50,200.00	$50,200.00	50.00%	$50,200.00	$0.00	0.00%	$0.00
15.4 22-000100 - Tub Repairs	$0.00	$6,600.00	$0.00	$6,600.00	$0.00	$0.00	$0.00	0.00%	$6,600.00	$0.00	0	$0.00
15.5 22-000110 - Sub-Metering (Water)	$0.00	$46,200.00	($15,048.00)	$31,152.00	$10,000.00	$5,576.00	$15,576.00	50.00%	$15,576.00	$278.80	5.00%	$778.80
22 - Plumbing Subtotals	$0.00	$1,837,427.05	$318,214.61	$2,155,641.66	$2,027,489.66	$55,776.00	$2,083,265.66	96.64%	$72,376.00	$278.80	0.50%	$74,026.30
16 23 - HVAC												
16.1 23-000010 - HVAC	$0.00	$1,161,600.00	$275,700.00	$1,437,300.00	$1,112,643.00	$150,000.00	$1,262,643.00	87.85%	$174,657.00	$7,500.00	5.00%	$63,132.15
16.2 23-000080 - Testing, Balancing, Adjusting	$0.00	$92,400.00	($92,400.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
23 - HVAC Subtotals	$0.00	$1,254,000.00	$183,300.00	$1,437,300.00	$1,112,643.00	$150,000.00	$1,262,643.00	87.85%	$174,657.00	$7,500.00	5.00%	$63,132.15
17 26 - Electrical												
17.1 26-000010 - Electrical	$0.00	$1,557,831.98	$335,622.28	$1,893,454.26	$1,893,454.26	$0.00	$1,893,454.26	100.00%	$0.00	$0.00	0	$69,850.78
17.2 26-000014 - Electrical Material	$0.00	$0.00	$52,400.00	$52,400.00	$52,400.00	$0.00	$52,400.00	100.00%	$0.00	$0.00	0	$0.00
17.3 26-000020 - Telephone & Cable Underground	$0.00	$50,000.00	$0.00	$50,000.00	$50,000.00	$0.00	$50,000.00	100.00%	$0.00	$0.00	0	$2,500.00
17.4 26-000030 - Low-Voltage Distribution	$0.00	$132,000.00	$0.00	$132,000.00	$132,000.00	$0.00	$132,000.00	100.00%	$0.00	$0.00	0	$6,600.00
17.5 26-000040 - Electrical Fixtures	$0.00	$264,000.00	($264,000.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
17.6 26-560020 - Secondary Underground	$0.00	$75,000.00	$15,000.00	$90,000.00	$90,000.00	$0.00	$90,000.00	100.00%	$0.00	$0.00	0	$9,750.00
17.7 26-560040 - Fire Alarm	$0.00	$165,000.00	($28,750.00)	$136,250.00	$136,250.00	$0.00	$136,250.00	100.00%	$0.00	$0.00	0	$6,812.50
26 - Electrical Subtotals	$0.00	$2,243,831.98	$110,272.28	$2,354,104.26	$2,354,104.26	$0.00	$2,354,104.26	100.00%	$0.00	$0.00	0	$95,513.28
18 28 - Electronic Safety												
18.1 28-000020 - Access Control	$0.00	$66,000.00	$0.00	$66,000.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00	0	$0.00

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28 - Electronic Safety Subtotals	$0.00	$66,000.00	$0.00	$66,000.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00	0	$0.00
19 **31 - Earthwork**												
19.1 **31-000030 - Earthwork Grading**	$0.00	$771,983.62	$0.00	$771,983.62	$771,983.62	$0.00	$771,983.62	100.00%	$0.00	$0.00	0	$37,302.67
19.2 **31-100000 - Site Clearing**	$0.00	$230,000.00	$0.00	$230,000.00	$230,000.00	$0.00	$230,000.00	100.00%	$0.00	$0.00	0	$11,654.81
19.3 **31-230660 - Utility Spoil Disposal**	$0.00	$205,121.00	($10,256.05)	$194,864.95	$194,864.95	$0.00	$194,864.95	100.00%	$0.00	$0.00	0	$9,743.25
19.4 **31-250000 - Erosion & Sediment Control**	$0.00	$37,831.00	$1,810.00	$39,641.00	$39,641.00	$0.00	$39,641.00	100.00%	$0.00	$0.00	0	$1,334.08
31 - Earthwork Subtotals	$0.00	$1,244,935.62	($8,446.05)	$1,236,489.57	$1,236,489.57	$0.00	$1,236,489.57	100.00%	$0.00	$0.00	0	$60,034.81
20 **32 - Exterior Improvemets**												
20.1 **32-000005 - City Required Infrastructure**	$0.00	$85,000.00	($17,674.48)	$67,325.52	$67,325.52	$0.00	$67,325.52	100.00%	$0.00	$0.00	0	$1,241.28
20.2 **32-000010 - Exterior Improvements**	$0.00	$445,497.00	($14,044.41)	$431,452.59	$431,452.59	$0.00	$431,452.59	100.00%	$0.00	$0.00	0	$21,372.63
20.3 **32-131300 - Concrete Paving**	$0.00	$1,326,800.00	$186,655.52	$1,513,455.52	$1,513,455.52	$0.00	$1,513,455.52	100.00%	$0.00	$0.00	0	$153,590.43
20.4 **32-162300 - Sidewalks**	$0.00	$348,447.00	$0.00	$348,447.00	$348,447.00	$0.00	$348,447.00	100.00%	$0.00	$0.00	0	$17,422.35
20.5 **32-172300 - Pavement Marking**	$0.00	$43,560.00	($43,560.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
20.6 **32-172500 - Surveying & Layouts**	$0.00	$70,000.00	($7,000.00)	$63,000.00	$63,000.00	$0.00	$63,000.00	100.00%	$0.00	$0.00	0	$0.00
20.7 **32-800000 - Irrigation Systems**	$0.00	$200,000.00	($34,598.39)	$165,401.61	$34,072.88	$0.00	$34,072.88	20.60%	$131,328.73	$0.00	0	$4,654.58
20.8 **32-930000 - Landscaping**	$0.00	$264,000.00	($16,666.40)	$247,333.60	$49,466.72	$7,118.08	$56,584.80	22.88%*	$190,748.80	$0.00	0.00%	$2,354.68
32 - Exterior Improvemets Subtotals	$0.00	$2,783,304.00	$53,111.84	$2,836,415.84	$2,507,220.23	$7,118.08	$2,514,338.31	88.64%*	$322,077.53	$0.00	0.00%	$200,635.95
21 **33 - Utilities**												
21.1 **33-000010 - Site Utilites**	$0.00	$196,326.35	$8,073.31	$204,399.66	$204,399.66	$0.00	$204,399.66	100.00%	$0.00	$0.00	0	$9,816.32

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21.2 33-100000 - Water	$0.00	$350,000.00	$0.00	$350,000.00	$350,000.00	$0.00	$350,000.00	100.00%	$0.00	$0.00	0	$17,500.00
21.3 33-300000 - Sanitary Sewer	$0.00	$250,000.00	$0.00	$250,000.00	$250,000.00	$0.00	$250,000.00	100.00%	$0.00	$0.00	0	$12,500.00
21.4 33-400000 - Storm Drain	$0.00	$575,000.00	($7,340.33)	$567,659.67	$567,659.67	$0.00	$567,659.67	100.00%	$0.00	$0.00	0	$28,382.98
33 - Utilities Subtotals	$0.00	$1,371,326.35	$732.98	$1,372,059.33	$1,372,059.33	$0.00	$1,372,059.33	100.00%	$0.00	$0.00	0	$68,199.30
22 50 - Fees												
22.1 50-000010 - Overhead	$0.00	$601,852.00	$124,211.06	$726,063.06	$726,063.06	$0.00	$726,063.06	100.00%	$0.00	$0.00	0	$0.00
22.2 50-000020 - GC Fee	$0.00	$1,805,556.00	$372,633.18	$2,178,189.18	$2,178,189.18	$0.00	$2,178,189.18	100.00%	$0.00	$0.00	0	$0.00
50 - Fees Subtotals	$0.00	$2,407,408.00	$496,844.24	$2,904,252.24	$2,904,252.24	$0.00	$2,904,252.24	100.00%	$0.00	$0.00	0	$0.00
Grand Totals	$0.00	$33,500,000.00	$6,668,970.41	$40,168,970.41	$34,267,229.69	$1,286,241.46	$35,681,670.86	88.83%	$4,487,299.55	$55,861.63	4.34%	$1,198,148.04

Exhibit 5

SONOMA HOUSING ADVISORS, LLC

Attn: BILL FISHER

16812 Dallas Parkway

Dallas, TX 75248

214-608-7201

Bill.fisher@sonomaadvisors.com

Honorable Leo Vasquez
Chairman
TDHCA Governor Board
211 E. 11th Street
Austin, TX 77011

April 25, 2025

RE: Appeal of the recommendation for punishment by debarment for Sonoma Housing and myself

Dear Chairman, Vasquez:

My name is Bill Fisher. I am President and owner of Sonoma Housing Advisors. I have done business with TDHCA for almost 30 years. I have been involved in management, construction and development of affordable housing in our great state since 1997. I have participated in the development and operation of over 10,000 affordable housing units covering more than 65 communities. Nearly all in Texas during this timeframe. SHA is a mission driven business whose only work is on affordable rental housing for low- and moderate-income Texans.

Many of these developments have won local, regional and national awards for excellence. I have a strong record of compliance with TDHCA throughout nearly 30 years of work. I have never been subject to any sanctions until what is being proposed by staff today. Debarment is a death sentence in this space for a Texan and a Texas based affordable housing business.

Debarment is the most serious sanction anyone in this industry can suffer. It is often so damaging as to prevent us from operating in this space. The proposed sanctions are extremely harsh. I believe it is not appropriate given the facts and my strong history of quality compliant work since 1997. The board has many other options in holding me to account for this administrative error other than debarment.

Facts: When Melissa Fisher of RISE was in Austin at your board meeting. The deadline for filing construction reports was the same day. I first asked staff, in writing, for a short extension so Melissa, who has handled this for RISE flawlessly in the past, could complete the work on her return from the Thursday board meeting. I was encouraged to upload the report in her absence and not extend. I messed it up by attaching to my e-mail a RISE Construction internal document and not the original CA Partners report. My mistake, it happens, but it was never represented to anyone as anything but my mistake. I do not believe it even violates the rule noted in the notice of proposed debarment. I signed no certification nor made any representation related to what was uploaded. I presume if I had simply uploaded the wrong report for another project, for example. We would not be in this situation. This mistake is administrative in nature and does not justify any consideration for debarment.

Recent debarments by the Governing Board are for things like material noncompliance by Owners who did not correct life safety code violations after many months of department allowed time to address them. This was a 24-month debarment with a right to shorten it to 12 months with your approval. The next one was a situation where large numbers (hundreds) of affordable units financed with TDHCA

resources were lost to foreclosure. That debarment was 36 months. Debarment of Sonoma Housing and myself for a mistaken upload is not the type of mistake anyone could, under the rule referenced, as grounds for a debarment. Debarment of a Texas businessman with a strong compliance track record like mine.

I believe it is the first and only time I have ever done this submission. I uploaded a report from CA Partners related to the construction of 262 senior living units in Fort Worth. I picked up the wrong report, one that our team had added comments and made notations and changes for internal use only. Those changes and notations are marked on red and highlighted with a different font. This mistaken upload is solely mine.

Should sanctions be warranted they should fall exclusively on me. I do not believe I violated the rule to start with as I never represented to anyone this report was the original work product of CA Partners, CA Partners was the construction reviewer for Freddie Mac and IBC Bank on Riverside Seniors. I do not get the reports directly but must ask for them from the bank.

I did not and no one at SHA or RISE made any representation to TDHCA that my submission by e-mail attachment was the original work of CA Partners. It is simply a mistake on my part. Uploading the internal document used for other purposes to TDHCA by mistake. I did not know of the error until contacted by Rosalio, head of asset management, asking about the red highlighted changes to the report. I responded immediately that it was not the original report and had been uploaded by me by mistake. I take full responsibility for this error but it is not grounds for the most sever punishment the board can hand to a company and individual in this industry.

I ask you to grant my appeal and deny grounds for debarment. If you believe punishment is warranted, then I am willing to accept that short of this nuclear, debarment option. Please carefully consider my track record since 1997 of quality work in this space with TDHCA. Consider carefully the incredible damage a debarment would inflict on my work and the work of RISE Residential.

I reserve the right to supplement this appeal under the rules until the time limited by the department and\or Board rules. Please do not destroy 20+ years of work for a group that employs over 130+ Texans and provides housing for another 5,000 households, seniors and families.

Your consideration is appreciated.

Sincerely,

James R. (Bill) Fisher

Individually and as President of Sonoma Housing Advisors, LLC

James R. (Bill) Fisher
Sonoma Housing Advisors, LLC
16812 Dallas Parkway
Dallas, TX 75248
Bill.fisher@sononaadvisors.com
214-608-7201

TDHCA BLACKLINE KEY Exhibit 6

TDHCA notes regarding alterations found in black text
Pages without alterations have been omitted

Legacy Riverside Senior Living Community

TDHCA # 20613

CONSTRUCTION STATUS REPORT

Q1 2024

Submitted 04/10/24

75% Complete as of 3/25/24

We will begin delivering finished buildings by Q2 2024,
with a full completion by year end.

DOCUMENT SUMMARY SHEET

TO OWNER/CLIENT:
Garland Housing Finance Corporation
1675 W Campbell Rd
Garland, Texas 75044

PROJECT:
Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

APPLICATION NO: 19 ✓
INVOICE NO: 36
PERIOD: 01/26/24 - 02/25/24 ✓
PROJECT NO: 2020-LRFW
CONTRACT DATE:

FROM CONTRACTOR:
Rise Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248

VIA ARCHITECT/ENGINEER:
Randy Richards (Hodges Architecture)

CONTRACT FOR: Legacy Riverside Senior Living

This page and the Document Detail Sheets to follow do not include any of the notations marked in green below that were added by CA Partners Inc in their Report #036 that was part of the 2024 Q1 CSR. The signature block is also different.

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1.	Original Contract Sum		$33,500,000.00 ✓
2.	Net change by change orders		$6,668,970.41 ✓
3.	Contract Sum to date (Line 1 ± 2)		$40,168,970.41 ✓
4.	Total completed and stored to date (Column G on detail sheet)		$29,589,731.04 *
5.	Retainage:		
	a. 3.30% of completed work	$970,922.33	
	b. 0.00% of stored material	$0.00	
	Total retainage (Line 5a + 5b or total in column I of detail sheet)		$970,922.33 ✓
6.	Total earned less retainage (Line 4 less Line 5 Total)		$28,618,808.71 ✓
7.	Less previous certificates for payment (Line 6 from prior certificate)		$26,971,030.37 *
8.	Current payment due:		$1,647,778.34 *
9.	Balance to finish, including retainage (Line 3 less Line 6)		$11,550,161.70 *

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner/Client:	$12,641,999.83	$(5,973,029.42)
Total approved this month:	$73,041.27	$(73,041.27)
Totals:	$12,715,041.10	$(6,046,070.69)
Net change by change orders:	$6,668,970.41	

The undersigned certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner/Client, and that current payments shown herein is now due.

CONTRACTOR: Rise Residential Construction Riverside, LLC

By: DocuSigned by: Melissa Fisher 55DFEC86AA5B469... Date: 3/7/2024

The version attached to the inspection report was signed by the general partner, Garland Housing Finance Corporation, on 3/25/2024. This version submitted to TDHCA is signed by the general contractor.

State of: TEXAS
County of: DALLAS
Subscribed and sworn to before me this 7th day of March
Notary Public: Shenyle Ce
My commission expires: 2-9-26

PAMELA CERRONE
Notary Public, State of Texas
Comm. Expires 02-09-26
Notary ID 133579493

ARCHITECT'S/ENGINEER'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on the on-site observations and the data comprising this application, the Architect/Engineer certifies to the Owner/Client that to the best of the Architect's/Engineer's knowledge, information and belief that Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: $1,647,778.34

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm the amount certified.)

ARCHITECT/ENGINEER:

By: DocuSigned by: Dan Burbine 72F9B559C6E8426... ✓ Date: 3/15/2024

This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to the rights of the Owner/Client or Contractor under this Contract.

Inspector notations shown in green below were deleted from the Q1 CSR that was submitted to TDHCA

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
01 - Requirements										
1.1	01-210000	Mobilization Allowance	$150,000.00	$150,000.00	$0.00	$0.00	$150,000.00	100.00%	$0.00	$0.00
1.2	01-210100	Living & Vehicle Allowances/Per Diem	$27,000.00	$26,257.00	$0.00	$0.00	$26,257.00	97.25%	$743.00	$0.00
1.3	01-310010	Project Management	$291,562.00	$291,562.00	$0.00	$0.00	$291,562.00	100.00%	$0.00	$0.00
1.4	01-310030	Superintendent	$317,893.25	$310,597.58	$7,295.67	$0.00	$317,893.25	100.00%	* $0.00	$0.00
1.5	01-310035	Assistant Superintendent	$134,106.75	$134,106.75	$0.00	$0.00	$134,106.75	100.00%	$0.00	$0.00
1.6	01-310037	Field Labor	$18,438.00	$18,438.00	$0.00	$0.00	$18,438.00	100.00%	$0.00	$0.00
1.7	01-310040	Field Administrative Staff	$70,000.00	$70,000.00	$0.00	$0.00	$70,000.00	100.00%	$0.00	$0.00
1.8	01-310045	Payroll Burden	$175,586.00	$175,586.00	$0.00	$0.00	$175,586.00	100.00%	$0.00	$0.00
1.9	01-310050	Travel Expenses	$50,814.00	$50,814.00	$0.00	$0.00	$50,814.00	100.00%	$0.00	$0.00
1.10	01-323310	Photography and Video	$5,081.40	$5,081.40	$0.00	$0.00	$5,081.40	100.00%	$0.00	$0.00
1.11	01-331310	Insurance - Builders Risk	$126,388.25	$126,388.25	$0.00	$0.00	$126,388.25	100.00%	$0.00	$0.00
1.12	01-331315	Insurance - General Liability	$155,300.00	$155,300.00	$0.00	$0.00	$155,300.00	100.00%	$0.00	$0.00
1.13	01-331320	Permits and Fees	$560,000.00	$560,000.00	$0.00	$0.00	$560,000.00	100.00%	$0.00	$0.00
1.14	01-352320	Termite & Pest Control	$28,935.75	$28,935.75	$0.00	$0.00	$28,935.75	100.00%	$0.00	$0.00
1.15	01-355300	Security	$36,107.33	$36,107.33	$0.00	$0.00	$36,107.33	100.00%	$0.00	$0.00
1.16	01-432610	Quality Testing	$101,892.00	$47,938.00	$444.00	$0.00	$48,382.00	47.48%	$53,510.00	$0.00
1.17	01-510010	Temporary Electric	$162,207.58	$60,802.63	$0.00	$0.00	$60,802.63	37.48%	$101,404.95	$0.00
1.18	01-510030	Temporary Water	$25,900.00	$11,399.55	$0.00	$0.00	$11,399.55	44.01%	$14,500.45	$0.00
1.19	01-510040	Temporary Phone, Internet	$3,387.60	$3,387.60	$0.00	$0.00	$3,387.60	100.00%	$0.00	$0.00
1.20	01-511330	Software	$27,000.00	$27,000.00	$0.00	$0.00	$27,000.00	100.00%	$0.00	$0.00
1.21	01-521310	Field Offices	$65,088.78	$22,243.13	$0.00	$0.00	$22,243.13	34.17%	$42,845.65	$0.00
1.22	01-521315	Temporary Toilets	$15,000.00	$9,567.62	$1,240.37	$0.00	$10,807.99	72.05%	$4,192.01	$0.00
1.23	01-521320	Office Supplies and Equipment	$5,081.40	$5,081.40	$0.00	$0.00	$5,081.40	100.00%	$0.00	$0.00
1.24	01-541620	Equipment Rental	$26,100.00	$26,100.00	$0.00	$0.00	$26,100.00	100.00%	$0.00	$0.00
1.25	01-562610	Temporary Fencing and Walkways	$28,260.28	$21,016.90	$1,536.26	$0.00	$22,553.16	79.81%	$5,707.12	$0.00

Inspector notations shown in green below were deleted

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
1.26	01-581310	Project Signs and Identification	$4,705.00	$4,705.00	$0.00	$0.00	$4,705.00	100.00%	$0.00	$0.00
1.27	01-660010	Trucking and Material Storage	$3,387.60	$3,387.60	$0.00	$0.00	$3,387.60	100.00%	$0.00	$0.00
1.28	01-712312	Estimator Expenses	$18,820.00	$18,820.00	$0.00	$0.00	$18,820.00	100.00%	$0.00	$0.00
1.29	01-731930	Small Tools	$1,693.80	$1,693.80	$0.00	$0.00	$1,693.80	100.00%	$0.00	$0.00
1.30	01-741900	General Debris and Dumpsters	$223,581.60	$223,581.60	$0.00	$0.00	$223,581.60	100.00%	$0.00	$0.00
1.31	01-771610	Punch List and Closeout	$18,820.00	$18,820.00	$0.00	$0.00	$18,820.00	100.00%	$0.00	$0.00
1.32	01-783910	Project Documentation	$3,387.60	$3,387.60	$0.00	$0.00	$3,387.60	100.00%	$0.00	$0.00
1.33	01-784231	Final Cleaning	$155,289.03	$155,289.03	$0.00	$0.00	$155,289.03	100.00%	$0.00	$0.00
01 - Requirements Subtotals			$3,036,815.00	$2,803,395.52	$10,516.30	$0.00	$2,813,911.82	92.66%	$222,903.18	$0.00
03 - Division 03										
2.1	03-310024	CIP Concrete Foundations	$1,285,674.25	$1,225,674.25	$60,000.00	$0.00	$1,285,674.25	100.00%	* $0.00	$64,283.72
2.2	03-540010	Lightweight/Gypcrete	$520,400.00	$0.00	$0.00	$0.00	$0.00	0.00%	$520,400.00	$0.00
03 - Division 03 Subtotals			$1,806,074.25	$1,225,674.25	$60,000.00	$0.00	$1,285,674.25	71.19%	$520,400.00	$64,283.72
04 - Division 04										
3.1	04-000010	Masonry	$2,024,988.00	$611,745.27	$25,000.00	$0.00	$636,745.27	31.44%	$1,388,242.73	$8,551.13
3.2	04-050000	Dumpster Enclosure	$16,000.00	$16,000.00	$0.00	$0.00	$16,000.00	100.00%	$0.00	$800.00
04 - Division 04 Subtotals			$2,040,988.00	$627,745.27	$25,000.00	$0.00	$652,745.27	31.98%	$1,388,242.73	$9,351.13
05 - Division 05										
4.1	05-511300	Metal Pan Stairs & Rails	$1,126,915.00	$425,000.00	$300,000.00	$0.00	$725,000.00	64.33%	* $401,915.00	$21,250.00
4.2	05-521320	Pool Fence	$49,775.00	$25,000.00	$0.00	$0.00	$25,000.00	50.23%	$24,775.00	$1,250.00
4.3	05-540010	Perimeter Fence	$340,010.00	$217,000.00	$0.00	$0.00	$217,000.00	63.82%	$123,010.00	$3,750.00
05 - Division 05 Subtotals			$1,516,700.00	$667,000.00	$300,000.00	$0.00	$967,000.00	63.76%	$549,700.00	$26,250.00
06 - Division 06										
5.1	06-110002	Wood Framing Labor	$1,637,790.11	$1,637,790.11	$0.00	$0.00	$1,637,790.11	100.00%	$0.00	$81,889.51
5.2	06-110004	Wood Framing Material	$4,162,871.16	$4,034,671.45	$0.00	$128,199.71	$4,162,871.16	100.00%	$0.00	$128,509.40

Inspector notations shown in green below were deleted

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
5.3	06-175300 - Trusses		$2,150,094.16	$2,150,094.16	$0.00	$0.00	$2,150,094.16	100.00%	$0.00	$107,936.32
5.4	06-460000 - Finish Trim Carpentry - Material		$309,510.00	* $0.00	$22,056.00	$0.00	$22,056.00	7.13%	$287,454.00	$0.00
5.5	06-460004 - Finish Trim Carpentry - Labor		$369,510.00	$0.00	$0.00	$0.00	$0.00	0.00%	$369,510.00	$0.00
06 - Division 06 Subtotals			$8,629,775.43	* $7,822,555.72	$22,056.00	$128,199.71	$7,972,811.43	92.39%	$656,964.00	$318,335.23
07 - Division 07										
6.1	07-130000 - Waterproofing		$37,350.00	$0.00	$0.00	$0.00	$0.00	0.00%	$37,350.00	$0.00
6.2	07-211610 - Batt Insulation		$509,000.00	$0.00	$100,000.00	$0.00	$100,000.00	19.65%	$409,000.00	$5,000.00
6.3	07-311300 - Shingles		$265,290.33	* $265,290.33	$0.00	$0.00	$265,290.33	100.00%	$0.00	$1,807.45
6.4	07-510000 - Metal Roofing		$1,040,600.00	*$1,040,600.00	$0.00	$0.00	$1,040,600.00	100.00%	$0.00	$11,000.00
6.5	07-712300 - Gutters and Downspouts		$85,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$85,000.00	$0.00
07 - Division 07 Subtotals			$1,937,240.33	* $1,305,890.33	$100,000.00	$0.00	$1,405,890.33	72.57%	$531,350.00	$17,807.45
08 - Division 08										
7.1	08-140002 - Doors - Interior		$290,402.28	$0.00	$50,000.00	$0.00	$50,000.00	17.22%	* $240,402.28	$0.00
7.2	08-161400 - Doors - Exterior		$237,600.00	$237,600.00	$0.00	$0.00	$237,600.00	100.00%	$0.00	$0.00
7.3	08-531300 - Windows		$265,394.05	$265,394.05	$0.00	$0.00	$265,394.05	100.00%	$0.00	$7,500.00
7.4	08-531400 - Window Coverings		$31,680.00	$31,680.00	$0.00	$0.00	$31,680.00	100.00%	$0.00	$0.00
7.5	08-800000 - Glass and Glazing		$33,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$33,000.00	$0.00
08 - Division 08 Subtotals			$858,076.33	$534,674.05	$50,000.00	$0.00	$584,674.05	68.14%	$273,402.28	$7,500.00
09 - Division 09										
8.1	09-000040 - Drywall		$1,594,195.00	$0.00	$200,000.00	$0.00	$200,000.00	12.55%	* $1,394,195.00	$10,000.00
8.2	09-301300 - Ceramic		$143,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$143,000.00	$0.00
8.3	09-651900 - Vinyl		$331,819.00	$0.00	$0.00	$0.00	$0.00	0.00%	$331,819.00	$0.00
8.4	09-800000 - Clubhouse Flooring		$25,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$25,000.00	$0.00
8.5	09-912300 - Painting		$770,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$770,000.00	$0.00
09 - Division 09 Subtotals			$2,864,014.00	$0.00	$200,000.00	$0.00	$200,000.00	6.98%	$2,664,014.00	$10,000.00

A		B	C	D	E	F	G		H	I
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				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
10 - Division 10										
9.1	10-110000 - Door Hardware		$54,223.90	$54,223.90	$0.00	$0.00	$54,223.90	100.00%	$0.00	$0.00
9.2	10-140000 - Exterior Signs		$26,400.00	$0.00	$0.00	$0.00	$0.00	0.00%	$26,400.00	$0.00
9.3	10-140010 - Interior Signs		$26,400.00	$0.00	$0.00	$0.00	$0.00	0.00%	$26,400.00	$0.00
9.4	10-140020 - Monument Sign		$15,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$15,000.00	$0.00
9.5	10-211300 - Toilet Partitions		$7,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$7,000.00	$0.00
9.6	10-281300 - Toilet Accessories		$24,987.54	$24,987.54	$0.00	$0.00	$24,987.54	100.00%	$0.00	$0.00
9.7	10-440000 - Fire Extinguishers		$13,200.00	$13,200.00	$0.00	$0.00	$13,200.00	100.00%	$0.00	$0.00
9.8	10-550000 - Postal Equipment		$30,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$30,000.00	$0.00
9.9	10-572313 - Closet and Utility Shelving		$23,255.00	$0.00	$0.00	$0.00	$0.00	0.00%	$23,255.00	$0.00
10 - Division 10 Subtotals			$220,466.44	$92,411.44	$0.00	$0.00	$92,411.44	41.92%	$128,055.00	$0.00
11 - Division 11										
10.1	11-310000 - Kitchen Appliances		$580,800.00	$250,000.00	$0.00	$0.00	$250,000.00	43.04%	$330,800.00	$0.00
10.2	11-310010 - Residential Laundry Equipment: Material		$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
10.3	11-681300 - Playground Equipment		$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
11 - Division 11 Subtotals			$580,800.00	$250,000.00	$0.00	$0.00	$250,000.00	43.04%	$330,800.00	$0.00
12 - Division 12										
11.1	12-353013 - Cabinets		$141,000.00	* $141,000.00	$0.00	$0.00	$141,000.00	100.00%	$0.00	$0.00
11.2	12-353015 - Granite		$355,742.00	* $0.00	$0.00	$0.00	$0.00	0.00%	$355,742.00	$0.00
11.3	12-930000 - Site Furnishings		$121,375.43	$0.00	$0.00	$0.00	$0.00	0.00%	$121,375.43	$0.00
12 - Division 12 Subtotals			$618,117.43	$141,000.00	$0.00	$0.00	$141,000.00	22.81%	$477,117.43	$0.00
13 - Division 13										
12.1	13-000020 - Carports		$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
12.2	13-000040 - Maintenance Facility		$20,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$20,000.00	$0.00
12.3	13-000050 - Mail Kiosks		$65,825.49	$0.00	$0.00	$0.00	$0.00	0.00%	$65,825.49	$0.00

Inspector notations shown in green below were deleted

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
12.4 **13-000080 - Sport Court**			$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
12.5 **13-000090 - Gazebos**			$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
12.6 **13-110000 - Pools and Pool Equipment**			$23,037.00	$0.00	$0.00	$0.00	$0.00	0.00%	$23,037.00	$0.00
13 - Division 13 Subtotals			$108,862.49	$0.00	$0.00	$0.00	$0.00	0.00%	$108,862.49	$0.00
14 - Division 14										
13.1 **14-240000 - Elevators**			$996,959.00	$785,000.00	$0.00	$0.00	$785,000.00	78.74%	$211,959.00	$14,850.00
14 - Division 14 Subtotals			$996,959.00	$785,000.00	$0.00	$0.00	$785,000.00	78.74%	$211,959.00	$14,850.00
21 - Division 21										
14.1 **21-100000 - Fire Sprinkler**			$406,890.00	$45,000.00	$150,000.00	$0.00	$195,000.00	47.92% *	$211,890.00	$9,750.00
21 - Division 21 Subtotals			$406,890.00	$45,000.00	$150,000.00	$0.00	$195,000.00	47.92%	$211,890.00	$9,750.00
22 - Division 22										
15.1 **22-000010 - Plumbing**			$1,602,321.63	$1,372,452.09	$229,869.54	$0.00	$1,602,321.63	100.00% *	$0.00	$70,116.08
15.2 **22-000020 - Plumbing Fixtures**			$352,539.66	$352,539.66	$0.00	$0.00	$352,539.66	100.00%	$0.00	$0.00
15.3 **22-000090 - Hot Water Heaters**			$100,400.00	$0.00	$0.00	$0.00	$0.00	0.00%	$100,400.00	$0.00
15.4 **22-000100 - Tub Repairs**			$6,600.00	$0.00	$0.00	$0.00	$0.00	0.00%	$6,600.00	$0.00
15.5 **22-000110 - Sub-Metering (Water)**			$31,152.00	$0.00	$0.00	$0.00	$0.00	0.00%	$31,152.00	$0.00
22 - Division 22 Subtotals			$2,093,013.29	$1,724,991.75	$229,869.54	$0.00	$1,954,861.29	93.40%	$138,152.00	$70,116.08
23 - Division 23										
16.1 **23-000010 - HVAC**			$1,448,000.00	$150,000.00	$300,000.00	$0.00	$450,000.00	31.08% *	$998,000.00	$22,500.00
16.2 **23-000080 - Testing, Balancing, Adjusting**			$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
23 - Division 23 Subtotals			$1,448,000.00	$150,000.00	$300,000.00	$0.00	$450,000.00	31.08%	$998,000.00	$22,500.00
26 - Division 26										
17.1 **26-000010 - Electrical**			$1,893,454.26	$1,710,772.70	$182,681.56	$0.00	$1,893,454.26	100.00% *	$0.00	$69,850.78
17.2 **26-000014 - Electrical Material**			$16,000.00	$3,490.98	$0.00	$0.00	$3,490.98	21.82%	$12,509.02	$0.00
17.3 **26-000020 - Telephone & Cable Underground**			$50,000.00	$50,000.00	$0.00	$0.00	$50,000.00	100.00%	$0.00	$2,500.00

Inspector notations shown in green below were deleted

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
17.4	26-000030	Low-Voltage Distribution	$132,000.00	$132,000.00	$0.00	$0.00	$132,000.00	100.00%	$0.00	$6,600.00
17.5	26-000040	Electrical Fixtures	$273,257.18	$0.00	$0.00	$0.00	$0.00	0.00%	$273,257.18	$0.00
17.6	26-560020	Secondary Underground	$90,000.00	$90,000.00	$0.00	$0.00	$90,000.00	100.00%	$0.00	$9,750.00
17.7	26-560040	Fire Alarm	$136,250.00	$0.00	$0.00	$0.00	$0.00	0.00%	$136,250.00	$0.00
26 - Division 26 Subtotals			$2,590,961.44	$1,986,263.68	$182,681.56	$0.00	$2,168,945.24	83.71%	$422,016.20	$88,700.78
28 - Division 28										
18.1	28-000020	Access Control	$66,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00
28 - Division 28 Subtotals			$66,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00
31 - Division 31										
19.1	31-000030	Earthwork Grading	$771,983.62	$771,983.62	$0.00	$0.00	$771,983.62	100.00%	$0.00	$37,302.67
19.2	31-100000	Site Clearing	$230,000.00	$230,000.00	$0.00	$0.00	$230,000.00	100.00%	$0.00	$11,654.81
19.3	31-230660	Utility Spoil Disposal	$194,864.95	$194,864.95	$0.00	$0.00	$194,864.95	100.00%	$0.00	$9,743.25
19.4	31-250000	Erosion & Sediment Control	$39,641.00	$39,641.00	$0.00	$0.00	$39,641.00	100.00%	$0.00	$1,334.08
31 - Division 31 Subtotals			$1,236,489.57	$1,236,489.57	$0.00	$0.00	$1,236,489.57	100.00%	$0.00	$60,034.81
32 - Division 32										
20.1	32-000005	City Required Infrastructure	$67,325.52	$42,500.00	$0.00	$0.00	$42,500.00	63.13%	$24,825.52	$0.00
20.2	32-000010	Exterior Improvements	$431,452.59	$309,649.25	$0.00	$0.00	$309,649.25	71.77%	$121,803.34	$15,282.46
20.3	32-131300	Concrete Paving	$1,513,455.52	$1,437,782.73	$0.00	$0.00	$1,437,782.73	95.00%	$75,672.79	$149,806.79
20.4	32-162300	Sidewalks	$348,447.00	$170,000.00	$100,000.00	$0.00	$270,000.00	77.49%	* $78,447.00	$13,500.00
20.5	32-172300	Pavement Marking	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
20.6	32-172500	Surveying & Layouts	$63,000.00	$63,000.00	$0.00	$0.00	$63,000.00	100.00%	$0.00	$0.00
20.7	32-800000	Irrigation Systems	$165,401.61	$34,072.88	$0.00	$0.00	$34,072.88	20.60%	$131,328.73	$4,654.58
20.8	32-930000	Landscaping	$247,333.60	$0.00	$0.00	$0.00	$0.00	0.00%	$247,333.60	$0.00
32 - Division 32 Subtotals			$2,836,415.84	$2,057,004.86	$100,000.00	$0.00	$2,157,004.86	76.05%	$679,410.98	$183,243.83
33 - Division 33										

Inspector notations shown in green below were deleted

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
21.1	33-000010	Site Utilites	$204,399.66	$204,399.66	$0.00	$0.00	$204,399.66	100.00%	$0.00	$9,816.32
21.2	33-100000	Water	$350,000.00	$350,000.00	$0.00	$0.00	$350,000.00	100.00%	$0.00	$17,500.00
21.3	33-300000	Sanitary Sewer	$250,000.00	$250,000.00	$0.00	$0.00	$250,000.00	100.00%	$0.00	$12,500.00
21.4	33-400000	Storm Drain	$567,659.67	$567,659.67	$0.00	$0.00	$567,659.67	100.00%	$0.00	$28,382.98
33 - Division 33 Subtotals			$1,372,059.33	$1,372,059.33	$0.00	$0.00	$1,372,059.33	100.00%	$0.00	$68,199.30
50 - Division 50										
22.1	50-000010	Overhead	$726,063.06	$726,063.06	$0.00	$0.00	$726,063.06	100.00%	$0.00	$0.00
22.2	50-000020	GC Fee	$2,178,189.18	$2,178,189.10	$0.00	$0.00	$2,178,189.10	100.00%	$0.08	$0.00
50 - Division 50 Subtotals			$2,904,252.24	$2,904,252.16	$0.00	$0.00	$2,904,252.16	100.00%	$0.08	$0.00
Grand Totals			$40,168,970.41 ✓	$27,731,407.93	$1,730,123.40 *	$128,199.71	$29,589,731.04 *	73.66% *	$10,579,239.37	$970,922.33

RISE Residential Construction Riverside, LLC

Page was added to the Q1 CSR that was submitted to TDHCA, replacing deleted older photo pages noted below

Printed on Sun Apr 7, 2024 at 11:17 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

Taken Date	Uploaded By
04/05/2024 at 03:51 pm	Joseph Welch
Upload Date	**File Name**
04/05/2024 at 06:55 pm	IMG_2024_04_05_15_51_29_883.j...

Description

Taken Date	Uploaded By
04/05/2024 at 03:12 pm	Joseph Welch
Upload Date	**File Name**
04/05/2024 at 06:55 pm	IMG_2024_04_05_15_12_23_898.j...

Description

Taken Date	Uploaded By
04/05/2024 at 03:05 pm	Joseph Welch
Upload Date	**File Name**
04/05/2024 at 06:55 pm	IMG_2024_04_05_15_05_00_575.j...

Description

Taken Date	Uploaded By
04/04/2024 at 10:46 am	Joseph Welch
Upload Date	**File Name**
04/04/2024 at 10:47 am	1DFF4B72-A8F0-4155-A288-426B...

RISE Residential Construction Riverside, LLC

Page was added to the Q1 CSR that was submitted to TDHCA, replacing deleted older photo pages noted below

Printed on Sun Apr 7, 2024 at 11:17 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

Pouring lightweight in bldg. 1 2nd and 3rd floor

Taken Date	Uploaded By
04/02/2024 at 12:00 pm	Joseph Welch

Upload Date	File Name
04/02/2024 at 12:15 pm	20240402_120045.jpg

Description

Waterproofing corridors in bldg. 1, 2nd floor

Taken Date	Uploaded By
04/01/2024 at 05:28 pm	Joseph Welch

Upload Date	File Name
04/01/2024 at 05:28 pm	IMG_2024_04_01_17_28_41_305.j...

Description

Pouring bldg. 5 slab

Taken Date	Uploaded By
03/23/2024 at 10:46 am	Joseph Welch

Upload Date	File Name
03/23/2024 at 10:46 am	IMG_2024_03_23_10_46_44_324.j...

Description

Taken Date	Uploaded By
03/23/2024 at 09:19 am	Doug Robinson

Upload Date	File Name
03/23/2024 at 09:20 am	20240323_091934.jpg

RISE RESIDENTIAL CONSTRUCTION
CONDITIONAL WAIVER - SUBCONTRACTOR LIST

PROJECT: Legacy Riverside
Fort Worth, TX

Page deleted from Q1 CSR that was submitted to TDHCA

APPLICATION NUMBER: 36
APPLICATION DATE: 2/25/2024
PERIOD FROM: 1/26/2023
PERIOD TO: 2/25/2024

Division	Cost Code		Total Drawn	Contractor / Vendor Name	Sub, Materials, or Stored Materials	Total Due	Sub Retainage	Billed Retainage	Conditional Waivers Attached
Division #1	310010	General Conditions				$0.00			
Division #1	310030	General Conditions	$7,295.67			$7,295.67			
Division #1	310035	General Conditions				$0.00			
Division #1	310040	General Conditions				$0.00			
Division #1	331310	General Conditions				$0.00			
Division #1	331320	General Conditions		CITY OF FW		$0.00			
Division #1	355300	General Conditions		SECURITY		$0.00			
Division #1	432610	General Conditions	$444.00	PSI		$444.00			
Division #1	521315	General Conditions	$1,240.37	Viking		$1,240.37			
Division #1	562610	General Conditions	$1,536.26	Viking		$1,536.26			
Division #1	741900	General Conditions		Waste Conn		$0.00			
Division #2		Existing Conditions				$0.00	$0.00	$0.00	$0.00
Division #3	310024	Concrete	$60,000.00	Hold @ Title	Subcontractor	$60,000.00	$6,000.00	$3,000.00	$54,000.00
Division #4	000010	Masonry	$25,000.00	Hold @ Title	Subcontractor	$25,000.00	$2,500.00	$1,250.00	$22,500.00
Division #5	511300	Metals	$300,000.00	Hold @ Title	Subcontractor	$300,000.00	$30,000.00	$15,000.00	$270,000.00
Division #6	110002	Wood & Plastics		MFL	Other	$0.00	$0.00	$0.00	$0.00
Division #6	110004	Wood & Plastics		SOUTHERN CARLSON	Materials Onsite	$0.00	$0.00	$0.00	$0.00
Division #6	175300	Wood & Plastics		84 LUMBER	Materials Onsite	$0.00	$0.00	$0.00	$0.00
Division #6	460000	Wood & Plastics	$22,056.00	RED RIVER LOGISTICS	Other	$22,056.00	$0.00	$0.00	$22,056.00
Division #7	211610	Thermal & Moisture	$100,000.00	Hold @ Title	Subcontractor	$100,000.00	$10,000.00	$5,000.00	$90,000.00
Division #7	311300	Thermal & Moisture		Quick Roofing	Subcontractor	$0.00	$0.00	$0.00	$0.00
Division #8	140002	Doors & Windows	$50,000.00	Hold @ Title	Other	$50,000.00	$0.00	$0.00	$50,000.00
Division #8	531300	Doors & Windows		84 LUMBER	Materials Onsite	$0.00	$0.00	$0.00	$0.00
Division #9	000040	Finishes	$200,000.00	Hold @ Title	Subcontractor	$200,000.00	$20,000.00	$10,000.00	$180,000.00
Division #10		Specialities				$0.00	$0.00	$0.00	$0.00
Division #11		Equipment				$0.00	$0.00	$0.00	$0.00
Division #12		Furnishings				$0.00	$0.00	$0.00	$0.00
Division #13		Special Construction				$0.00	$0.00	$0.00	$0.00
Division #14		Conveying Systems				$0.00	$0.00	$0.00	$0.00
Division #21	100000	Fire Protection	$150,000.00	Hold @ Title	Subcontractor	$150,000.00	$15,000.00	$7,500.00	$135,000.00
Division #22	000010	Plumbing		Salinas	Subcontractor	$0.00	$0.00	$0.00	$0.00
Division #22	000010	Plumbing	$229,869.54	Hold @ Title	Subcontractor	$229,869.54	$22,986.95	$11,493.48	$206,882.59
Division #23	000010	HVAC	$300,000.00	Hold @ Title	Subcontractor	$300,000.00	$30,000.00	$15,000.00	$270,000.00
Division #25		Integrated Automation				$0.00	$0.00	$0.00	$0.00
Division #26	000010	Electrical		Protec	Subcontractor	$0.00	$0.00	$0.00	$0.00
Division #26	000010	Electrical	$650.00	GC CENTRAL	Materials Onsite	$650.00	$0.00	$0.00	$650.00
Division #26	000010	Electrical	$182,031.56	Hold @ Title	Subcontractor	$182,031.56	$18,203.16	$9,101.58	$163,828.40
Division #27		Communications				$0.00	$0.00	$0.00	$0.00
Division #28		Electronic Safety				$0.00	$0.00	$0.00	$0.00
Division #31		Earthwork				$0.00	$0.00	$0.00	$0.00
Division #32	162300	Exterior Improvements	$100,000.00	Hold @ Title	Subcontractor	$100,000.00	$10,000.00	$5,000.00	$90,000.00
Division #33		Utilities				$0.00	$0.00	$0.00	$0.00
Division #50		OH&P				$0.00	$0.00	$0.00	$0.00
			$1,730,123.40	**$0.00**	**$0.00**	**$1,730,123.40**	**$164,690.11**	**$82,345.06**	**$1,554,916.99**

Current Draw Amount $1,730,123.40 Billing Less Retainage $1,647,778.35

$10,516.30 Profit, Overhead and General Conditions Draw Total

DocuSign Envelope ID: C85629EE-7424-4888-A691-33E4E6DA3444

Page deleted from Q1 CSR that was submitted to TDHCA

PCCO #019

RISE Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248
Phone: (972) 701-5555

Project: 2020-LRFW - Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Prime Contract Change Order #019: CE #146 - Feb Reallocations

TO:	**Garland Housing Finance Corporation** 1675 W Campbell Rd Garland, Texas 75044	**FROM:**	**Rise Residential Construction Riverside, LLC** 16812 Dallas Parkway Dallas, Texas 75248
DATE CREATED:	3/04/2024	**CREATED BY:**	Shayla Cerrone **(Rise Residential Construction)**
CONTRACT STATUS:	Approved	**REVISION:**	0
REQUEST RECEIVED FROM:		**LOCATION:**	
DESIGNATED REVIEWER:		**REVIEWED BY:**	
DUE DATE:		**REVIEW DATE:**	03/04/2024
INVOICED DATE:		**PAID DATE:**	
REFERENCE:		**CHANGE REASON:**	Budget Constraints or Reallocations
PAID IN FULL:	No	**EXECUTED:**	No
ACCOUNTING METHOD:	Amount Based	**SCHEDULE IMPACT:**	
SIGNED CHANGE ORDER RECEIVED DATE:			
FIELD CHANGE:	No	**CONTRACT FOR:**	20-0168:Legacy Riverside Senior Living
		TOTAL AMOUNT:	$0.00

DESCRIPTION:
CE #146 - Feb Reallocations

ATTACHMENTS:

CHANGE ORDER LINE ITEMS:

#	Budget Code	Description	Amount
1	01.01-541620.EQUIP General Conditions.Equipment Rental.Equipment		$13,041.27
2	01.01-541620.MAT General Conditions.Equipment Rental.Materials		$(13,041.27)
3	03.03-310024.SUB Concrete.CIP Concrete Foundations.Subcontracts		$60,000.00
4	06.06-460000.MAT Wood & Plastics.Finish Trim Carpentry - Material.Materials		$(60,000.00)
		Subtotal:	**$0.00**
		50-000010 Overhead (2.00% Applies to all line item types.):	$0.00
		50-000040 CO Fee (6.00% Applies to all line item types.):	$0.00
		Grand Total:	**$0.00**

DocuSign Envelope ID: C85629EE-7424-4888-A691-33E4E6DA3444

Page deleted from Q1 CSR that was submitted to TDHCA

PCCO #019

The original (Contract Sum)	$33,500,000.00
Net change by previously authorized Change Orders	$6,668,970.41
The contract sum prior to this Change Order was	$40,168,970.41
The contract sum will not be changed by this Change Order in the amount of	$0.00
The new contract sum including this Change Order will be	$40,168,970.41
The contract time will not be changed by this Change Order.	

Randy Richards (Hodges Architecture)
Dan Burbine

DocuSigned by:
Dan Burbine 3/15/2024
72F9B559C6E8426...

SIGNATURE **DATE**

Garland Housing Finance Corporation

1675 W Campbell Rd
Garland, Texas 75044

SIGNATURE **DATE**

Rise Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248

DocuSigned by:
Melissa Fisher 3/7/2024
55DEEC86AA5B469...

SIGNATURE **DATE**

RISE Residential Construction Riverside, LLC

Printed on Fri Mar 15, 2024 at 11:41 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Page deleted from Q1 CSR submission to TDHCA, and different photos were inserted above from more recent dates

Description

Installing poly

Taken Date

03/13/2024 at 05:51 pm

Uploaded By

Joseph Welch

Upload Date

03/13/2024 at 05:51 pm

File Name

IMG_2024_03_13_17_51_10_187.j...

Description

Installing roof decking

Taken Date

03/13/2024 at 04:51 pm

Uploaded By

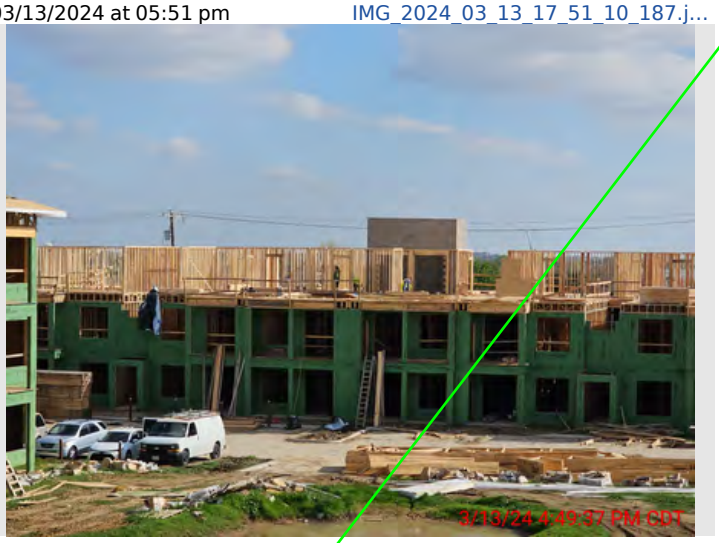
Joseph Welch

Upload Date

03/13/2024 at 04:51 pm

File Name

IMG_2024_03_13_16_51_07_221.j...



Description

Framing 3rd floor

Taken Date

03/13/2024 at 04:49 pm

Uploaded By

Joseph Welch

Upload Date

03/13/2024 at 04:49 pm

File Name

IMG_2024_03_13_16_49_37_342.j...

Description

Bug spray

Taken Date

03/12/2024 at 05:27 pm

Uploaded By

Joseph Welch

Upload Date

03/12/2024 at 05:28 pm

File Name

IMG_2024_03_12_17_27_53_290.j...

RISE Residential Construction Riverside, LLC

Page deleted from Q1 CSR submission to TDHCA, and different photos were inserted above from more recent dates

Printed on Fri Mar 15, 2024 at 11:41 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

Installing roof

Taken Date

03/12/2024 at 01:56 pm

Uploaded By

Joseph Welch

Upload Date

03/12/2024 at 01:56 pm

File Name

IMG_2024_03_12_13_56_46_505.j...

Description

Installing hardie

Taken Date

03/12/2024 at 01:49 pm

Uploaded By

Joseph Welch

Upload Date

03/12/2024 at 01:49 pm

File Name

IMG_2024_03_12_13_49_51_094.j...

Description

Installing hardie

Taken Date

03/09/2024 at 08:57 am

Uploaded By

Joseph Welch

Upload Date

03/09/2024 at 08:57 am

File Name

IMG_2024_03_09_08_57_21_468.j...

Description

Taken Date

03/08/2024 at 12:44 pm

Uploaded By

Joseph Welch

Upload Date

03/08/2024 at 12:44 pm

File Name

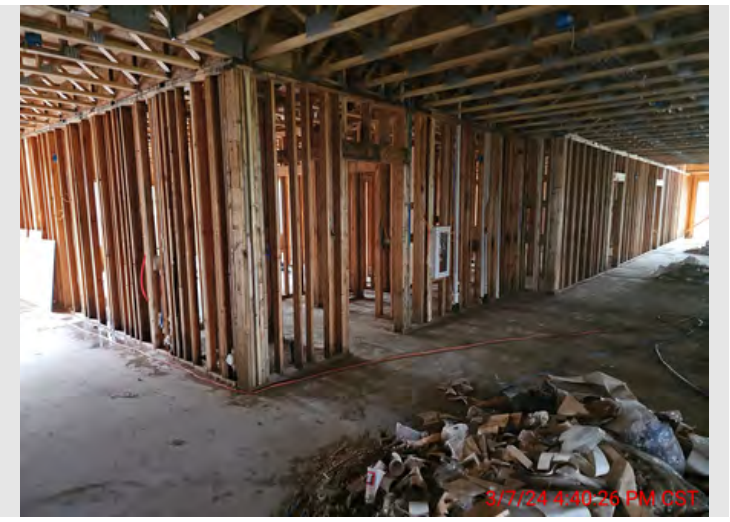
IMG_2024_03_08_12_44_27_849.j...

RISE Residential Construction Riverside, LLC

Page deleted from Q1 CSR submission to TDHCA, and different photos were inserted above from more recent dates

Printed on Fri Mar 15, 2024 at 11:41 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137



Description

Sweet out

Taken Date

03/07/2024 at 04:40 pm

Uploaded By

Joseph Welch

Upload Date

03/07/2024 at 04:40 pm

File Name

IMG_2024_03_07_16_40_25_641.j...

Description

Installing light boxes

Taken Date

03/06/2024 at 09:52 am

Uploaded By

Joseph Welch

Upload Date

03/06/2024 at 09:52 am

File Name

IMG_2024_03_06_09_52_15_652.j...

Description

Installing hardie

Taken Date

03/06/2024 at 08:03 am

Uploaded By

Joseph Welch

Upload Date

03/06/2024 at 08:03 am

File Name

IMG_2024_03_06_08_03_20_995.j...

Description

Installing hardie

Taken Date

03/05/2024 at 05:04 pm

Uploaded By

Joseph Welch

Upload Date

03/05/2024 at 05:05 pm

File Name

IMG_2024_03_05_17_04_48_657.j...

RISE Residential Construction Riverside, LLC

Page deleted from Q1 CSR submission to TDHCA, and different photos were inserted above from more recent dates

Printed on Fri Mar 15, 2024 at 11:41 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

222 Main side panel

Taken Date	Uploaded By
03/04/2024 at 01:20 pm	Joseph Welch
Upload Date	**File Name**
03/04/2024 at 01:20 pm	IMG_2024_03_04_13_20_17_487.j...

Texas Department of Housing and Community Affairs, Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941,Austin, TX 78701, Main Number: 512-475-3800, Toll Free: 800-525-0657, Email: info@tdhca.state.tx.us, Web: www.tdhca.state.tx.us

Construction Status Report – Minority Owned Business Report (HTC Only)

TDHCA Asset Management Division - P.O. Box 13941, Austin, Texas 78711-3941 www.tdhca.state.tx.us/asset-management

This report must be provided every 90 days in coordination with the construction status reports for all HTC developments as required by Tex. Gov't Code §2306.6734 to demonstrate the Owner's attempt to ensure that at least 30% of the construction and management businesses with which the Owner contracts in connection with the development are minority-owned businesses.

TDHCA File No.: p20613 Development Name: Legacy Riverside Senior Living Community

NAME and ADDRESS of OWNERSHIP ENTITY	
Name of Ownership Entity: TX Riverside Seniors, LP	Contact Name: Melissa Fisher
Mailing Address: 16812 Dallas Parkway	City: Dallas, State: TX Zip: 75248
Phone: (972) 701-5555	Email: mfisher@rise-residential.com

In accordance with Texas Government Code, I, the Owner, as agreed in the Owner's Certification submitted with the Housing Tax Credit Application for the above named Development, have attempted to ensure that at least 30% of the construction and management businesses with which I contract in connection with the Development identified above are Minority Owned Businesses. I understand that a Minority Owned Business is defined by Section 2306.6734 as a business entity that is 51% owned, managed, and controlled by members of a minority group in its daily operations (for purposes of this report, Section 2306.6734 defines "minority group" as women, African Americans, American Indians, Asian Americans, Mexican Americans, and other Americans of Hispanic origin).

As of today, the percentage of businesses with which I, the Owner, have contracted that qualify as Minority Owned Businesses is as follows:

PERCENTAGE OF CONTRACTED MINORITY OWNED BUSINESSES
CONSTRUCTION: **35 %**
MANAGEMENT: **35 %**

Back up documentation will be provided to the Department in the event such documentation is requested to confirm the contracted percentages referenced above.

By: _____ 04/07/24

Signature of Owner Representative Date

Melissa Fisher, Manager

Printed Name of Owner Representative

Submit this form in accordance with the instructions related to Construction Status Reports in the Post Award Activities Manual. Construction Status Reports begin with an initial report and are received every 90 days via the applicant's FTP account. Please contact your Asset Manager or the general Asset Management inbox (asset.management@tdhca.state.tx.us) with questions.

TDHCA BLACKLINE KEY Exhibit 7

TDHCA notes regarding alterations found in black text
Pages without alterations have been omitted

Legacy Riverside Senior Living Community

TDHCA # 20613

CONSTRUCTION STATUS REPORT

Q2 2024

Submitted 07/10/24

72% Complete as of 6/25/24

Deleted from original: *"mixed results regarding timeliness of completion. Several Austin and DFW area projects have experienced severe delays, and based on interactions to date with this project, we would consider this project to have an elevated risk for schedule and price increases."*
Inserted: *"positive results regarding timeliness of completion."*

- HVAC refrigerant lines were complete at Buildings 1 and 7
- Levels 1-3 wall framing and roof decking was complete at Building 4
- Roofing was in progress at Building 4
- Level 1-3 framing was complete and roof trusses in progress at Building 6
- Plumbing rough in was in progress at Building 6
- Metal fencing was observed complete at the north perimeter of the site

4.2 Construction Issues

- **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction pace has now picked back up during the period from August 30, 2023 to April 11, 2024.**
- There were approximately 20 laborers observed on-site at the time of our site visit.
- CA Partners has had previous and current projects with Rise Residential, and we have had generally positive results regarding timeliness of completion.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) on the previous G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed by the Owner/Builder that the Schedule of Values need to be reevaluated due to recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log.
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work was observed in progress on March 5, 2024.

Originally ended with *"was not met."* Inserted *"due to the impact of the pandemic and supply chain related delays. Manpower shortages are affecting all jobs in DFW."*

4.3 Construction Schedule

Contractual Completion date:	March 21, 2023
Contractor's estimated Substantial Completion date:	Updated Schedule Requested
CA Partners estimated Substantial Completion date:	March 1, 2025
Has occupancy started:	No

- Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2023. This date was not met due to the impact of the pandemic and supply chain related delays. Manpower shortages are affecting all jobs in DFW.
- **Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on March 1, 2025.**
- Please be aware that the Contractor's progress to date has been equal with industry standards in DFW. Should construction administration, manpower, and direction all improve in the coming months, Substantial Completion could be completed sooner, however should the current level of organization continue, the completion date may be at risk of being pushed further.
- Final Completion including all punchlist, cleaning and final demobilization may extend past the Substantial Completion date.

Deleted from original: *"much slower than industry standard, and our estimated date of Substantial Completion may therefore be much more susceptible to being modified."*
Inserted: *"equal with industry standards in DFW"*

5. CONSTRUCTION MATERIAL TESTING

5.1 Test Results Received Since our Prior Report:

Testing was initially being performed by Intertek PSI for this project. We have not been provided with any additional copies of testing since the previous period, and we will continue to request that we be added to the direct testing distribution list.

Please be aware that it no longer appears that testing is being done for the project based on our observations onsite. Reinforcing steel is being placed over cracked soil which does not appear to have been recently compacted or tested. We recommend that testing begin immediately to ensure the project is built per plans and specifications

6. CONSTRUCTION DOCUMENTATION

- The following documents have been received with the draw submission for this report:
  - Contractor Application and Certificate for Payment No. 36
- We will continue to comment on documents as they are received

7. CONCLUSIONS

7.1 Job Progress

- Job progress since the previous period has been at a good pace
- Based on our observations and interactions with this project to date, we would consider the project to be at high risk of schedule delays and cost increases. Please see comments in Section 1.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 73% complete.

Deleted 53%. Inserted 73%

DISCLAIMER/RELIANCE

Information contained in this report was obtained through observations made at the time of our site visit(s), communication with on and off-site construction personnel, communication with Borrower/Owners, draw documentation provided with applicable backup, meeting minutes, third party reports (testing, etc.), and documentation items (change orders, construction schedules, Certificates of Occupancy, etc.) provided by the Borrower and/or Contractor. Where necessary, information was also obtained by verbal communication, meetings, access to online portals, and/or email correspondence on specific issues requiring clarification in order for us to fulfill our report scope obligation. CA Partners, Inc. (CAP) will have no obligation or authority to direct any other party (Borrower, Architect, Engineer, Contractor, etc.) involved in the project. CAP will have no liability regarding acts or omissions of these parties, their employees, or agents. CAP will not provide construction management or supervision for this project and do not have authority to reject work. CAP services will not include any testing related to soil conditions, environmental issues, structural issues or mechanical /electrical systems, or construction materials. No destructive testing of building components will be performed. All reports issued by CAP reflect our judgement and opinion based on construction elements visible at the time of our monthly site observations.

Exhibit 8.1

Legacy Riverside Senior Living Community
TDHCA # 20613

CONSTRUCTION STATUS REPORT

Q1 2024

Submitted 04/10/24

75% Complete as of 3/25/24

We will begin delivering finished buildings by Q2 2024,
with a full completion by year end.

DocuSign Envelope ID: 171C70E4-203A-4CEF-9A8D-A797770CDF88
DocuSign Envelope ID: C85629EE-7424-4888-A691-33E4E6DA3444

TO OWNER/CLIENT:

Garland Housing Finance Corporation
1675 W Campbell Rd
Garland, Texas 75044

PROJECT:

Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

APPLICATION NO: 19
INVOICE NO: 36
PERIOD: 01/26/24 - 02/25/24
PROJECT NO: 2020-LRFW
CONTRACT DATE:

FROM CONTRACTOR:

Rise Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248

VIA ARCHITECT/ENGINEER:

Randy Richards (Hodges Architecture)

CONTRACT FOR: Legacy Riverside Senior Living

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1.	Original Contract Sum		$33,500,000.00
2.	Net change by change orders		$6,668,970.41
3.	Contract Sum to date (Line 1 ± 2)		$40,168,970.41
4.	Total completed and stored to date (Column G on detail sheet)		$29,589,731.04
5.	Retainage:		
	a. 3.30% of completed work	$970,922.33	
	b. 0.00% of stored material	$0.00	
	Total retainage (Line 5a + 5b or total in column I of detail sheet)		$970,922.33
6.	Total earned less retainage (Line 4 less Line 5 Total)		$28,618,808.71
7.	Less previous certificates for payment (Line 6 from prior certificate)		$26,971,030.37
8.	Current payment due:		$1,647,778.34
9.	Balance to finish, including retainage (Line 3 less Line 6)		$11,550,161.70

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner/Client:	$12,641,999.83	$(5,973,029.42)
Total approved this month:	$73,041.27	$(73,041.27)
Totals:	$12,715,041.10	$(6,046,070.69)
Net change by change orders:	$6,668,970.41	

The undersigned certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner/Client, and that current payments shown herein is now due.

CONTRACTOR: Rise Residential Construction Riverside, LLC

By: DocuSigned by: Melissa Fisher 55DFEC86AA5B469... Date: 3/7/2024

State of: TEXAS
County of: DALLAS
Subscribed and sworn to before me this 7th day of March
Notary Public: Shayla Cerrone
My commission expires: 2-9-26

SHAYLA CERRONE
Notary Public, State of Texas
Comm. Expires 02-09-26
Notary ID 133579493

ARCHITECT'S/ENGINEER'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on the on-site observations and the data comprising this application, the Architect/Engineer certifies to the Owner/Client that to the best of the Architect's/Engineer's knowledge, information and belief that Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: $1,647,778.34

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm the amount certified.)

ARCHITECT/ENGINEER:

By: DocuSigned by: Dan Burbine 72F9B559C6E8426... Date: 3/15/2024

This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to the rights of the Owner/Client or Contractor under this Contract.

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
01 - Requirements										
1.1	01-210000 - Mobilization Allowance		$150,000.00	$150,000.00	$0.00	$0.00	$150,000.00	100.00%	$0.00	$0.00
1.2	01-210100 - Living & Vehicle Allowances/Per Diem		$27,000.00	$26,257.00	$0.00	$0.00	$26,257.00	97.25%	$743.00	$0.00
1.3	01-310010 - Project Management		$291,562.00	$291,562.00	$0.00	$0.00	$291,562.00	100.00%	$0.00	$0.00
1.4	01-310030 - Superintendent		$317,893.25	$310,597.58	$7,295.67	$0.00	$317,893.25	100.00%	$0.00	$0.00
1.5	01-310035 - Assistant Superintendent		$134,106.75	$134,106.75	$0.00	$0.00	$134,106.75	100.00%	$0.00	$0.00
1.6	01-310037 - Field Labor		$18,438.00	$18,438.00	$0.00	$0.00	$18,438.00	100.00%	$0.00	$0.00
1.7	01-310040 - Field Administrative Staff		$70,000.00	$70,000.00	$0.00	$0.00	$70,000.00	100.00%	$0.00	$0.00
1.8	01-310045 - Payroll Burden		$175,586.00	$175,586.00	$0.00	$0.00	$175,586.00	100.00%	$0.00	$0.00
1.9	01-310050 - Travel Expenses		$50,814.00	$50,814.00	$0.00	$0.00	$50,814.00	100.00%	$0.00	$0.00
1.10	01-323310 - Photography and Video		$5,081.40	$5,081.40	$0.00	$0.00	$5,081.40	100.00%	$0.00	$0.00
1.11	01-331310 - Insurance - Builders Risk		$126,388.25	$126,388.25	$0.00	$0.00	$126,388.25	100.00%	$0.00	$0.00
1.12	01-331315 - Insurance - General Liability		$155,300.00	$155,300.00	$0.00	$0.00	$155,300.00	100.00%	$0.00	$0.00
1.13	01-331320 - Permits and Fees		$560,000.00	$560,000.00	$0.00	$0.00	$560,000.00	100.00%	$0.00	$0.00
1.14	01-352320 - Termite & Pest Control		$28,935.75	$28,935.75	$0.00	$0.00	$28,935.75	100.00%	$0.00	$0.00
1.15	01-355300 - Security		$36,107.33	$36,107.33	$0.00	$0.00	$36,107.33	100.00%	$0.00	$0.00
1.16	01-432610 - Quality Testing		$101,892.00	$47,938.00	$444.00	$0.00	$48,382.00	47.48%	$53,510.00	$0.00
1.17	01-510010 - Temporary Electric		$162,207.58	$60,802.63	$0.00	$0.00	$60,802.63	37.48%	$101,404.95	$0.00
1.18	01-510030 - Temporary Water		$25,900.00	$11,399.55	$0.00	$0.00	$11,399.55	44.01%	$14,500.45	$0.00
1.19	01-510040 - Temporary Phone, Internet		$3,387.60	$3,387.60	$0.00	$0.00	$3,387.60	100.00%	$0.00	$0.00
1.20	01-511330 - Software		$27,000.00	$27,000.00	$0.00	$0.00	$27,000.00	100.00%	$0.00	$0.00
1.21	01-521310 - Field Offices		$65,088.78	$22,243.13	$0.00	$0.00	$22,243.13	34.17%	$42,845.65	$0.00
1.22	01-521315 - Temporary Toilets		$15,000.00	$9,567.62	$1,240.37	$0.00	$10,807.99	72.05%	$4,192.01	$0.00
1.23	01-521320 - Office Supplies and Equipment		$5,081.40	$5,081.40	$0.00	$0.00	$5,081.40	100.00%	$0.00	$0.00
1.24	01-541620 - Equipment Rental		$26,100.00	$26,100.00	$0.00	$0.00	$26,100.00	100.00%	$0.00	$0.00
1.25	01-562610 - Temporary Fencing and Walkways		$28,260.28	$21,016.90	$1,536.26	$0.00	$22,553.16	79.81%	$5,707.12	$0.00

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
1.26 **01-581310 - Project Signs and Identification**			$4,705.00	$4,705.00	$0.00	$0.00	$4,705.00	100.00%	$0.00	$0.00
1.27 **01-660010 - Trucking and Material Storage**			$3,387.60	$3,387.60	$0.00	$0.00	$3,387.60	100.00%	$0.00	$0.00
1.28 **01-712312 - Estimator Expenses**			$18,820.00	$18,820.00	$0.00	$0.00	$18,820.00	100.00%	$0.00	$0.00
1.29 **01-731930 - Small Tools**			$1,693.80	$1,693.80	$0.00	$0.00	$1,693.80	100.00%	$0.00	$0.00
1.30 **01-741900 - General Debris and Dumpsters**			$223,581.60	$223,581.60	$0.00	$0.00	$223,581.60	100.00%	$0.00	$0.00
1.31 **01-771610 - Punch List and Closeout**			$18,820.00	$18,820.00	$0.00	$0.00	$18,820.00	100.00%	$0.00	$0.00
1.32 **01-783910 - Project Documentation**			$3,387.60	$3,387.60	$0.00	$0.00	$3,387.60	100.00%	$0.00	$0.00
1.33 **01-784231 - Final Cleaning**			$155,289.03	$155,289.03	$0.00	$0.00	$155,289.03	100.00%	$0.00	$0.00
01 - Requirements Subtotals			$3,036,815.00	$2,803,395.52	$10,516.30	$0.00	$2,813,911.82	92.66%	$222,903.18	$0.00
03 - Division 03										
2.1 **03-310024 - CIP Concrete Foundations**			$1,285,674.25	$1,225,674.25	$60,000.00	$0.00	$1,285,674.25	100.00%	$0.00	$64,283.72
2.2 **03-540010 - Lightweight/Gypcrete**			$520,400.00	$0.00	$0.00	$0.00	$0.00	0.00%	$520,400.00	$0.00
03 - Division 03 Subtotals			$1,806,074.25	$1,225,674.25	$60,000.00	$0.00	$1,285,674.25	71.19%	$520,400.00	$64,283.72
04 - Division 04										
3.1 **04-000010 - Masonry**			$2,024,988.00	$611,745.27	$25,000.00	$0.00	$636,745.27	31.44%	$1,388,242.73	$8,551.13
3.2 **04-050000 - Dumpster Enclosure**			$16,000.00	$16,000.00	$0.00	$0.00	$16,000.00	100.00%	$0.00	$800.00
04 - Division 04 Subtotals			$2,040,988.00	$627,745.27	$25,000.00	$0.00	$652,745.27	31.98%	$1,388,242.73	$9,351.13
05 - Division 05										
4.1 **05-511300 - Metal Pan Stairs & Rails**			$1,126,915.00	$425,000.00	$300,000.00	$0.00	$725,000.00	64.33%	$401,915.00	$21,250.00
4.2 **05-521320 - Pool Fence**			$49,775.00	$25,000.00	$0.00	$0.00	$25,000.00	50.23%	$24,775.00	$1,250.00
4.3 **05-540010 - Perimeter Fence**			$340,010.00	$217,000.00	$0.00	$0.00	$217,000.00	63.82%	$123,010.00	$3,750.00
05 - Division 05 Subtotals			$1,516,700.00	$667,000.00	$300,000.00	$0.00	$967,000.00	63.76%	$549,700.00	$26,250.00
06 - Division 06										
5.1 **06-110002 - Wood Framing Labor**			$1,637,790.11	$1,637,790.11	$0.00	$0.00	$1,637,790.11	100.00%	$0.00	$81,889.51
5.2 **06-110004 - Wood Framing Material**			$4,162,871.16	$4,034,671.45	$0.00	$128,199.71	$4,162,871.16	100.00%	$0.00	$128,509.40

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
5.3	06-175300 - Trusses		$2,150,094.16	$2,150,094.16	$0.00	$0.00	$2,150,094.16	100.00%	$0.00	$107,936.32
5.4	06-460000 - Finish Trim Carpentry - Material		$309,510.00	$0.00	$22,056.00	$0.00	$22,056.00	7.13%	$287,454.00	$0.00
5.5	06-460004 - Finish Trim Carpentry - Labor		$369,510.00	$0.00	$0.00	$0.00	$0.00	0.00%	$369,510.00	$0.00
06 - Division 06 Subtotals			$8,629,775.43	$7,822,555.72	$22,056.00	$128,199.71	$7,972,811.43	92.39%	$656,964.00	$318,335.23
07 - Division 07										
6.1	07-130000 - Waterproofing		$37,350.00	$0.00	$0.00	$0.00	$0.00	0.00%	$37,350.00	$0.00
6.2	07-211610 - Batt Insulation		$509,000.00	$0.00	$100,000.00	$0.00	$100,000.00	19.65%	$409,000.00	$5,000.00
6.3	07-311300 - Shingles		$265,290.33	$265,290.33	$0.00	$0.00	$265,290.33	100.00%	$0.00	$1,807.45
6.4	07-510000 - Metal Roofing		$1,040,600.00	$1,040,600.00	$0.00	$0.00	$1,040,600.00	100.00%	$0.00	$11,000.00
6.5	07-712300 - Gutters and Downspouts		$85,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$85,000.00	$0.00
07 - Division 07 Subtotals			$1,937,240.33	$1,305,890.33	$100,000.00	$0.00	$1,405,890.33	72.57%	$531,350.00	$17,807.45
08 - Division 08										
7.1	08-140002 - Doors - Interior		$290,402.28	$0.00	$50,000.00	$0.00	$50,000.00	17.22%	$240,402.28	$0.00
7.2	08-161400 - Doors - Exterior		$237,600.00	$237,600.00	$0.00	$0.00	$237,600.00	100.00%	$0.00	$0.00
7.3	08-531300 - Windows		$265,394.05	$265,394.05	$0.00	$0.00	$265,394.05	100.00%	$0.00	$7,500.00
7.4	08-531400 - Window Coverings		$31,680.00	$31,680.00	$0.00	$0.00	$31,680.00	100.00%	$0.00	$0.00
7.5	08-800000 - Glass and Glazing		$33,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$33,000.00	$0.00
08 - Division 08 Subtotals			$858,076.33	$534,674.05	$50,000.00	$0.00	$584,674.05	68.14%	$273,402.28	$7,500.00
09 - Division 09										
8.1	09-000040 - Drywall		$1,594,195.00	$0.00	$200,000.00	$0.00	$200,000.00	12.55%	$1,394,195.00	$10,000.00
8.2	09-301300 - Ceramic		$143,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$143,000.00	$0.00
8.3	09-651900 - Vinyl		$331,819.00	$0.00	$0.00	$0.00	$0.00	0.00%	$331,819.00	$0.00
8.4	09-800000 - Clubhouse Flooring		$25,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$25,000.00	$0.00
8.5	09-912300 - Painting		$770,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$770,000.00	$0.00
09 - Division 09 Subtotals			$2,864,014.00	$0.00	$200,000.00	$0.00	$200,000.00	6.98%	$2,664,014.00	$10,000.00

A		B	C	D	E	F	G		H	I
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				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
10 - Division 10										
9.1	**10-110000 - Door Hardware**		**$54,223.90**	**$54,223.90**	**$0.00**	**$0.00**	**$54,223.90**	**100.00%**	**$0.00**	**$0.00**
9.2	**10-140000 - Exterior Signs**		**$26,400.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$26,400.00**	**$0.00**
9.3	**10-140010 - Interior Signs**		**$26,400.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$26,400.00**	**$0.00**
9.4	**10-140020 - Monument Sign**		**$15,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$15,000.00**	**$0.00**
9.5	**10-211300 - Toilet Partitions**		**$7,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$7,000.00**	**$0.00**
9.6	**10-281300 - Toilet Accessories**		**$24,987.54**	**$24,987.54**	**$0.00**	**$0.00**	**$24,987.54**	**100.00%**	**$0.00**	**$0.00**
9.7	**10-440000 - Fire Extinguishers**		**$13,200.00**	**$13,200.00**	**$0.00**	**$0.00**	**$13,200.00**	**100.00%**	**$0.00**	**$0.00**
9.8	**10-550000 - Postal Equipment**		**$30,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$30,000.00**	**$0.00**
9.9	**10-572313 - Closet and Utility Shelving**		**$23,255.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$23,255.00**	**$0.00**
10 - Division 10 Subtotals			**$220,466.44**	**$92,411.44**	**$0.00**	**$0.00**	**$92,411.44**	**41.92%**	**$128,055.00**	**$0.00**
11 - Division 11										
10.1	**11-310000 - Kitchen Appliances**		**$580,800.00**	**$250,000.00**	**$0.00**	**$0.00**	**$250,000.00**	**43.04%**	**$330,800.00**	**$0.00**
10.2	**11-310010 - Residential Laundry Equipment: Material**		**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$0.00**	**$0.00**
10.3	**11-681300 - Playground Equipment**		**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$0.00**	**$0.00**
11 - Division 11 Subtotals			**$580,800.00**	**$250,000.00**	**$0.00**	**$0.00**	**$250,000.00**	**43.04%**	**$330,800.00**	**$0.00**
12 - Division 12										
11.1	**12-353013 - Cabinets**		**$141,000.00**	**$141,000.00**	**$0.00**	**$0.00**	**$141,000.00**	**100.00%**	**$0.00**	**$0.00**
11.2	**12-353015 - Granite**		**$355,742.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$355,742.00**	**$0.00**
11.3	**12-930000 - Site Furnishings**		**$121,375.43**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$121,375.43**	**$0.00**
12 - Division 12 Subtotals			**$618,117.43**	**$141,000.00**	**$0.00**	**$0.00**	**$141,000.00**	**22.81%**	**$477,117.43**	**$0.00**
13 - Division 13										
12.1	**13-000020 - Carports**		**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$0.00**	**$0.00**
12.2	**13-000040 - Maintenance Facility**		**$20,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$20,000.00**	**$0.00**
12.3	**13-000050 - Mail Kiosks**		**$65,825.49**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$65,825.49**	**$0.00**

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
12.4 **13-000080 - Sport Court**			$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
12.5 **13-000090 - Gazebos**			$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
12.6 **13-110000 - Pools and Pool Equipment**			$23,037.00	$0.00	$0.00	$0.00	$0.00	0.00%	$23,037.00	$0.00
13 - Division 13 Subtotals			$108,862.49	$0.00	$0.00	$0.00	$0.00	0.00%	$108,862.49	$0.00
14 - Division 14										
13.1 **14-240000 - Elevators**			$996,959.00	$785,000.00	$0.00	$0.00	$785,000.00	78.74%	$211,959.00	$14,850.00
14 - Division 14 Subtotals			$996,959.00	$785,000.00	$0.00	$0.00	$785,000.00	78.74%	$211,959.00	$14,850.00
21 - Division 21										
14.1 **21-100000 - Fire Sprinkler**			$406,890.00	$45,000.00	$150,000.00	$0.00	$195,000.00	47.92%	$211,890.00	$9,750.00
21 - Division 21 Subtotals			$406,890.00	$45,000.00	$150,000.00	$0.00	$195,000.00	47.92%	$211,890.00	$9,750.00
22 - Division 22										
15.1 **22-000010 - Plumbing**			$1,602,321.63	$1,372,452.09	$229,869.54	$0.00	$1,602,321.63	100.00%	$0.00	$70,116.08
15.2 **22-000020 - Plumbing Fixtures**			$352,539.66	$352,539.66	$0.00	$0.00	$352,539.66	100.00%	$0.00	$0.00
15.3 **22-000090 - Hot Water Heaters**			$100,400.00	$0.00	$0.00	$0.00	$0.00	0.00%	$100,400.00	$0.00
15.4 **22-000100 - Tub Repairs**			$6,600.00	$0.00	$0.00	$0.00	$0.00	0.00%	$6,600.00	$0.00
15.5 **22-000110 - Sub-Metering (Water)**			$31,152.00	$0.00	$0.00	$0.00	$0.00	0.00%	$31,152.00	$0.00
22 - Division 22 Subtotals			$2,093,013.29	$1,724,991.75	$229,869.54	$0.00	$1,954,861.29	93.40%	$138,152.00	$70,116.08
23 - Division 23										
16.1 **23-000010 - HVAC**			$1,448,000.00	$150,000.00	$300,000.00	$0.00	$450,000.00	31.08%	$998,000.00	$22,500.00
16.2 **23-000080 - Testing, Balancing, Adjusting**			$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
23 - Division 23 Subtotals			$1,448,000.00	$150,000.00	$300,000.00	$0.00	$450,000.00	31.08%	$998,000.00	$22,500.00
26 - Division 26										
17.1 **26-000010 - Electrical**			$1,893,454.26	$1,710,772.70	$182,681.56	$0.00	$1,893,454.26	100.00%	$0.00	$69,850.78
17.2 **26-000014 - Electrical Material**			$16,000.00	$3,490.98	$0.00	$0.00	$3,490.98	21.82%	$12,509.02	$0.00
17.3 **26-000020 - Telephone & Cable Underground**			$50,000.00	$50,000.00	$0.00	$0.00	$50,000.00	100.00%	$0.00	$2,500.00

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				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
17.4	26-000030	Low-Voltage Distribution	$132,000.00	$132,000.00	$0.00	$0.00	$132,000.00	100.00%	$0.00	$6,600.00
17.5	26-000040	Electrical Fixtures	$273,257.18	$0.00	$0.00	$0.00	$0.00	0.00%	$273,257.18	$0.00
17.6	26-560020	Secondary Underground	$90,000.00	$90,000.00	$0.00	$0.00	$90,000.00	100.00%	$0.00	$9,750.00
17.7	26-560040	Fire Alarm	$136,250.00	$0.00	$0.00	$0.00	$0.00	0.00%	$136,250.00	$0.00
26 - Division 26 Subtotals			$2,590,961.44	$1,986,263.68	$182,681.56	$0.00	$2,168,945.24	83.71%	$422,016.20	$88,700.78
28 - Division 28										
18.1	28-000020	Access Control	$66,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00
28 - Division 28 Subtotals			$66,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00
31 - Division 31										
19.1	31-000030	Earthwork Grading	$771,983.62	$771,983.62	$0.00	$0.00	$771,983.62	100.00%	$0.00	$37,302.67
19.2	31-100000	Site Clearing	$230,000.00	$230,000.00	$0.00	$0.00	$230,000.00	100.00%	$0.00	$11,654.81
19.3	31-230660	Utility Spoil Disposal	$194,864.95	$194,864.95	$0.00	$0.00	$194,864.95	100.00%	$0.00	$9,743.25
19.4	31-250000	Erosion & Sediment Control	$39,641.00	$39,641.00	$0.00	$0.00	$39,641.00	100.00%	$0.00	$1,334.08
31 - Division 31 Subtotals			$1,236,489.57	$1,236,489.57	$0.00	$0.00	$1,236,489.57	100.00%	$0.00	$60,034.81
32 - Division 32										
20.1	32-000005	City Required Infrastructure	$67,325.52	$42,500.00	$0.00	$0.00	$42,500.00	63.13%	$24,825.52	$0.00
20.2	32-000010	Exterior Improvements	$431,452.59	$309,649.25	$0.00	$0.00	$309,649.25	71.77%	$121,803.34	$15,282.46
20.3	32-131300	Concrete Paving	$1,513,455.52	$1,437,782.73	$0.00	$0.00	$1,437,782.73	95.00%	$75,672.79	$149,806.79
20.4	32-162300	Sidewalks	$348,447.00	$170,000.00	$100,000.00	$0.00	$270,000.00	77.49%	$78,447.00	$13,500.00
20.5	32-172300	Pavement Marking	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
20.6	32-172500	Surveying & Layouts	$63,000.00	$63,000.00	$0.00	$0.00	$63,000.00	100.00%	$0.00	$0.00
20.7	32-800000	Irrigation Systems	$165,401.61	$34,072.88	$0.00	$0.00	$34,072.88	20.60%	$131,328.73	$4,654.58
20.8	32-930000	Landscaping	$247,333.60	$0.00	$0.00	$0.00	$0.00	0.00%	$247,333.60	$0.00
32 - Division 32 Subtotals			$2,836,415.84	$2,057,004.86	$100,000.00	$0.00	$2,157,004.86	76.05%	$679,410.98	$183,243.83
33 - Division 33										

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				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
21.1	33-000010	Site Utilites	$204,399.66	$204,399.66	$0.00	$0.00	$204,399.66	100.00%	$0.00	$9,816.32
21.2	33-100000	Water	$350,000.00	$350,000.00	$0.00	$0.00	$350,000.00	100.00%	$0.00	$17,500.00
21.3	33-300000	Sanitary Sewer	$250,000.00	$250,000.00	$0.00	$0.00	$250,000.00	100.00%	$0.00	$12,500.00
21.4	33-400000	Storm Drain	$567,659.67	$567,659.67	$0.00	$0.00	$567,659.67	100.00%	$0.00	$28,382.98
33 - Division 33 Subtotals			$1,372,059.33	$1,372,059.33	$0.00	$0.00	$1,372,059.33	100.00%	$0.00	$68,199.30
50 - Division 50										
22.1	50-000010	Overhead	$726,063.06	$726,063.06	$0.00	$0.00	$726,063.06	100.00%	$0.00	$0.00
22.2	50-000020	GC Fee	$2,178,189.18	$2,178,189.10	$0.00	$0.00	$2,178,189.10	100.00%	$0.08	$0.00
50 - Division 50 Subtotals			$2,904,252.24	$2,904,252.16	$0.00	$0.00	$2,904,252.16	100.00%	$0.08	$0.00
Grand Totals			$40,168,970.41	$27,731,407.93	$1,730,123.40	$128,199.71	$29,589,731.04	73.66%	$10,579,239.37	$970,922.33

RISE Residential Construction Riverside, LLC

Printed on Sun Apr 7, 2024 at 11:17 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

Taken Date	Uploaded By
04/05/2024 at 03:51 pm	Joseph Welch
Upload Date	**File Name**
04/05/2024 at 06:55 pm	IMG_2024_04_05_15_51_29_883.j...

Description

Taken Date	Uploaded By
04/05/2024 at 03:12 pm	Joseph Welch
Upload Date	**File Name**
04/05/2024 at 06:55 pm	IMG_2024_04_05_15_12_23_898.j...

Description

Taken Date	Uploaded By
04/05/2024 at 03:05 pm	Joseph Welch
Upload Date	**File Name**
04/05/2024 at 06:55 pm	IMG_2024_04_05_15_05_00_575.j...

Description

Taken Date	Uploaded By
04/04/2024 at 10:46 am	Joseph Welch
Upload Date	**File Name**
04/04/2024 at 10:47 am	1DFF4B72-A8F0-4155-A288-426B...

RISE Residential Construction Riverside, LLC

Printed on Sun Apr 7, 2024 at 11:17 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

Pouring lightweight in bldg. 1 2nd and 3rd floor

Taken Date	Uploaded By
04/02/2024 at 12:00 pm	Joseph Welch

Upload Date	File Name
04/02/2024 at 12:15 pm	20240402_120045.jpg

Description

Waterproofing corridors in bldg. 1, 2nd floor

Taken Date	Uploaded By
04/01/2024 at 05:28 pm	Joseph Welch

Upload Date	File Name
04/01/2024 at 05:28 pm	IMG_2024_04_01_17_28_41_305.j...

Description

Pouring bldg. 5 slab

Taken Date	Uploaded By
03/23/2024 at 10:46 am	Joseph Welch

Upload Date	File Name
03/23/2024 at 10:46 am	IMG_2024_03_23_10_46_44_324.j...

Description

Taken Date	Uploaded By
03/23/2024 at 09:19 am	Doug Robinson

Upload Date	File Name
03/23/2024 at 09:20 am	20240323_091934.jpg

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

March 26, 2024

Alexa Delerme
Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

RE: Legacy Riverside
Fort Worth, Texas
CA Partners, Inc Project No.: 20240

Dear Alexa,

Enclosed is Construction Progress Report No. 036 dated March 26, 2024 for the above referenced project. Please note that the first page of the report is a summary with detailed information in the pages that follow.

It is a pleasure working for you and Bellwether Enterprise. If you have any questions, please call me at (214) 468-0807 or email me at jbenson@capartnersinc.com.

Sincerely,

James Benson
Senior Project Manager

cc: constructionadmin@bwe.com - Bellwether Enterprise
Alma Navarro – IBC Bank (by reliance)
Lee Reed – IBC Bank (by reliance)
Constantine Chigounis – 42 Equity (by reliance)
Oscar Leal, CPA – 42 Equity (by reliance)
Agustina Pesci – 42 Equity (by reliance)

Partners, Inc.
Construction Advisors

LEGACY RIVERSIDE
Fort Worth, Texas

Report No: 036 – March 26, 2024

CA Partners, Inc. Project Number: 20240

Prepared for:

Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

Professionals Serving Construction Lenders, Investors, and Participants

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

Legacy Riverside – Fort Worth, Texas

Executive Summary Report 036

Client: Bellwether Enterprise	From: James Benson, Senior Project Manager
ATTN: Alexa Delerme	CA Partners, Inc.

Project Name - City, State:				Legacy Riverside - Fort Worth, Texas
Project Type:				264-units in seven 3-story apartment buildings with a Clubhouse on 9.8 acres
Site Visit Date:				February 2, 2024
Development Draw/ Contractor Application # reviewed:			Draw 36	Pay App 36
Complete Draw Package Received:		Yes ☒	No ☐	**March 25, 2024**
For the period ending:				February 25, 2024
Current Contract Sum through Change Order No. 19 / Contract Type:				$40,168,970.41/Cost Plus-GMP
Was the Budget revised or modified this period?			By Reallocation ☒	No ☐
Current Change Orders:	Change Order 19 $0.00		By Change Order ☒	No ☐
Executed Change Orders Received:			Yes ☒	No ☐
Stored materials requested this draw?		Onsite: ☐	Offsite: ☐ Yes ☐	No ☒
Amount of Contractor's request this period:				$1,647,778.34
Amount of Contractor's request recommended:				**See Section 1 Comments**

Completion % estimated by CA Partners, Inc. (Does not include amounts funded for Stored Materials)		50%
Completion % indicated on Contractor's Application		73.66%
Hard Cost Budget appears sufficient on a % of work in place basis?	Yes ☐	No ☒

Construction Schedule:

Completion date per Construction Contract or extended by change order:		March 21, 2023
Is Work currently on schedule to meet this date?	Yes ☐	No ☒
If not, how far behind schedule?		March 1, 2025

Retainage:

Percent of retainage currently held		3.3%
Does % withheld agree with terms of Construction Contract?	Yes ☐	No ☒
Is any retainage release requested this period?	Yes ☐	No ☒
If Yes, how much?		

Other:

General Contractor's lien waivers received and reviewed?	Yes ☐	No ☒
Project being constructed in general accordance with approved Plan and Specifications	Yes ☐	No ☐
Foundations Complete:	Yes ☐	No ☒
Certificate(s) of Occupancy issued?	Yes ☐	No ☒
Does CA Partners, Inc. recommend client contact us to discuss issues in this report?	Yes ☒	No ☐

** This is a summary of the findings from our site visit and draw processing. Please reference the information in the pages that follow for a more comprehensive and detailed discussion of issues.*

1. CONSTRUCTION FUNDING REQUEST

Overall scope of work: The Legacy Riverside Independent Senior Living project is located at the northeast intersection of North Riverside Drive and Summerfields Boulevard in Fort Worth, Texas. The project is located on a 9.82-acre tract of land, and a total of 264 apartment units will be constructed. Access to the property will be provided from two double lane entry drives from North Riverside Drive to the central Clubhouse located adjacent the buildings. One 1-story Clubhouse and seven 3-stort apartments buildings will be provided. Carport/covered parking spaces and vehicular access gates are identified. Site amenities include a fenced swimming pool area, dog park, outdoor siting areas, picnic tables, BBQ grills, gazebo, fire pit, horseshoe pit, beanbag toss, and perimeter fencing. Perimeter building and parking lot landscaping is proposed. The centrally located Clubhouse areas will include a Club Room with kitchen, Fitness Center, Craft Room, Billiards Room, Business Center, Conference Room, Leasing area, offices, and Public Restrooms.

Summary of Contractor's Application	Application for Payment No. 36
Original Contract Sum	**$33,500,00.00**
Net Change by Change Orders	$6,668,970.41
Contract Sum to Date	**$40,168,970.41**
Total Completed and Stored to Date	**$29,589,731.04**
Retainage	$970,922.33
Total Earned Less Retainage	**$28,618,808.71**
Less Previous Certificates for Payment	$26,971,030.37
Current Payment Due	**$1,647,778.34**
Balance to Finish, Including Retainage	$11,550,161.70

1.1 Rise Residential – Application and Certificate for Payment No. 36

- **A no cost Change Order has been incorporated this period that documents the budget reallocations that occurred within the Schedule of Values.** We were previously informed by the Developer/Contractor that formal change orders will not be issued for budget reallocations without additional scope changes.
- Work for the Period Ending: February 25, 2024
- Current Contract Sum: $40,168,970.41
- Application and Certificate for Payment No. 36 has been signed and certified by the Architect dated March 15, 2024.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) on the current most recent G703 showing which line items are currently over drawn on the current request only.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log.
- General Requirement line items have been drawn to 92.66% at this time. Overhead has been drawn at 100%. GC Fee has been drawn at 100%. The project has only billed for 73.66%. When removing stored materials, this percentage decreases further. It is somewhat common for general conditions to outpace actual construction when drawn on a pro-rata basis, however the current difference is

significantly more than typical. **We continue to recommend that funds advanced for General Conditions, Overhead, and GC Fee items be slowed or halted.**

Upon receipt of previous Application for Payments, we made an inquiry to the Borrower regarding various overdrawn line items. We had recommended that budget reallocations occur, or requests be reduced so that the scope line items were in line with the percent complete in the field. We were informed by the Borrower that the Bank going to escrow funds for work NOT in place so they can release them as soon as the work is in complete. The bank will hold any funds for work they feel is not in place. We were also informed that the Elevator cabs manufactured already for Austin Manor (a different project) have been transferred to Riverside and Riverside needs to repay Manor for the elevator cabs. Please note this is not the typical construction practice to utilize different project sources to fund other projects.

As mentioned previously, we do not object that these are actual cost incurred and that only the percent values are overdrawn based on what is complete in the field. We can only recommend funding on what is complete. If reducing the requests is not feasible, we recommend additional funds are allocated to the over drawn line items so that the percent complete is consistent with what is complete in the field.

1.2 Retainage

- The Owner/Contractor Agreement indicates that 5% retainage will be withheld from subcontractor labor related line items with various exceptions including General Conditions, Overhead, GC Fees and costs, permits, insurance, bonds, and materials
- Retainage withheld appears to be generally consistent with the provisions detailed in the Owner/Contractor Agreement we reviewed, however we would consider these retainage provisions to be significantly more favorable than typical for the Contractor, and we would consider the limited amount of retainage to represent increased risk for the lender
- Based on the above exemptions, total retainage withheld to date is $970,922.33 reflecting 3.3% of the "Total Completed and Stored to Date" figure
- We would recommend that retainage for the project be increased. We recommend that a minimum of 5% of the total work completed be withheld for the project, and we would consider 10% total retainage to be ideal for lender protection
- We would also recommend that it be confirmed that current retainage withheld is consistent with the Loan Agreement
- No retainage release request has been indicated on the current Application for Payment

1.3 Lien Waivers

General Contractor's Conditional and Unconditional Waiver and Release on Progress Payment received:

- We have requested but not received a Conditional Waiver and Release on Progress Payment this period for Application for Payment No. 36.
- We have requested but not received Unconditional Lien Waivers referencing the amounts previously funded for Application Nos. 24-35. **We recommend you secure the Unconditional Lien Waiver prior to funding the current Draws.**
- Approval of lien waiver wording, format, and authority to sign is left to your discretion

1.4 Funding Recommendation

We have recommended additional funds be added to the project so that line items completion percentage are representative of the work actually complete in the field. At this time, based on job progress and cost incurred to date, we do not anticipate the current “Balance to Finish” amount of $10,579,239.37 to be sufficient for the remaining proposed scope of work. However, it is the opinion of the Developer/Contractor that the remaining budget is sufficient to cover the remaining. This comment is in relation to the line items that have been drawn high compared to the actual completion percentage as discussed above. Also, some material line items have been drawn 100% and do not have a line item for labor installation of these line items. So, we anticipate additional funds will be needed to cover these labor costs for installation of some of the material line items.

With the information provided within this Report, if you elect to fund the amount is noted below:

Application for Payment No. 36: $1,647,778.34

1.5 Development/Loan Budget

We have not received a copy of the Borrower's development budget for this project. The total project costs are not identified, and we cannot verify that the current Contract Sum or the Hard Cost request are consistent with the Contractor's Application for Payment.

We have not received a copy of the Development Budget, with the current draw submission or during our pre-construction review, and we have not been able to determine if there is additional Hard Cost Contingency outside the Contractor's Schedule of Values. Approval of soft cost funding requested is left to you as an underwriting consideration.

2. STORED MATERIALS

2.1 Materials Stored Onsite:

- CMU
- Hardie plank siding
- Lumber
- Trusses
- Sheathing
- PEX piping
- Windows

2.2 Onsite Stored Material Request:

- No on-site stored materials requests have been made this application

2.3 Offsite Stored Material Request:

Not including framing materials, approximately $3,000,000 in materials have been funded to date as reflected on the previous Contractor's Application for Payment. These materials have not been installed at this time and our estimated completion percentage does not include materials purchased. We mention this for your information. These materials are reportedly stored at the Contractor's facility, vendor facility, or locked conexes onsite.

- $425,000 for "Metal Pan Stairs and Rails" – material previously purchased and funded
- $820,600 for "Thermal & Moisture Protection" – Contractor provided Bill of Lading and Photos for Zip sheathing, metal roof rolls, and Cladding materials purchased (previously purchased and funded) – now in progress of being installed.
- $92,411.44 for "Specialties" – material previously purchased and funded
- $250,000 for "Equipment" – material previously purchased and funded
- $300,000 for "Cabinets" – material previously purchased and funded
- $785,000 for the "Elevator" deposit
- $352,539.66 for "Plumbing Fixtures" – material previously purchased and funded
- $23,272.88 "Irrigation" – material previously purchased and funded

3. CHANGE ORDERS

3.1 Current Change Orders

The Contract Sum has previously been modified a total of $6,668,970.41 by Change Order Nos. 1-19. We were previously informed by the Developer/Contractor that formal change orders will not be issued for budget reallocations without additional scope changes. The Contract Sum remains $40,168,970.14.

3.2 Pending Change Orders

- We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project
- At this time, we have not been informed of any potential change orders for this project.

4. CONSTRUCTION - PROGRESS, ISSUES, AND SCHEDULE

4.1 Construction Progress

Observations made at the time of this month's site visit on March 5, 2024 are as follows:

- Retaining walls at the north perimeter of the site remained complete with the exception of backfill
- Cutting and grouting for post tension cables remained incomplete
- Concrete paving for drives and parking areas were complete for all areas except the northwest portion of the site and the main approaches from adjacent public streets
- Framing remains in progress for the buildings except Building 5
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work has resumed as of March 5, 2024..
- Foundations remained complete with the exception of Building 5
- Overgrown vegetation has now been cleared from the site and additional rough grading complete adjacent building areas.
- CMU elevator shafts remained complete for each building except Building 5
- Concrete paving was complete for onsite drives and parking areas – only remains for 1 approach from North Riverside Drive.
- Concrete approach from Summerfields Blvd was complete
- Concrete sidewalks was complete at Summerfields Blvd
- Temporary electrical power was complete
- Level 1 wall framing was complete for the Clubhouse and exterior sheathing and roof decking were also complete
- Roofing was observed complete for the Clubhouse
- Zip Sheathing tape and windows were complete at the Clubhouse – Storefront style doors remain
- Framing for levels 1-3 and roof decking were complete at Building 1
- Roofing and windows were complete at Building 1
- Exterior siding was in progress at Building
- Plumbing rough in was complete at Building 1
- Electrical rough in was in progress at Building 1
- Framing, roof decking, roofing, and windows were complete at Building 2
- Plumbing rough in was complete at Building 2
- Electrical rough in was just beginning at Building 2
- Framing levels 1-3, windows, and roof decking were complete at Building 3
- Plumbing rough in complete at Building 3
- Electrical rough in was in progress at Building 3
- Levels 1-3 wall framing was complete at Building 4 – roof trusses were in progress
- Re-trenching of grade beams was in progress at Building 5

- Level 2 wall framing and exterior sheathing were complete at Building 6
- Plumbing rough in was in progress at Building 6
- Framing, exterior sheathing, windows, and roofing were complete at Building 7
- Exterior siding was in progress at Building 7
- Plumbing rough in was complete at Building 7
- Electrical rough in was in progress at Building 7
- Metal fencing was observed complete at the north perimeter of the site

4.2 Construction Issues

- **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction pace has now picked back up during the period from August 30, 2023 to March 5, 2024.**
- There were approximately 25 laborers observed onsite at the time of our site visit.
- CA Partners has had previous and current projects with Rise Residential, and we have had generally mixed results regarding timeliness of completion. Several Austin and DFW area projects have experienced severe delays, and based on interactions to date with this project, we would consider this project to have an elevated risk for schedule and price increases.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) on the previous G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed by the Owner/Builder that the Schedule of Values need to be reevaluated due to recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log.
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work was observed in progress on March 5, 2024.

4.3 Construction Schedule

Contractual Completion date:	March 21, 2023
Contractor's estimated Substantial Completion date:	Updated Schedule Requested
CA Partners estimated Substantial Completion date:	March 1, 2025
Has occupancy started:	No

- Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2023. This date was not met.
- Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on March 1, 2025.
- Please be aware that the Contractor's progress to date has been much slower than industry standard, and our estimated date of Substantial Completion may therefore be much more susceptible to being modified. Should construction administration, manpower, and direction all improve in the coming months, Substantial Completion could be completed sooner, however should the current level of organization continue, the completion date may be at risk of being pushed further.
- Final Completion including all punchlist, cleaning and final demobilization may extend past the Substantial Completion date.

5. CONSTRUCTION MATERIAL TESTING

5.1 Test Results Received Since our Prior Report:

Testing was initially being performed by Intertek PSI for this project. We have not been provided with any additional copies of testing since the previous period, and we will continue to request that we be added to the direct testing distribution list.

Please be aware that it no longer appears that testing is being done for the project based on our observations onsite. Reinforcing steel is being placed over cracked soil which does not appear to have been recently compacted or tested. We recommend that testing begin immediately to ensure the project is built per plans and specifications

6. CONSTRUCTION DOCUMENTATION

- The following documents have been received with the draw submission for this report:
  - Contractor Application and Certificate for Payment No. 36
- We will continue to comment on documents as they are received

7. CONCLUSIONS

7.1 Job Progress

- Job progress since the previous period has been at a good pace
- Based on our observations and interactions with this project to date, we would consider the project to be at high risk of schedule delays and cost increases. Please see comments in Section 1.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 50% complete.

DISCLAIMER/RELIANCE

Information contained in this report was obtained through observations made at the time of our site visit(s), communication with on and off-site construction personnel, communication with Borrower/Owners, draw documentation provided with applicable backup, meeting minutes, third party reports (testing, etc.), and documentation items (change orders, construction schedules, Certificates of Occupancy, etc.) provided by the Borrower and/or Contractor. Where necessary, information was also obtained by verbal communication, meetings, access to online portals, and/or email correspondence on specific issues requiring clarification in order for us to fulfill our report scope obligation. CA Partners, Inc. (CAP) will have no obligation or authority to direct any other party (Borrower, Architect, Engineer, Contractor, etc.) involved in the project. CAP will have no liability regarding acts or omissions of these parties, their employees, or agents. CAP will not provide construction management or supervision for this project and do not have authority to reject work. CAP services will not include any testing related to soil conditions, environmental issues, structural issues or mechanical /electrical systems, or construction materials. No destructive testing of building components will be performed. All reports issued by CAP reflect our judgement and opinion based on construction elements visible at the time of our monthly site observations.

The information contained in this report may be used and relied upon by Bellwether Enterprise and IBC Bank subject to terms, conditions, limitations and qualifications contained in the Agreement between the client named herein and CA Partners, Inc. This report, or any report prepared by CA Partners, Inc., is not to be relied upon by any third party financial institution, investor or lending entity unless arrangements are made by executed reliance letter signed by CA Partners, Inc. and the lead client named above. Third party reliance will require acceptance of the report scope agreed to and outlined in our original engagement unless engaged to perform added scope outlined in an additional agreement or co-engagement. Our reports are solely for the use of our client(s), approved reliant parties and/or co-engagements in administering the construction loan for this project. CA Partners, Inc. will not name or distribute our reports to Borrowers as we believe our reports are proprietary to our clients. However, named clients may distribute reports, if needed, at their discretion, to better administrate the construction loan per their polices. We recommend that any third parties perform their own due diligence in examining the above property.

This report is for the use and benefit of, and may be relied upon by,

a) the Seller/Servicer, Freddie Mac and all successors and assigns ("Lender");

b) independent auditors, accountants, attorneys and other professionals acting on behalf of the Lender;

c) governmental agencies having regulatory authority over Lender;

d) designated persons pursuant to an order or legal process of any court or governmental agency;

e) prospective purchasers of the mortgage; and

f) with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is the subject of this report, the following parties in their respective successors and assigns:

- any placement agent or broker/dealer and any of their prospective affiliates, agents, and advisers;
- any initial purchaser or subsequent holder of such debt and/or security;
- any Servicer or other agent acting on behalf of the holders of such debt and/or security;
- any indenture trustee;
- any rating agencies; and
- any institutional provider from time to time of any liquidity facility or credit support for such financings

1. Zip sheathing tape and windows were complete at the Clubhouse.

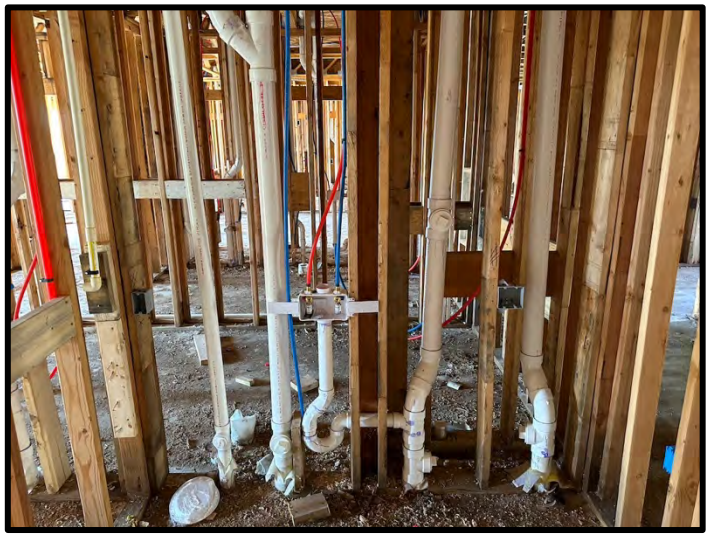
2. Electrical rough in was in progress at the Clubhouse.

3. Exterior siding and trim were in progress at Building 1.

4. Plumbing rough in was observed complete at Building 1.

5. Electrical rough in was nearing completion at Building 1.

6. Windows, exterior sheathing and zip tape were complete at Building 2.



7. Plumbing rough in was complete at Building 2.

8. Windows, exterior sheathing and zip tape were complete at Building 3.

9. Electrical rough in was in progress at Building 3.

10. Framing and exterior sheathing for levels 1-3 were complete at Building 4.

11. Roof trusses were in progress at Building 4.

12. Re-compaction of soil and grade beams were in progress at Building 5.

13. Concrete sidewalks were complete at Summerfields Blvd street frontage.

14. Re Level 2 framing was complete at Building 6. Level 3 floor decking was in progress.

15. Plumbing rough in was in progress at Building 6.

16. Exterior siding and trim were in progress at Building 7.

17. Plumbing rough in was complete at Building 7.

18. Electrical rough in was in progress at Building 7.

Texas Department of Housing and Community Affairs, Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941,Austin, TX 78701, Main Number: 512-475-3800, Toll Free: 800-525-0657, Email: info@tdhca.state.tx.us, Web: www.tdhca.state.tx.us

Construction Status Report – Minority Owned Business Report (HTC Only)

TDHCA Asset Management Division - P.O. Box 13941, Austin, Texas 78711-3941 www.tdhca.state.tx.us/asset-management

This report must be provided every 90 days in coordination with the construction status reports for all HTC developments as required by Tex. Gov't Code §2306.6734 to demonstrate the Owner's attempt to ensure that at least 30% of the construction and management businesses with which the Owner contracts in connection with the development are minority-owned businesses.

TDHCA File No.: p20613 Development Name: Legacy Riverside Senior Living Community

NAME and ADDRESS of OWNERSHIP ENTITY	
Name of Ownership Entity: TX Riverside Seniors, LP	Contact Name: Melissa Fisher
Mailing Address: 16812 Dallas Parkway	City: Dallas, State: TX Zip: 75248
Phone: (972) 701-5555	Email: mfisher@rise-residential.com

In accordance with Texas Government Code, I, the Owner, as agreed in the Owner's Certification submitted with the Housing Tax Credit Application for the above named Development, have attempted to ensure that at least 30% of the construction and management businesses with which I contract in connection with the Development identified above are Minority Owned Businesses. I understand that a Minority Owned Business is defined by Section 2306.6734 as a business entity that is 51% owned, managed, and controlled by members of a minority group in its daily operations (for purposes of this report, Section 2306.6734 defines "minority group" as women, African Americans, American Indians, Asian Americans, Mexican Americans, and other Americans of Hispanic origin).

As of today, the percentage of businesses with which I, the Owner, have contracted that qualify as Minority Owned Businesses is as follows:

PERCENTAGE OF CONTRACTED MINORITY OWNED BUSINESSES
CONSTRUCTION: **35 %**
MANAGEMENT: **35 %**

Back up documentation will be provided to the Department in the event such documentation is requested to confirm the contracted percentages referenced above.

By: _____ 04/07/24

Signature of Owner Representative Date

Melissa Fisher, Manager

Printed Name of Owner Representative

Submit this form in accordance with the instructions related to Construction Status Reports in the Post Award Activities Manual. Construction Status Reports begin with an initial report and are received every 90 days via the applicant's FTP account. Please contact your Asset Manager or the general Asset Management inbox (asset.management@tdhca.state.tx.us) with questions.

Exhibit 8.2

Legacy Riverside Senior Living Community
TDHCA # 20613

CONSTRUCTION STATUS REPORT

Q2 2024

Submitted 07/10/24

72% Complete as of 6/25/24

TO OWNER/CLIENT:
Garland Housing Finance Corporation
1675 W Campbell Rd
Garland, Texas 75044

PROJECT:
Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

APPLICATION NO: 22
INVOICE NO: 39
PERIOD: 05/26/24 - 06/25/24
PROJECT NO: 2020-LRFW
CONTRACT DATE:

FROM CONTRACTOR:
Rise Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248

VIA ARCHITECT/ENGINEER:
Randy Richards (Hodges Architecture)

CONTRACT FOR: Legacy Riverside Senior Living

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1.	Original Contract Sum		$33,500,000.00
2.	Net change by change orders		$6,668,970.41
3.	Contract Sum to date (Line 1 ± 2)		$40,168,970.41
4.	Total completed and stored to date (Column G on detail sheet)		$33,073,179.22
5.	Retainage:		
	a. 3.33% of completed work	$1,098,068.66	
	b. 0.00% of stored material	$0.00	
	Total retainage (Line 5a + 5b or total in column I of detail sheet)		$1,098,068.66
6.	Total earned less retainage (Line 4 less Line 5 Total)		$31,975,110.56
7.	Less previous certificates for payment (Line 6 from prior certificate)		$30,738,369.31
8.	Current payment due:		$1,236,741.25
9.	Balance to finish, including retainage (Line 3 less Line 6)		$8,193,859.85

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner/Client:	$13,879,035.71	$(7,210,065.30)
Total approved this month:	$0.00	$0.00
Totals:	$13,879,035.71	$(7,210,065.30)
Net change by change orders:	$6,668,970.41	

The undersigned certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner/Client, and that current payments shown herein is now due.

CONTRACTOR: Rise Residential Construction Riverside, LLC

By: DocuSigned by: Melissa Fisher 55DFEC86AA5B469... Date: 6/30/2024 | 8:07 PM CD

State of: TEXAS
County of: DALLAS
Subscribed and sworn to before me this June 30th day of
Notary Public: DocuSigned by: Shayla Cerrone 3121342B22A5464...
My commission expires: 2/9/26

SHAYLA CERRONE
Notary Public, State of Texas
Comm. Expires 02-09-2026
Notary ID 133579493

ARCHITECT'S/ENGINEER'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on the on-site observations and the data comprising this application, the Architect/Engineer certifies to the Owner/Client that to the best of the Architect's/Engineer's knowledge, information and belief that Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: $1,236,741.25

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm the amount certified.)

ARCHITECT/ENGINEER:

By: DocuSigned by: Dan Burbine 72E9B559C6E8426... Date: 7/4/2024 | 10:54 PM CD

This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to the rights of the Owner/Client or Contractor under this Contract.

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
01 - General Conditions										
1.1	01-210000 - Mobilization Allowance		$150,000.00	$150,000.00	$0.00	$0.00	$150,000.00	100.00%	$0.00	$0.00
1.2	01-210100 - Living & Vehicle Allowances/Per Diem		$27,000.00	$26,257.00	$0.00	$0.00	$26,257.00	97.25%	$743.00	$0.00
1.3	01-310010 - Project Management		$415,637.68	$330,335.99	$11,453.14	$0.00	$341,789.13	82.23%	$73,848.55	$0.00
1.4	01-310030 - Superintendent		$449,345.35	$364,830.48	$12,134.04	$0.00	$376,964.52	83.89%	$72,380.83	$0.00
1.5	01-310035 - Assistant Superintendent		$242,670.40	$165,721.71	$10,021.26	$0.00	$175,742.97	72.42%	$66,927.43	$0.00
1.6	01-310037 - Field Labor		$18,438.00	$18,438.00	$0.00	$0.00	$18,438.00	100.00%	$0.00	$0.00
1.7	01-310040 - Field Administrative Staff		$175,284.62	$111,259.40	$9,718.58	$0.00	$120,977.98	69.02%	$54,306.64	$0.00
1.8	01-310045 - Payroll Burden		$261,468.12	$207,296.32	$7,927.58	$0.00	$215,223.90	82.31%	$46,244.22	$0.00
1.9	01-310050 - Travel Expenses		$50,814.00	$50,814.00	$0.00	$0.00	$50,814.00	100.00%	$0.00	$0.00
1.10	01-323310 - Photography and Video		$5,081.40	$5,081.40	$0.00	$0.00	$5,081.40	100.00%	$0.00	$0.00
1.11	01-331310 - Insurance - Builders Risk		$126,388.25	$126,388.25	$0.00	$0.00	$126,388.25	100.00%	$0.00	$0.00
1.12	01-331315 - Insurance - General Liability		$155,300.00	$155,300.00	$0.00	$0.00	$155,300.00	100.00%	$0.00	$0.00
1.13	01-331320 - Permits and Fees		$560,000.00	$560,000.00	$0.00	$0.00	$560,000.00	100.00%	$0.00	$0.00
1.14	01-352320 - Termite & Pest Control		$28,935.75	$28,935.75	$0.00	$0.00	$28,935.75	100.00%	$0.00	$0.00
1.15	01-355300 - Security		$36,107.33	$36,107.33	$0.00	$0.00	$36,107.33	100.00%	$0.00	$0.00
1.16	01-432610 - Quality Testing		$101,892.00	$49,574.00	$0.00	$0.00	$49,574.00	48.65%	$52,318.00	$0.00
1.17	01-510010 - Temporary Electric		$162,207.58	$63,029.07	$20,000.00	$0.00	$83,029.07	51.19%	$79,178.51	$0.00
1.18	01-510030 - Temporary Water		$25,900.00	$12,211.44	$5,000.00	$0.00	$17,211.44	66.45%	$8,688.56	$0.00
1.19	01-510040 - Temporary Phone, Internet		$3,387.60	$3,387.60	$0.00	$0.00	$3,387.60	100.00%	$0.00	$0.00
1.20	01-511330 - Software		$27,000.00	$27,000.00	$0.00	$0.00	$27,000.00	100.00%	$0.00	$0.00
1.21	01-521310 - Field Offices		$65,088.78	$22,243.13	$15,808.75	$0.00	$38,051.88	58.46%	$27,036.90	$0.00
1.22	01-521315 - Temporary Toilets		$15,000.00	$13,346.57	$590.15	$0.00	$13,936.72	92.91%	$1,063.28	$0.00
1.23	01-521320 - Office Supplies and Equipment		$5,081.40	$5,081.40	$0.00	$0.00	$5,081.40	100.00%	$0.00	$0.00
1.24	01-541620 - Equipment Rental		$45,061.00	$26,830.68	$5,942.83	$0.00	$32,773.51	72.73%	$12,287.49	$0.00
1.25	01-562610 - Temporary Fencing and Walkways		$28,260.28	$24,460.25	$813.32	$0.00	$25,273.57	89.43%	$2,986.71	$0.00

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1.26 **01-581310 - Project Signs and Identification**			$4,705.00	$4,705.00	$0.00	$0.00	$4,705.00	100.00%	$0.00	$0.00
1.27 **01-660010 - Trucking and Material Storage**			$7,065.60	$7,065.60	$0.00	$0.00	$7,065.60	100.00%	$0.00	$0.00
1.28 **01-712312 - Estimator Expenses**			$18,820.00	$18,820.00	$0.00	$0.00	$18,820.00	100.00%	$0.00	$0.00
1.29 **01-731930 - Small Tools**			$1,693.80	$1,693.80	$0.00	$0.00	$1,693.80	100.00%	$0.00	$0.00
1.30 **01-741900 - General Debris and Dumpsters**			$223,581.60	$223,581.60	$0.00	$0.00	$223,581.60	100.00%	$0.00	$0.00
1.31 **01-771610 - Punch List and Closeout**			$18,820.00	$18,820.00	$0.00	$0.00	$18,820.00	100.00%	$0.00	$0.00
1.32 **01-783910 - Project Documentation**			$3,387.60	$3,387.60	$0.00	$0.00	$3,387.60	100.00%	$0.00	$0.00
1.33 **01-784231 - Final Cleaning**			$155,289.03	$155,289.03	$0.00	$0.00	$155,289.03	100.00%	$0.00	$0.00
01 - General Conditions Subtotals			$3,614,712.17	$3,017,292.40	$99,409.65	$0.00	$3,116,702.05	86.22%	$498,010.12	$0.00
03 - Concrete										
2.1 **03-310024 - CIP Concrete Foundations**			$1,285,674.25	$1,285,674.25	$0.00	$0.00	$1,285,674.25	100.00%	$0.00	$64,283.72
2.2 **03-540010 - Lightweight/Gypcrete**			$520,400.00	$139,096.40	$150,000.00	$0.00	$289,096.40	55.55%	$231,303.60	$14,454.82
03 - Concrete Subtotals			$1,806,074.25	$1,424,770.65	$150,000.00	$0.00	$1,574,770.65	87.19%	$231,303.60	$78,738.54
04 - Masonry										
3.1 **04-000010 - Masonry**			$1,431,090.83	$663,302.38	$50,000.00	$0.00	$713,302.38	49.84%	$717,788.45	$11,051.13
3.2 **04-050000 - Dumpster Enclosure**			$16,000.00	$16,000.00	$0.00	$0.00	$16,000.00	100.00%	$0.00	$800.00
04 - Masonry Subtotals			$1,447,090.83	$679,302.38	$50,000.00	$0.00	$729,302.38	50.40%	$717,788.45	$11,851.13
05 - Metals										
4.1 **05-511300 - Metal Pan Stairs & Rails**			$1,126,915.00	$775,000.00	$50,000.00	$0.00	$825,000.00	73.21%	$301,915.00	$26,250.00
4.2 **05-521320 - Pool Fence**			$49,775.00	$25,000.00	$0.00	$0.00	$25,000.00	50.23%	$24,775.00	$1,250.00
4.3 **05-540010 - Perimeter Fence**			$340,010.00	$217,000.00	$0.00	$0.00	$217,000.00	63.82%	$123,010.00	$3,750.00
05 - Metals Subtotals			$1,516,700.00	$1,017,000.00	$50,000.00	$0.00	$1,067,000.00	70.35%	$449,700.00	$31,250.00
06 - Wood & Plastics										
5.1 **06-110002 - Wood Framing Labor**			$1,794,852.50	$1,794,852.50	$0.00	$0.00	$1,794,852.50	100.00%	$0.00	$81,889.51
5.2 **06-110004 - Wood Framing Material**			$4,162,871.16	$4,034,671.45	$0.00	$128,199.71	$4,162,871.16	100.00%	$0.00	$128,509.40

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5.3	06-175300 - Trusses		$2,150,094.16	$2,150,094.16	$0.00	$0.00	$2,150,094.16	100.00%	$0.00	$107,936.32
5.4	06-460000 - Finish Trim Carpentry - Material		$63,369.74	$34,447.53	$10,000.00	$0.00	$44,447.53	70.14%	$18,922.21	$0.00
5.5	06-460004 - Finish Trim Carpentry - Labor		$369,510.00	$0.00	$50,000.00	$0.00	$50,000.00	13.53%	$319,510.00	$2,500.00
06 - Wood & Plastics Subtotals			$8,540,697.56	$8,014,065.64	$60,000.00	$128,199.71	$8,202,265.35	96.04%	$338,432.21	$320,835.23
07 - Thermal & Moisture Protection										
6.1	07-130000 - Waterproofing		$37,350.00	$0.00	$0.00	$0.00	$0.00	0.00%	$37,350.00	$0.00
6.2	07-211610 - Batt Insulation		$509,000.00	$150,000.00	$50,000.00	$0.00	$200,000.00	39.29%	$309,000.00	$10,000.00
6.3	07-311300 - Shingles		$265,290.33	$265,290.33	$0.00	$0.00	$265,290.33	100.00%	$0.00	$1,807.45
6.4	07-510000 - Metal Roofing		$1,040,600.00	$1,040,600.00	$0.00	$0.00	$1,040,600.00	100.00%	$0.00	$11,000.00
6.5	07-712300 - Gutters and Downspouts		$85,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$85,000.00	$0.00
07 - Thermal & Moisture Protection Subtotals			$1,937,240.33	$1,455,890.33	$50,000.00	$0.00	$1,505,890.33	77.73%	$431,350.00	$22,807.45
08 - Doors & Windows										
7.1	08-140002 - Doors - Interior		$290,402.28	$210,757.32	$79,644.96	$0.00	$290,402.28	100.00%	$0.00	$0.00
7.2	08-161400 - Doors - Exterior		$237,600.00	$237,600.00	$0.00	$0.00	$237,600.00	100.00%	$0.00	$0.00
7.3	08-531300 - Windows		$265,394.05	$265,394.05	$0.00	$0.00	$265,394.05	100.00%	$0.00	$7,500.00
7.4	08-531400 - Window Coverings		$31,680.00	$31,680.00	$0.00	$0.00	$31,680.00	100.00%	$0.00	$0.00
7.5	08-800000 - Glass and Glazing		$23,000.00	$0.00	$10,000.00	$0.00	$10,000.00	43.48%	$13,000.00	$0.00
08 - Doors & Windows Subtotals			$848,076.33	$745,431.37	$89,644.96	$0.00	$835,076.33	98.47%	$13,000.00	$7,500.00
09 - Finishes										
8.1	09-000040 - Drywall		$1,594,195.00	$723,900.00	$100,000.00	$0.00	$823,900.00	51.68%	$770,295.00	$41,195.00
8.2	09-301300 - Ceramic		$143,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$143,000.00	$0.00
8.3	09-651900 - Vinyl		$331,819.00	$0.00	$0.00	$0.00	$0.00	0.00%	$331,819.00	$0.00
8.4	09-800000 - Clubhouse Flooring		$15,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$15,000.00	$0.00
8.5	09-912300 - Painting		$770,000.00	$50,000.00	$50,000.00	$0.00	$100,000.00	12.99%	$670,000.00	$5,000.00
09 - Finishes Subtotals			$2,854,014.00	$773,900.00	$150,000.00	$0.00	$923,900.00	32.37%	$1,930,114.00	$46,195.00

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10 - Specialties										
	9.1 **10-110000 - Door Hardware**		**$54,223.90**	**$54,223.90**	**$0.00**	**$0.00**	**$54,223.90**	**100.00%**	**$0.00**	**$0.00**
	9.2 **10-140000 - Exterior Signs**		**$16,400.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$16,400.00**	**$0.00**
	9.3 **10-140010 - Interior Signs**		**$16,400.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$16,400.00**	**$0.00**
	9.4 **10-140020 - Monument Sign**		**$15,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$15,000.00**	**$0.00**
	9.5 **10-211300 - Toilet Partitions**		**$7,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$7,000.00**	**$0.00**
	9.6 **10-281300 - Toilet Accessories**		**$24,987.54**	**$24,987.54**	**$0.00**	**$0.00**	**$24,987.54**	**100.00%**	**$0.00**	**$0.00**
	9.7 **10-440000 - Fire Extinguishers**		**$13,200.00**	**$13,200.00**	**$0.00**	**$0.00**	**$13,200.00**	**100.00%**	**$0.00**	**$0.00**
	9.8 **10-550000 - Postal Equipment**		**$30,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$30,000.00**	**$0.00**
	9.9 **10-572313 - Closet and Utility Shelving**		**$23,255.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$23,255.00**	**$0.00**
10 - Specialties Subtotals			**$200,466.44**	**$92,411.44**	**$0.00**	**$0.00**	**$92,411.44**	**46.10%**	**$108,055.00**	**$0.00**
11 - Equipment										
	10.1 **11-310000 - Kitchen Appliances**		**$580,800.00**	**$250,000.00**	**$0.00**	**$0.00**	**$250,000.00**	**43.04%**	**$330,800.00**	**$0.00**
	10.2 **11-310010 - Residential Laundry Equipment: Material**		**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$0.00**	**$0.00**
	10.3 **11-681300 - Playground Equipment**		**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$0.00**	**$0.00**
11 - Equipment Subtotals			**$580,800.00**	**$250,000.00**	**$0.00**	**$0.00**	**$250,000.00**	**43.04%**	**$330,800.00**	**$0.00**
12 - Furnishings										
	11.1 **12-353013 - Cabinets**		**$141,000.00**	**$141,000.00**	**$0.00**	**$0.00**	**$141,000.00**	**100.00%**	**$0.00**	**$0.00**
	11.2 **12-353015 - Granite**		**$355,742.00**	**$155,036.00**	**$50,000.00**	**$0.00**	**$205,036.00**	**57.64%**	**$150,706.00**	**$3,750.00**
	11.3 **12-930000 - Site Furnishings**		**$121,375.43**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$121,375.43**	**$0.00**
12 - Furnishings Subtotals			**$618,117.43**	**$296,036.00**	**$50,000.00**	**$0.00**	**$346,036.00**	**55.98%**	**$272,081.43**	**$3,750.00**
13 - Special Construction										
	12.1 **13-000020 - Carports**		**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$0.00**	**$0.00**
	12.2 **13-000040 - Maintenance Facility**		**$20,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$20,000.00**	**$0.00**
	12.3 **13-000050 - Mail Kiosks**		**$65,825.49**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$65,825.49**	**$0.00**

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12.4 **13-000080 - Sport Court**			$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
12.5 **13-000090 - Gazebos**			$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
12.6 **13-110000 - Pools and Pool Equipment**			$23,037.00	$0.00	$0.00	$0.00	$0.00	0.00%	$23,037.00	$0.00
13 - Special Construction Subtotals			$108,862.49	$0.00	$0.00	$0.00	$0.00	0.00%	$108,862.49	$0.00
14 - Conveying Systems										
13.1 **14-240000 - Elevators**			$996,959.00	$785,000.00	$160,000.00	$0.00	$945,000.00	94.79%	$51,959.00	$22,850.00
14 - Conveying Systems Subtotals			$996,959.00	$785,000.00	$160,000.00	$0.00	$945,000.00	94.79%	$51,959.00	$22,850.00
21 - Fire Protection										
14.1 **21-100000 - Fire Sprinkler**			$736,896.68	$295,000.00	$0.00	$0.00	$295,000.00	40.03%	$441,896.68	$14,750.00
21 - Fire Protection Subtotals			$736,896.68	$295,000.00	$0.00	$0.00	$295,000.00	40.03%	$441,896.68	$14,750.00
22 - Plumbing										
15.1 **22-000010 - Plumbing**			$1,664,950.00	$1,664,950.00	$0.00	$0.00	$1,664,950.00	100.00%	$0.00	$73,247.50
15.2 **22-000020 - Plumbing Fixtures**			$352,539.66	$352,539.66	$0.00	$0.00	$352,539.66	100.00%	$0.00	$0.00
15.3 **22-000090 - Hot Water Heaters**			$100,400.00	$0.00	$0.00	$0.00	$0.00	0.00%	$100,400.00	$0.00
15.4 **22-000100 - Tub Repairs**			$6,600.00	$0.00	$0.00	$0.00	$0.00	0.00%	$6,600.00	$0.00
15.5 **22-000110 - Sub-Metering (Water)**			$31,152.00	$0.00	$10,000.00	$0.00	$10,000.00	32.10%	$21,152.00	$500.00
22 - Plumbing Subtotals			$2,155,641.66	$2,017,489.66	$10,000.00	$0.00	$2,027,489.66	94.06%	$128,152.00	$73,747.50
23 - HVAC										
16.1 **23-000010 - HVAC**			$1,437,300.00	$900,000.00	$150,000.00	$0.00	$1,050,000.00	73.05%	$387,300.00	$52,500.00
16.2 **23-000080 - Testing, Balancing, Adjusting**			$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
23 - HVAC Subtotals			$1,437,300.00	$900,000.00	$150,000.00	$0.00	$1,050,000.00	73.05%	$387,300.00	$52,500.00
26 - Electrical										
17.1 **26-000010 - Electrical**			$1,893,454.26	$1,893,454.26	$0.00	$0.00	$1,893,454.26	100.00%	$0.00	$69,850.78
17.2 **26-000014 - Electrical Material**			$52,400.00	$52,400.00	$0.00	$0.00	$52,400.00	100.00%	$0.00	$0.00
17.3 **26-000020 - Telephone & Cable Underground**			$50,000.00	$50,000.00	$0.00	$0.00	$50,000.00	100.00%	$0.00	$2,500.00

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17.4 **26-000030 - Low-Voltage Distribution**			$132,000.00	$132,000.00	$0.00	$0.00	$132,000.00	100.00%	$0.00	$6,600.00
17.5 **26-000040 - Electrical Fixtures**			$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
17.6 **26-560020 - Secondary Underground**			$90,000.00	$90,000.00	$0.00	$0.00	$90,000.00	100.00%	$0.00	$9,750.00
17.7 **26-560040 - Fire Alarm**			$136,250.00	$0.00	$0.00	$0.00	$0.00	0.00%	$136,250.00	$0.00
26 - Electrical Subtotals			$2,354,104.26	$2,217,854.26	$0.00	$0.00	$2,217,854.26	94.21%	$136,250.00	$88,700.78
28 - Electronic Safety										
18.1 **28-000020 - Access Control**			$66,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00
28 - Electronic Safety Subtotals			$66,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00
31 - Earthwork										
19.1 **31-000030 - Earthwork Grading**			$771,983.62	$771,983.62	$0.00	$0.00	$771,983.62	100.00%	$0.00	$37,302.67
19.2 **31-100000 - Site Clearing**			$230,000.00	$230,000.00	$0.00	$0.00	$230,000.00	100.00%	$0.00	$11,654.81
19.3 **31-230660 - Utility Spoil Disposal**			$194,864.95	$194,864.95	$0.00	$0.00	$194,864.95	100.00%	$0.00	$9,743.25
19.4 **31-250000 - Erosion & Sediment Control**			$39,641.00	$39,641.00	$0.00	$0.00	$39,641.00	100.00%	$0.00	$1,334.08
31 - Earthwork Subtotals			$1,236,489.57	$1,236,489.57	$0.00	$0.00	$1,236,489.57	100.00%	$0.00	$60,034.81
32 - Exterior Improvemets										
20.1 **32-000005 - City Required Infrastructure**			$67,325.52	$42,500.00	$24,825.52	$0.00	$67,325.52	100.00%	$0.00	$1,241.28
20.2 **32-000010 - Exterior Improvements**			$431,452.59	$309,649.25	$121,803.34	$0.00	$431,452.59	100.00%	$0.00	$21,372.63
20.3 **32-131300 - Concrete Paving**			$1,513,455.52	$1,437,782.73	$75,672.79	$0.00	$1,513,455.52	100.00%	$0.00	$153,590.43
20.4 **32-162300 - Sidewalks**			$348,447.00	$270,000.00	$0.00	$0.00	$270,000.00	77.49%	$78,447.00	$13,500.00
20.5 **32-172300 - Pavement Marking**			$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
20.6 **32-172500 - Surveying & Layouts**			$63,000.00	$63,000.00	$0.00	$0.00	$63,000.00	100.00%	$0.00	$0.00
20.7 **32-800000 - Irrigation Systems**			$165,401.61	$34,072.88	$0.00	$0.00	$34,072.88	20.60%	$131,328.73	$4,654.58
20.8 **32-930000 - Landscaping**			$247,333.60	$2,373.12	$0.00	$0.00	$2,373.12	0.96%	$244,960.48	$0.00
32 - Exterior Improvemets Subtotals			$2,836,415.84	$2,159,377.98	$222,301.65	$0.00	$2,381,679.63	83.97%	$454,736.21	$194,358.92
33 - Utilities										

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
21.1	33-000010	Site Utilites	$204,399.66	$204,399.66	$0.00	$0.00	$204,399.66	100.00%	$0.00	$9,816.32
21.2	33-100000	Water	$350,000.00	$350,000.00	$0.00	$0.00	$350,000.00	100.00%	$0.00	$17,500.00
21.3	33-300000	Sanitary Sewer	$250,000.00	$250,000.00	$0.00	$0.00	$250,000.00	100.00%	$0.00	$12,500.00
21.4	33-400000	Storm Drain	$567,659.67	$567,659.67	$0.00	$0.00	$567,659.67	100.00%	$0.00	$28,382.98
33 - Utilities Subtotals			$1,372,059.33	$1,372,059.33	$0.00	$0.00	$1,372,059.33	100.00%	$0.00	$68,199.30
50 - Fees										
22.1	50-000010	Overhead	$726,063.06	$726,063.06	$0.00	$0.00	$726,063.06	100.00%	$0.00	$0.00
22.2	50-000020	GC Fee	$2,178,189.18	$2,178,189.10	$0.08	$0.00	$2,178,189.18	100.00%	$0.00	$0.00
50 - Fees Subtotals			$2,904,252.24	$2,904,252.16	$0.08	$0.00	$2,904,252.24	100.00%	$0.00	$0.00
Grand Totals			$40,168,970.41	$31,653,623.17	$1,291,356.34	$128,199.71	$33,073,179.22	82.34%	$7,095,791.19	$1,098,068.66

RISE Residential Construction Riverside, LLC

Printed on Tue Jul 2, 2024 at 05:16 pm CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

Taken Date	Uploaded By
07/02/2024 at 04:58 pm	Joseph Welch
Upload Date	**File Name**
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Description

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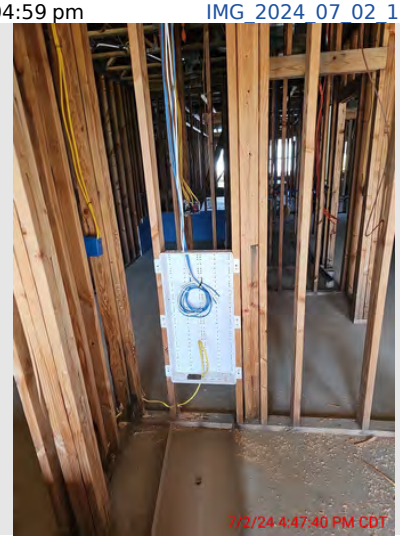

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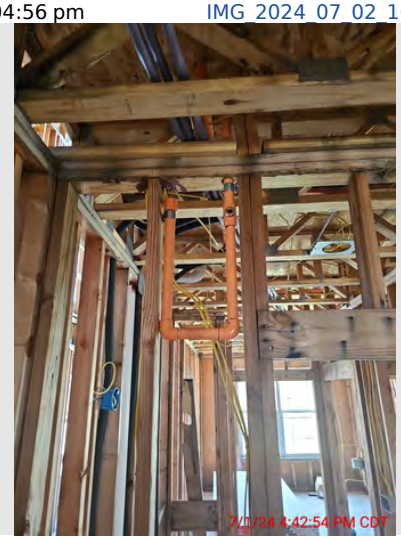

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Upload Date	**File Name**
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RISE Residential Construction Riverside, LLC

Printed on Tue Jul 2, 2024 at 05:16 pm CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

Continuing installing wire in bldg. 6

Taken Date	Uploaded By
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Upload Date	File Name
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Description

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Description

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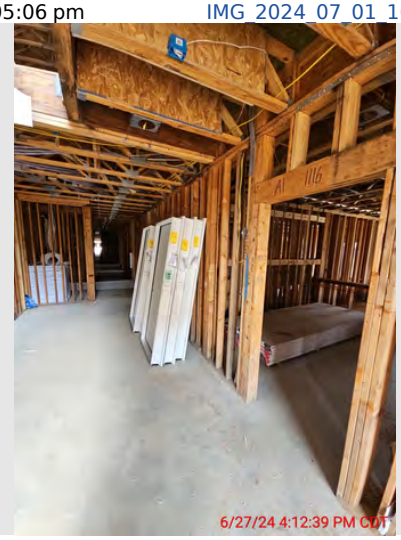

Description

Laying out entry doorway is for bldg. 2

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06/27/2024 at 04:12 pm	Joseph Welch

Upload Date	File Name
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RISE Residential Construction Riverside, LLC

Printed on Tue Jul 2, 2024 at 05:16 pm CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

Taken Date	Uploaded By
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Upload Date	**File Name**
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CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

May 8, 2024

Alexa Delerme
Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

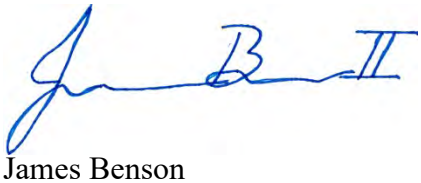
RE: Legacy Riverside
Fort Worth, Texas
CA Partners, Inc Project No.: 20240

Dear Alexa,

Enclosed is Construction Progress Report No. 037 dated May 8, 2024 for the above referenced project. Please note that the first page of the report is a summary with detailed information in the pages that follow.

It is a pleasure working for you and Bellwether Enterprise. If you have any questions, please call me at (214) 468-0807 or email me at jbenson@capartnersinc.com.

Sincerely,



James Benson
Senior Project Manager

cc: constructionadmin@bwe.com - Bellwether Enterprise
Alma Navarro – IBC Bank (by reliance)
Lee Reed – IBC Bank (by reliance)
Constantine Chigounis – 42 Equity (by reliance)
Oscar Leal, CPA – 42 Equity (by reliance)
Agustina Pesci – 42 Equity (by reliance)

Partners, Inc.
Construction Advisors

LEGACY RIVERSIDE
Fort Worth, Texas

Report No: 037 – May 8, 2024

CA Partners, Inc. Project Number: 20240

Prepared for:

Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

**Professionals Serving Construction Lenders,
Investors, and Participants**

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

Legacy Riverside – Fort Worth, Texas

Executive Summary Report 037

Client: Bellwether Enterprise	From: James Benson, Senior Project Manager
ATTN: Alexa Delerme	CA Partners, Inc.

Project Name - City, State:				Legacy Riverside - Fort Worth, Texas
Project Type:				264-units in seven 3-story apartment buildings with a Clubhouse on 9.8 acres
Site Visit Date:				April 11, 2024
Development Draw/ Contractor Application # reviewed:		Draw No. Draw N/A		Application No. N/A
Complete Draw Package Received:		Yes ☐	No ☒	**Progress Report**
For the period ending:				April 10, 2024
Current Contract Sum through Change Order No. 19 / Contract Type:				$40,168,970.41/Cost Plus-GMP
Was the Budget revised or modified this period?			By Reallocation ☐	No ☒
Current Change Orders:			By Change Order ☐	No ☒
Executed Change Orders Received:			Yes ☐	No ☒
Stored materials requested this draw?	Onsite: ☐	Offsite: ☐	Yes ☐	No ☒
Amount of Contractor's request this period:				Progress Report (No Application for Payment Submitted)
Amount of Contractor's request recommended:				**Progress Report (No Application for Payment Submitted)**

Completion % estimated by CA Partners, Inc. (Does not include amounts funded for Stored Materials)		53%
Completion % indicated on Contractor's Application		Not Submitted
Hard Cost Budget appears sufficient on a % of work in place basis?	Yes ☐	No ☒

Construction Schedule:

Completion date per Construction Contract or extended by change order:		March 21, 2023
Is Work currently on schedule to meet this date?	Yes ☐	No ☒
If not, how far behind schedule?		March 1, 2025

Retainage:

Percent of retainage currently held		3.3%
Does % withheld agree with terms of Construction Contract?	Yes ☐	No ☒
Is any retainage release requested this period?	Yes ☐	No ☒
If Yes, how much?		

Other:

General Contractor's lien waivers received and reviewed?	Yes ☐	No ☒
Project being constructed in general accordance with approved Plan and Specifications	Yes ☐	No ☐
Foundations Complete:	Yes ☐	No ☒
Certificate(s) of Occupancy issued?	Yes ☐	No ☒
Does CA Partners, Inc. recommend client contact us to discuss issues in this report?	Yes ☒	No ☐

** This is a summary of the findings from our site visit and draw processing. Please reference the information in the pages that follow for a more comprehensive and detailed discussion of issues.*

1. CONSTRUCTION FUNDING REQUEST

Overall scope of work: The Legacy Riverside Independent Senior Living project is located at the northeast intersection of North Riverside Drive and Summerfields Boulevard in Fort Worth, Texas. The project is located on a 9.82-acre tract of land, and a total of 264 apartment units will be constructed. Access to the property will be provided from two double lane entry drives from North Riverside Drive to the central Clubhouse located adjacent the buildings. One 1-story Clubhouse and seven 3-stort apartments buildings will be provided. Carport/covered parking spaces and vehicular access gates are identified. Site amenities include a fenced swimming pool area, dog park, outdoor siting areas, picnic tables, BBQ grills, gazebo, fire pit, horseshoe pit, beanbag toss, and perimeter fencing. Perimeter building and parking lot landscaping is proposed. The centrally located Clubhouse areas will include a Club Room with kitchen, Fitness Center, Craft Room, Billiards Room, Business Center, Conference Room, Leasing area, offices, and Public Restrooms.

Please note we have requested but not received a Contractor's Application for Payment since Application for Payment No. 36 for work through February 25, 2024. Onsite work progress has picked up during the months of February and March. We are submitting this Construction Progress Report to report on work completed through April 11, 2024.

2. STORED MATERIALS

2.1 Materials Stored Onsite:

- CMU
- Hardie plank siding
- Lumber
- Trusses
- Sheathing
- PEX piping
- Windows
- Balcony doors
- Unit entry doors

2.2 Onsite Stored Material Request:

- No on-site stored materials requests have been made this application

2.3 Offsite Stored Material Request:

Not including framing materials, approximately $3,000,000 in materials have been funded to date as reflected on the previous Contractor's Application for Payment. These materials have not been installed at this time and our estimated completion percentage does not include materials purchased. We mention this for your information. These materials are reportedly stored at the Contractor's facility, vendor facility, or locked conexes onsite.

- $425,000 for "Metal Pan Stairs and Rails" – material previously purchased and funded
- $820,600 for "Thermal & Moisture Protection" – Contractor provided Bill of Lading and Photos for Zip sheathing, metal roof rolls, and Cladding materials purchased (previously purchased and funded) – now in progress of being installed.
- $92,411.44 for "Specialties" – material previously purchased and funded
- $250,000 for "Equipment" – material previously purchased and funded
- $300,000 for "Cabinets" – material previously purchased and funded
- $785,000 for the "Elevator" deposit
- $352,539.66 for "Plumbing Fixtures" – material previously purchased and funded

- $23,272.88 “Irrigation” – material previously purchased and funded

3. CHANGE ORDERS

3.1 Current Change Orders

The Contract Sum has previously been modified a total of $6,668,970.41 by Change Order Nos. 1-19. We were previously informed by the Developer/Contractor that formal change orders will not be issued for budget reallocations without additional scope changes. The Contract Sum remains $40,168,970.14.

3.2 Pending Change Orders

- We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project
- At this time, we have not been informed of any potential change orders for this project.

4. CONSTRUCTION - PROGRESS, ISSUES, AND SCHEDULE

4.1 Construction Progress

Observations made at the time of this month's site visit on April 11, 2024 are as follows:

- Retaining walls at the north perimeter of the site remained complete with the exception of backfill
- Cutting and grouting for post tension cables remained incomplete
- Concrete paving for drives and parking areas were complete for all areas except the northwest portion of the site and the main approaches from adjacent public streets
- Framing remains in progress for the buildings except Building 5
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work has now been completed as of April 11, 2024.
- All buildings foundations were now complete
- Overgrown vegetation has now been cleared from the site and additional rough grading complete adjacent building areas.
- CMU elevator shafts remained complete for each building except Building 5 – now nearing completion at Building 5
- Concrete paving was complete for onsite drives and parking areas – only remains for 1 approach from North Riverside Drive.
- Concrete approach from Summerfields Blvd and North Riverside Drive were complete
- Concrete sidewalks was complete at Summerfields Blvd
- Temporary electrical power was complete
- Level 1 wall framing was complete for the Clubhouse and exterior sheathing and roof decking were also complete
- Roofing was observed complete for the Clubhouse
- Zip Sheathing tape and windows were complete at the Clubhouse
- Installation of storefront style doors was complete at the Clubhouse
- Plumbing rough in, electrical rough in, and HVAC ductwork were complete at the Clubhouse
- Framing for levels 1-3 and roof decking were complete at Building 1
- Roofing and windows were complete at Building 1, Building 2, Building 3, and Building 7
- Exterior siding was in progress at Buildings 1, 2, 3, and 7
- Plumbing rough in was complete at Buildings 1, 2, 3, and 7
- Electrical rough in was complete at Buildings 1 and 2 – in progress at Buildings 3 and 7
- HVAC ductwork was complete at Building 1 and 7 – in progress at Building 2

- HVAC refrigerant lines were complete at Buildings 1 and 7
- Levels 1-3 wall framing and roof decking was complete at Building 4
- Roofing was in progress at Building 4
- Level 1-3 framing was complete and roof trusses in progress at Building 6
- Plumbing rough in was in progress at Building 6
- Metal fencing was observed complete at the north perimeter of the site

4.2 Construction Issues

- **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction pace has now picked back up during the period from August 30, 2023 to April 11, 2024.**
- There were approximately 20 laborers observed on-site at the time of our site visit.
- CA Partners has had previous and current projects with Rise Residential, and we have had generally positive results regarding timeliness of completion.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) on the previous G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed by the Owner/Builder that the Schedule of Values need to be reevaluated due to recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log.
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work was observed in progress on March 5, 2024.

4.3 Construction Schedule

Contractual Completion date:	March 21, 2023
Contractor's estimated Substantial Completion date:	Updated Schedule Requested
CA Partners estimated Substantial Completion date:	March 1, 2025
Has occupancy started:	No

- Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2023. This date was not met due to the impact of the pandemic and supply chain related delays. Manpower shortages are affecting all jobs in DFW.
- **Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on March 1, 2025.**
- Please be aware that the Contractor's progress to date has been equal with industry standards in DFW. Should construction administration, manpower, and direction all improve in the coming months, Substantial Completion could be completed sooner, however should the current level of organization continue, the completion date may be at risk of being pushed further.
- Final Completion including all punchlist, cleaning and final demobilization may extend past the Substantial Completion date.

5. CONSTRUCTION MATERIAL TESTING

5.1 Test Results Received Since our Prior Report:

Testing was initially being performed by Intertek PSI for this project. We have not been provided with any additional copies of testing since the previous period, and we will continue to request that we be added to the direct testing distribution list.

Please be aware that it no longer appears that testing is being done for the project based on our observations onsite. Reinforcing steel is being placed over cracked soil which does not appear to have been recently compacted or tested. We recommend that testing begin immediately to ensure the project is built per plans and specifications

6. CONSTRUCTION DOCUMENTATION

- The following documents have been received with the draw submission for this report:
  - Contractor Application and Certificate for Payment No. 36
- We will continue to comment on documents as they are received

7. CONCLUSIONS

7.1 Job Progress

- Job progress since the previous period has been at a good pace
- Based on our observations and interactions with this project to date, we would consider the project to be at high risk of schedule delays and cost increases. Please see comments in Section 1.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 73% complete.

DISCLAIMER/RELIANCE

Information contained in this report was obtained through observations made at the time of our site visit(s), communication with on and off-site construction personnel, communication with Borrower/Owners, draw documentation provided with applicable backup, meeting minutes, third party reports (testing, etc.), and documentation items (change orders, construction schedules, Certificates of Occupancy, etc.) provided by the Borrower and/or Contractor. Where necessary, information was also obtained by verbal communication, meetings, access to online portals, and/or email correspondence on specific issues requiring clarification in order for us to fulfill our report scope obligation. CA Partners, Inc. (CAP) will have no obligation or authority to direct any other party (Borrower, Architect, Engineer, Contractor, etc.) involved in the project. CAP will have no liability regarding acts or omissions of these parties, their employees, or agents. CAP will not provide construction management or supervision for this project and do not have authority to reject work. CAP services will not include any testing related to soil conditions, environmental issues, structural issues or mechanical /electrical systems, or construction materials. No destructive testing of building components will be performed. All reports issued by CAP reflect our judgement and opinion based on construction elements visible at the time of our monthly site observations.

The information contained in this report may be used and relied upon by Bellwether Enterprise and IBC Bank subject to terms, conditions, limitations and qualifications contained in the Agreement between the client named herein and CA Partners, Inc. This report, or any report prepared by CA Partners, Inc., is not to be relied upon by any third party financial institution, investor or lending entity unless arrangements are made by executed reliance letter signed by CA Partners, Inc. and the lead client named above. Third party reliance will require acceptance of the report scope agreed to and outlined in our original engagement unless engaged to perform added scope outlined in an additional agreement or co-engagement. Our reports are solely for the use of our client(s), approved reliant parties and/or co-engagements in administering the construction loan for this project. CA Partners, Inc. will not name or distribute our reports to Borrowers as we believe our reports are proprietary to our clients. However, named clients may distribute reports, if needed, at their discretion, to better administrate the construction loan per their polices. We recommend that any third parties perform their own due diligence in examining the above property.

This report is for the use and benefit of, and may be relied upon by,

a) the Seller/Servicer, Freddie Mac and all successors and assigns ("Lender");

b) independent auditors, accountants, attorneys and other professionals acting on behalf of the Lender;

c) governmental agencies having regulatory authority over Lender;

d) designated persons pursuant to an order or legal process of any court or governmental agency;

e) prospective purchasers of the mortgage; and

f) with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is the subject of this report, the following parties in their respective successors and assigns:

- any placement agent or broker/dealer and any of their prospective affiliates, agents, and advisers;
- any initial purchaser or subsequent holder of such debt and/or security;
- any Servicer or other agent acting on behalf of the holders of such debt and/or security;
- any indenture trustee;
- any rating agencies; and
- any institutional provider from time to time of any liquidity facility or credit support for such financings

1. Zip sheathing tape and windows were complete at the Clubhouse.

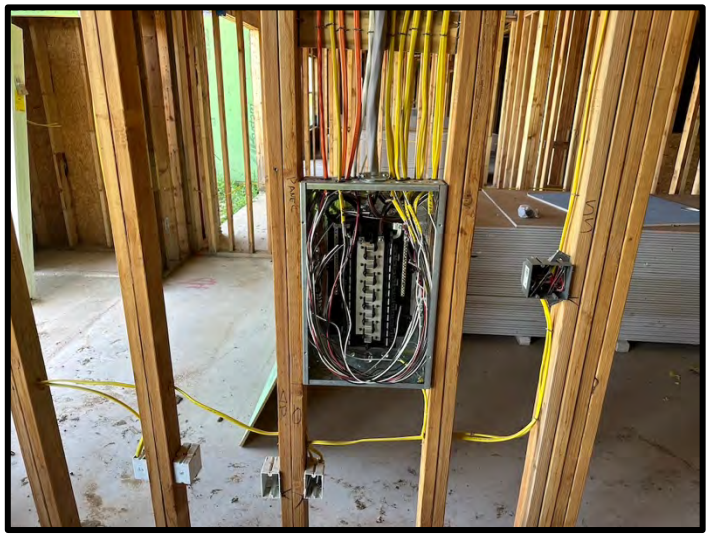
2. Storefront style doors were complete at the Clubhouse.

3. HVAC ductwork was complete at the Clubhouse.

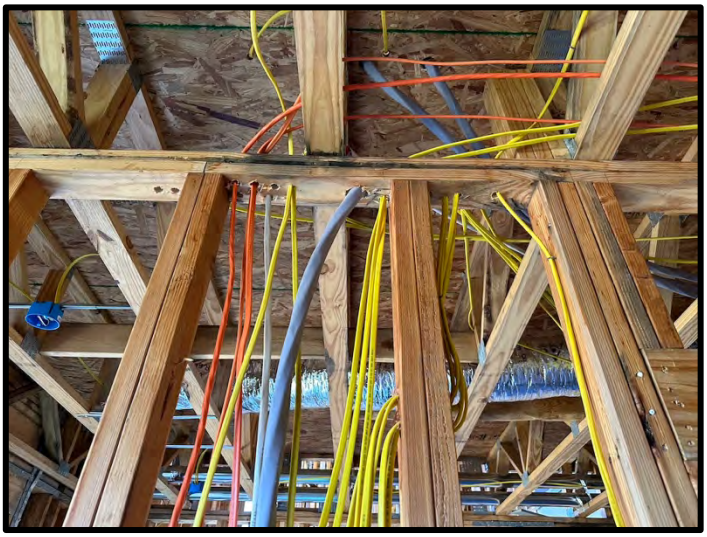
4. Electrical rough in was complete for the Clubhouse.

5. Exterior siding and trim were nearing completion at Building 1.

6. HVAC ductwork was complete at Building 1.



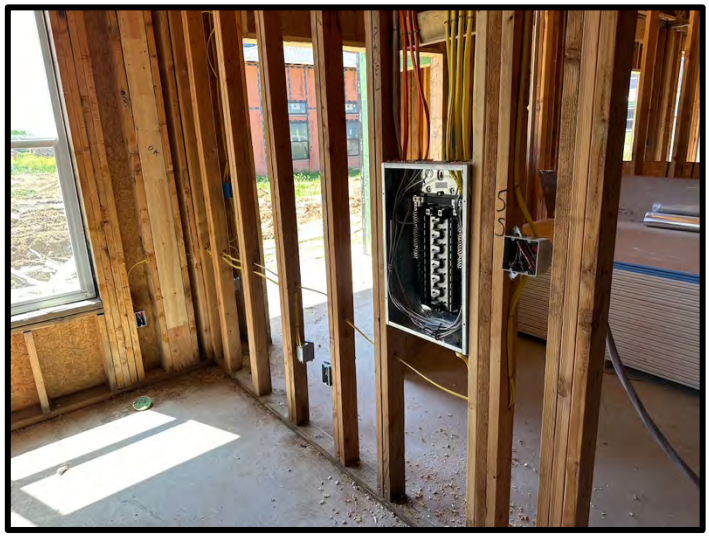
7. Electrical rough in was complete at Building 1.



8. MEP inspections and fire caulking remains at Building 1.

9. Exterior siding and trim were nearing completion at Building 2.

10. Vent ductwork was in progress at Building 2.



11. Electrical rough in was nearing completion at Building 2.

12. Exterior siding was in progress at Building 3.

13. Plumbing rough in was complete at Building 3.

14. Electrical rough in was in progress at Building 3.

15. Exterior sheathing was complete at Building 4. Roofing was observed in progress.

16. Plumbing rough in was in progress at Building 4.

17. The concrete foundation was now complete at Building 5.

18. CMU elevator shaft was nearing completion at Building 5.

19. Level 1-3 framing was complete at Building 6. Roof trusses were nearing completion.

20. Plumbing rough in was in progress at Building 6.

21. Exterior siding was nearing completion at Building 7.

22. HVAC ductwork and refrigerant lines were complete at Building 7.

23. Plumbing rough in and dryer vents were complete at Building 7.

24. Concrete paving was now complete for the approach from North Riverside Drive.

Texas Department of Housing and Community Affairs, Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941,Austin, TX 78701, Main Number: 512-475-3800, Toll Free: 800-525-0657, Email: info@tdhca.state.tx.us, Web: www.tdhca.state.tx.us

Construction Status Report – Minority Owned Business Report (HTC Only)

TDHCA Asset Management Division - P.O. Box 13941, Austin, Texas 78711-3941 www.tdhca.state.tx.us/asset-management

This report must be provided every 90 days in coordination with the construction status reports for all HTC developments as required by Tex. Gov't Code §2306.6734 to demonstrate the Owner's attempt to ensure that at least 30% of the construction and management businesses with which the Owner contracts in connection with the development are minority-owned businesses.

TDHCA File No.: p20613 Development Name: Legacy Riverside Senior Living Community

NAME and ADDRESS of OWNERSHIP ENTITY	
Name of Ownership Entity: TX Riverside Seniors, LP	Contact Name: Melissa Fisher
Mailing Address: 16812 Dallas Parkway	City: Dallas, State: TX Zip: 75248
Phone: (972) 701-5555	Email: mfisher@rise-residential.com

In accordance with Texas Government Code, I, the Owner, as agreed in the Owner's Certification submitted with the Housing Tax Credit Application for the above named Development, have attempted to ensure that at least 30% of the construction and management businesses with which I contract in connection with the Development identified above are Minority Owned Businesses. I understand that a Minority Owned Business is defined by Section 2306.6734 as a business entity that is 51% owned, managed, and controlled by members of a minority group in its daily operations (for purposes of this report, Section 2306.6734 defines "minority group" as women, African Americans, American Indians, Asian Americans, Mexican Americans, and other Americans of Hispanic origin).

As of today, the percentage of businesses with which I, the Owner, have contracted that qualify as Minority Owned Businesses is as follows:

PERCENTAGE OF CONTRACTED MINORITY OWNED BUSINESSES
CONSTRUCTION: **35 %**
MANAGEMENT: **35 %**

Back up documentation will be provided to the Department in the event such documentation is requested to confirm the contracted percentages referenced above.

By: _____ 07/07/24

Signature of Owner Representative Date

Melissa Fisher, Manager

Printed Name of Owner Representative

Submit this form in accordance with the instructions related to Construction Status Reports in the Post Award Activities Manual. Construction Status Reports begin with an initial report and are received every 90 days via the applicant's FTP account. Please contact your Asset Manager or the general Asset Management inbox (asset.management@tdhca.state.tx.us) with questions.

Exhibit 8.3

Legacy Riverside Senior Living Community
TDHCA # 20613

CONSTRUCTION STATUS REPORT

Q3 2024

Submitted 10/10/24

67% Complete as of 9/25/24
This percentage of total contract decreased based upon the change order necessary to complete the project.

TO OWNER/CLIENT:
Garland Housing Finance Corporation
1675 W Campbell Rd
Garland, Texas 75044

PROJECT:
Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

APPLICATION NO: 25
INVOICE NO: 42
PERIOD: 08/26/24 - 09/25/24
PROJECT NO: 2020-LRFW
CONTRACT DATE:

FROM CONTRACTOR:
Rise Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248

VIA ARCHITECT/ENGINEER:
Dan Burbine (Dan Burbine Associates)
12532 Renoir Ln.
Dallas, Texas 75230

CONTRACT FOR: Legacy Riverside Senior Living

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1.	Original Contract Sum		$33,500,000.00
2.	Net change by change orders		$21,500,000.00
3.	Contract Sum to date (Line 1 ± 2)		$55,000,000.00
4.	Total completed and stored to date (Column G on detail sheet)		$36,884,628.41
5.	Retainage:		
	a. 3.37% of completed work	$1,239,638.47	
	b. 0.00% of stored material	$0.00	
	Total retainage (Line 5a + 5b or total in column I of detail sheet)		$1,239,638.47
6.	Total earned less retainage (Line 4 less Line 5 Total)		$35,644,989.94
7.	Less previous certificates for payment (Line 6 from prior certificate)		$34,483,522.83
8.	Current payment due:		$1,161,467.11
9.	Balance to finish, including retainage (Line 3 less Line 6)		$19,355,010.06

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner/Client:	$13,879,035.71	$(7,210,065.30)
Total approved this month:	$15,089,051.59	$(258,022.00)
Totals:	$28,968,087.30	$(7,468,087.30)
Net change by change orders:	$21,500,000.00	

The undersigned certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner/Client, and that current payments shown herein is now due.

CONTRACTOR: Rise Residential Construction Riverside, LLC

By: DocuSigned by: Melissa Fisher 55DFEC86AA5B469... Date: 10/9/2024 | 1:30 PM CD

State of: TEXAS
County of: DALLAS
Subscribed and sworn to before me this 9th day of October
Notary Public: DocuSigned by: Shayla Cerrone 3121342B22A5464...
My commission expires: 2/9/26

ARCHITECT'S/ENGINEER'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on the on-site observations and the data comprising this application, the Architect/Engineer certifies to the Owner/Client that to the best of the Architect's/Engineer's knowledge, information and belief that Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: $1,161,467.11

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm the amount certified.)

ARCHITECT/ENGINEER:

By: _____ Date: _____

This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to the rights of the Owner/Client or Contractor under this Contract.

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1 **01 - General Conditions**												
1.1 **01-210000 - Mobilization Allowance**	$0.00	$150,000.00	$0.00	$150,000.00	$150,000.00	$0.00	$150,000.00	100.00%	$0.00	$0.00	0	$0.00
1.2 **01-210100 - Living & Vehicle Allowances/ Per Diem**	$0.00	$27,000.00	$0.00	$27,000.00	$26,257.00	$0.00	$26,257.00	97.25%	$743.00	$0.00	0	$0.00
1.3 **01-310010 - Project Management**	$0.00	$180,000.00	$470,000.00	$650,000.00	$364,695.41	$11,453.14	$376,148.55	57.87%	$273,851.45	$0.00	0.00%	$0.00
1.4 **01-310030 - Superintendent**	$0.00	$180,000.00	$420,000.00	$600,000.00	$401,232.60	$12,134.04	$413,366.64	68.89%	$186,633.36	$0.00	0.00%	$0.00
1.5 **01-310035 - Assistant Superintendent**	$0.00	$117,000.00	$283,000.00	$400,000.00	$195,785.49	$10,021.26	$205,806.75	51.45%	$194,193.25	$0.00	0.00%	$0.00
1.6 **01-310037 - Field Labor**	$0.00	$18,000.00	$438.00	$18,438.00	$18,438.00	$0.00	$18,438.00	100.00%	$0.00	$0.00	0	$0.00
1.7 **01-310040 - Field Administrative Staff**	$0.00	$50,000.00	$200,000.00	$250,000.00	$140,415.14	$9,718.58	$150,133.72	60.05%	$99,866.28	$0.00	0.00%	$0.00
1.8 **01-310045 - Payroll Burden**	$0.00	$122,400.00	$227,600.00	$350,000.00	$231,079.06	$7,927.58	$239,006.64	68.29%	$110,993.36	$0.00	0.00%	$0.00
1.9 **01-310050 - Travel Expenses**	$0.00	$54,000.00	$21,000.00	$75,000.00	$50,814.00	$0.00	$50,814.00	67.75%	$24,186.00	$0.00	0	$0.00
1.10 **01-323310 - Photography and Video**	$0.00	$5,400.00	$4,600.00	$10,000.00	$5,081.40	$0.00	$5,081.40	50.81%	$4,918.60	$0.00	0	$0.00
1.11 **01-331310 - Insurance - Builders Risk**	$0.00	$71,920.00	$128,080.00	$200,000.00	$126,388.25	$0.00	$126,388.25	63.19%	$73,611.75	$0.00	0	$0.00
1.12 **01-331315 - Insurance - General Liability**	$0.00	$89,900.00	$110,100.00	$200,000.00	$155,300.00	$0.00	$155,300.00	77.65%	$44,700.00	$0.00	0	$0.00
1.13 **01-331320 - Permits and Fees**	$0.00	$0.00	$560,000.00	$560,000.00	$560,000.00	$0.00	$560,000.00	100.00%	$0.00	$0.00	0	$0.00
1.14 **01-352310 - Safety and First Aid**	$0.00	$0.00	$11,064.25	$11,064.25	$0.00	$0.00	$0.00	0.00%	$11,064.25	$0.00	0	$0.00
1.15 **01-352320 - Termite & Pest Control**	$0.00	$30,750.00	($1,814.25)	$28,935.75	$28,935.75	$0.00	$28,935.75	100.00%	$0.00	$0.00	0	$0.00
1.16 **01-355300 - Security**	$0.00	$3,600.00	$96,400.00	$100,000.00	$36,107.33	$0.00	$36,107.33	36.11%	$63,892.67	$0.00	0	$0.00

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1.17 **01-432610 - Quality Testing**	$0.00	$50,000.00	$51,892.00	$101,892.00	$54,574.00	$21,845.00	$76,419.00	75.00%	$25,473.00	$0.00	0.00%	$0.00
1.18 **01-510010 - Temporary Electric**	$0.00	$6,300.00	$193,700.00	$200,000.00	$88,686.56	$32,969.13	$121,655.69	60.83%	$78,344.31	$0.00	0.00%	$0.00
1.19 **01-510030 - Temporary Water**	$0.00	$900.00	$59,100.00	$60,000.00	$17,752.70	$270.63	$18,023.33	30.04%	$41,976.67	$0.00	0.00%	$0.00
1.20 **01-510040 - Temporary Phone, Internet**	$0.00	$3,600.00	$1,400.00	$5,000.00	$3,387.60	$0.00	$3,387.60	67.75%	$1,612.40	$0.00	0	$0.00
1.21 **01-511330 - Software**	$0.00	$0.00	$50,000.00	$50,000.00	$27,000.00	$0.00	$27,000.00	54.00%	$23,000.00	$0.00	0	$0.00
1.22 **01-521310 - Field Offices**	$0.00	$9,360.00	$70,640.00	$80,000.00	$38,217.53	$0.00	$38,217.53	47.77%	$41,782.47	$0.00	0	$0.00
1.23 **01-521315 - Temporary Toilets**	$0.00	$3,600.00	$16,400.00	$20,000.00	$15,000.00	$0.00	$15,000.00	75.00%	$5,000.00	$0.00	0	$0.00
1.24 **01-521320 - Office Supplies and Equipment**	$0.00	$5,400.00	$2,600.00	$8,000.00	$5,081.40	$0.00	$5,081.40	63.52%	$2,918.60	$0.00	0	$0.00
1.25 **01-541620 - Equipment Rental**	$0.00	$13,500.00	$31,561.00	$45,061.00	$33,083.01	$0.00	$33,083.01	73.42%	$11,977.99	$0.00	0	$0.00
1.26 **01-562610 - Temporary Fencing and Walkways**	$0.00	$5,400.00	$22,860.28	$28,260.28	$25,273.57	$0.00	$25,273.57	89.43%	$2,986.71	$0.00	0	$0.00
1.27 **01-581310 - Project Signs and Identification**	$0.00	$5,000.00	($295.00)	$4,705.00	$4,705.00	$0.00	$4,705.00	100.00%	$0.00	$0.00	0	$0.00
1.28 **01-660010 - Trucking and Material Storage**	$0.00	$3,600.00	$3,465.60	$7,065.60	$7,065.60	$0.00	$7,065.60	100.00%	$0.00	$0.00	0	$0.00
1.29 **01-712312 - Estimator Expenses**	$0.00	$20,000.00	($1,180.00)	$18,820.00	$18,820.00	$0.00	$18,820.00	100.00%	$0.00	$0.00	0	$0.00
1.30 **01-731930 - Small Tools**	$0.00	$1,800.00	($106.20)	$1,693.80	$1,693.80	$0.00	$1,693.80	100.00%	$0.00	$0.00	0	$0.00
1.31 **01-741900 - General Debris and Dumpsters**	$0.00	$237,600.00	($14,018.40)	$223,581.60	$223,581.60	$0.00	$223,581.60	100.00%	$0.00	$0.00	0	$0.00
1.32 **01-771610 - Punch List and Closeout**	$0.00	$20,000.00	($1,180.00)	$18,820.00	$18,820.00	$0.00	$18,820.00	100.00%	$0.00	$0.00	0	$0.00

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1.33 **01-783910 - Project Documentation**	$0.00	$3,600.00	($212.40)	$3,387.60	$3,387.60	$0.00	$3,387.60	100.00%	$0.00	$0.00	0	$0.00
1.34 **01-784231 - Final Cleaning**	$0.00	$192,185.00	($36,895.97)	$155,289.03	$155,289.03	$0.00	$155,289.03	100.00%	$0.00	$0.00	0	$0.00
01 - General Conditions Subtotals	$0.00	$1,681,815.00	$2,980,198.91	$4,662,013.91	$3,231,948.43	$106,339.36	$3,338,287.79	71.61%	$1,323,726.12	$0.00	0.00%	$0.00
2 **03 - Concrete**												
2.1 **03-310024 - CIP Concrete Foundations**	$0.00	$987,767.00	$297,907.25	$1,285,674.25	$1,285,674.25	$0.00	$1,285,674.25	100.00%	$0.00	$0.00	0	$64,283.72
2.2 **03-540010 - Lightweight/Gypcrete**	$0.00	$592,660.00	$307,340.00	$900,000.00	$289,096.40	$55,351.40	$344,447.80	38.27%	$555,552.20	$2,767.57	5.00%	$17,222.39
03 - Concrete Subtotals	$0.00	$1,580,427.00	$605,247.25	$2,185,674.25	$1,574,770.65	$55,351.40	$1,630,122.05	74.58%	$555,552.20	$2,767.57	5.00%	$81,506.11
3 **04 - Masonry**												
3.1 **04-000010 - Masonry**	$0.00	$900,000.00	$900,000.00	$1,800,000.00	$1,013,302.38	$60,015.74	$1,073,318.12	59.63%	$726,681.88	$3,000.79	5.00%	$29,051.92
3.2 **04-050000 - Dumpster Enclosure**	$0.00	$40,000.00	($24,000.00)	$16,000.00	$16,000.00	$0.00	$16,000.00	100.00%	$0.00	$0.00	0	$800.00
04 - Masonry Subtotals	$0.00	$940,000.00	$876,000.00	$1,816,000.00	$1,029,302.38	$60,015.74	$1,089,318.12	59.98%	$726,681.88	$3,000.79	5.00%	$29,851.92
4 **05 - Metals**												
4.1 **05-511300 - Metal Pan Stairs & Rails**	$0.00	$336,000.00	$1,059,081.09	$1,395,081.09	$892,822.00	$129,174.09	$1,021,996.09	73.26%	$373,085.00	$6,458.70	5.00%	$36,099.80
4.2 **05-521320 - Pool Fence**	$0.00	$25,000.00	$24,775.00	$49,775.00	$25,000.00	$0.00	$25,000.00	50.23%	$24,775.00	$0.00	0	$1,250.00
4.3 **05-540010 - Perimeter Fence**	$0.00	$150,000.00	$350,000.00	$500,000.00	$225,300.00	$29,707.50	$255,007.50	51.00%	$244,992.50	$1,485.38	5.00%	$5,650.38
05 - Metals Subtotals	$0.00	$511,000.00	$1,433,856.09	$1,944,856.09	$1,143,122.00	$158,881.59	$1,302,003.59	66.95%	$642,852.50	$7,944.08	5.00%	$43,000.18
5 **06 - Wood & Plastics**												
5.1 **06-110002 - Wood Framing Labor**	$0.00	$2,370,640.00	($460,787.50)	$1,909,852.50	$1,794,852.50	$115,000.00	$1,909,852.50	100.00%	$0.00	$0.00	0.00%	$81,889.51
5.2 **06-110004 - Wood Framing Material**	$0.00	$2,963,300.00	$1,199,571.16	$4,162,871.16	$4,034,671.45	$0.00	$4,162,871.16	100.00%	$0.00	$0.00	0	$128,509.40
5.3 **06-175300 - Trusses**	$0.00	$888,990.00	$1,751,010.00	$2,640,000.00	$2,150,094.16	$0.00	$2,150,094.16	81.44%	$489,905.84	$0.00	0	$107,936.32

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
5.4 06-460000 - Finish Trim Carpentry - Material	$0.00	$369,510.00	$180,490.00	$550,000.00	$44,447.53	$18,922.21	$63,369.74	11.52%	$486,630.26	$0.00	0.00%	$0.00
5.5 06-460004 - Finish Trim Carpentry - Labor	$0.00	$369,510.00	$189,352.00	$558,862.00	$100,000.00	$64,186.00	$164,186.00	29.38%	$394,676.00	$3,209.30	5.00%	$5,709.30
06 - Wood & Plastics Subtotals	$0.00	$6,961,950.00	$2,859,635.66	$9,821,585.66	$8,124,065.64	$198,108.21	$8,450,373.56	86.04%	$1,371,212.10	$3,209.30	1.62%	$324,044.53
6 07 - Thermal & Moisture Protection												
6.1 07-130000 - Waterproofing	$0.00	$0.00	$37,350.00	$37,350.00	$37,350.00	$0.00	$37,350.00	100.00%	$0.00	$0.00	0	$0.00
6.2 07-211610 - Batt Insulation	$0.00	$461,888.00	$438,112.00	$900,000.00	$250,000.00	$131,750.00	$381,750.00	42.42%	$518,250.00	$6,587.50	5.00%	$19,087.50
6.3 07-311300 - Shingles	$0.00	$0.00	$500,000.00	$500,000.00	$265,290.33	$0.00	$265,290.33	53.06%	$234,709.67	$0.00	0	$1,807.45
6.4 07-510000 - Metal Roofing	$0.00	$1,066,788.00	($26,188.00)	$1,040,600.00	$1,040,600.00	$0.00	$1,040,600.00	100.00%	$0.00	$0.00	0	$11,000.00
6.5 07-712300 - Gutters and Downspouts	$0.00	$50,000.00	$85,000.00	$135,000.00	$25,000.00	$0.00	$25,000.00	18.52%	$110,000.00	$0.00	0	$1,250.00
07 - Thermal & Moisture Protection Subtotals	$0.00	$1,578,676.00	$1,034,274.00	$2,612,950.00	$1,618,240.33	$131,750.00	$1,749,990.33	66.97%	$862,959.67	$6,587.50	5.00%	$33,144.95
7 08 - Doors & Windows												
7.1 08-140002 - Doors - Interior	$0.00	$237,600.00	$212,400.00	$450,000.00	$290,402.28	$0.00	$290,402.28	64.53%	$159,597.72	$0.00	0	$0.00
7.2 08-161400 - Doors - Exterior	$0.00	$237,600.00	$292,400.00	$530,000.00	$237,600.00	$79,320.84	$316,920.84	59.80%	$213,079.16	$0.00	0.00%	$0.00
7.3 08-531300 - Windows	$0.00	$237,600.00	$112,400.00	$350,000.00	$265,394.05	$0.00	$265,394.05	75.83%	$84,605.95	$0.00	0	$7,500.00
7.4 08-531400 - Window Coverings	$0.00	$31,680.00	$0.00	$31,680.00	$31,680.00	$0.00	$31,680.00	100.00%	$0.00	$0.00	0	$0.00
7.5 08-800000 - Glass and Glazing	$0.00	$33,000.00	$27,000.00	$60,000.00	$10,000.00	$0.00	$10,000.00	16.67%	$50,000.00	$0.00	0	$0.00
08 - Doors & Windows Subtotals	$0.00	$777,480.00	$644,200.00	$1,421,680.00	$835,076.33	$79,320.84	$914,397.17	64.32%	$507,282.83	$0.00	0.00%	$7,500.00
8 09 - Finishes												

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
8.1 **09-000040 - Drywall**	$0.00	$1,201,648.00	$848,352.00	$2,050,000.00	$1,056,517.00	$139,129.25	$1,195,646.25	58.32%	$854,353.75	$6,956.47	5.00%	$59,782.32
8.2 **09-301300 - Ceramic**	$0.00	$143,000.00	$107,000.00	$250,000.00	$50,000.00	$0.00	$50,000.00	20.00%	$200,000.00	$0.00	0	$2,500.00
8.3 **09-651900 - Vinyl**	$0.00	$580,659.00	$259,220.75	$839,879.75	$50,000.00	$0.00	$50,000.00	5.95%	$789,879.75	$0.00	0	$2,500.00
8.4 **09-800000 - Clubhouse Flooring**	$0.00	$25,000.00	$20,000.00	$45,000.00	$0.00	$0.00	$0.00	0.00%	$45,000.00	$0.00	0	$0.00
8.5 **09-912300 - Painting**	$0.00	$527,872.00	$472,128.00	$1,000,000.00	$200,000.00	$45,837.58	$245,837.58	24.58%	$754,162.42	$2,291.88	5.00%	$12,291.88
09 - Finishes Subtotals	$0.00	$2,478,179.00	$1,706,700.75	$4,184,879.75	$1,356,517.00	$184,966.83	$1,541,483.83	36.83%	$2,643,395.92	$9,248.35	5.00%	$77,074.20
9 **10 - Specialties**												
9.1 **10-110000 - Door Hardware**	$0.00	$75,240.00	($21,016.10)	$54,223.90	$54,223.90	$0.00	$54,223.90	100.00%	$0.00	$0.00	0	$0.00
9.2 **10-140000 - Exterior Signs**	$0.00	$26,400.00	$13,600.00	$40,000.00	$8,200.00	$0.00	$8,200.00	20.50%	$31,800.00	$0.00	0	$0.00
9.3 **10-140010 - Interior Signs**	$0.00	$26,400.00	$3,600.00	$30,000.00	$8,200.00	$0.00	$8,200.00	27.33%	$21,800.00	$0.00	0	$0.00
9.4 **10-140020 - Monument Sign**	$0.00	$15,000.00	$35,000.00	$50,000.00	$7,500.00	$0.00	$7,500.00	15.00%	$42,500.00	$0.00	0	$0.00
9.5 **10-211300 - Toilet Partitions**	$0.00	$7,000.00	$0.00	$7,000.00	$0.00	$0.00	$0.00	0.00%	$7,000.00	$0.00	0	$0.00
9.6 **10-281300 - Toilet Accessories**	$0.00	$33,000.00	$12,000.00	$45,000.00	$24,987.54	$0.00	$24,987.54	55.53%	$20,012.46	$0.00	0	$0.00
9.7 **10-440000 - Fire Extinguishers**	$0.00	$13,200.00	$0.00	$13,200.00	$13,200.00	$0.00	$13,200.00	100.00%	$0.00	$0.00	0	$0.00
9.8 **10-550000 - Postal Equipment**	$0.00	$30,000.00	$70,000.00	$100,000.00	$15,000.00	$0.00	$15,000.00	15.00%	$85,000.00	$0.00	0	$0.00
9.9 **10-572313 - Closet and Utility Shelving**	$0.00	$39,600.00	$20,400.00	$60,000.00	$11,627.50	$0.00	$11,627.50	19.38%	$48,372.50	$0.00	0	$0.00
10 - Specialties Subtotals	$0.00	$265,840.00	$133,583.90	$399,423.90	$142,938.94	$0.00	$142,938.94	35.79%	$256,484.96	$0.00	0	$0.00
10 **11 - Equipment**												
10.1 **11-310000 - Kitchen Appliances**	$0.00	$580,800.00	$184,862.00	$765,662.00	$546,462.00	$0.00	$546,462.00	71.37%	$219,200.00	$0.00	0	$0.00

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10.2 **11-310010 - Residential Laundry Equipment: Material**	$0.00	$237,600.00	$26,400.00	$264,000.00	$0.00	$0.00	$0.00	0.00%	$264,000.00	$0.00	0	$0.00
10.3 **11-681300 - Playground Equipment**	$0.00	$45,000.00	$55,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
11 - Equipment Subtotals	$0.00	$863,400.00	$266,262.00	$1,129,662.00	$546,462.00	$0.00	$546,462.00	48.37%	$583,200.00	$0.00	0	$0.00
11 **12 - Furnishings**												
11.1 **12-353013 - Cabinets**	$0.00	$594,000.00	$206,000.00	$800,000.00	$141,000.00	$0.00	$141,000.00	17.62%	$659,000.00	$0.00	0	$0.00
11.2 **12-353015 - Granite**	$0.00	$264,000.00	$236,000.00	$500,000.00	$299,019.40	$0.00	$299,019.40	59.80%	$200,980.60	$0.00	0	$8,449.17
11.3 **12-930000 - Site Furnishings**	$0.00	$0.00	$200,000.00	$200,000.00	$50,000.00	$0.00	$50,000.00	25.00%	$150,000.00	$0.00	0	$2,500.00
12 - Furnishings Subtotals	$0.00	$858,000.00	$642,000.00	$1,500,000.00	$490,019.40	$0.00	$490,019.40	32.67%	$1,009,980.60	$0.00	0	$10,949.17
12 **13 - Special Construction**												
12.1 **13-000020 - Carports**	$0.00	$264,000.00	$264,000.00	$528,000.00	$0.00	$0.00	$0.00	0.00%	$528,000.00	$0.00	0	$0.00
12.2 **13-000040 - Maintenance Facility**	$0.00	$20,000.00	$30,000.00	$50,000.00	$0.00	$0.00	$0.00	0.00%	$50,000.00	$0.00	0	$0.00
12.3 **13-000050 - Mail Kiosks**	$0.00	$20,000.00	$80,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
12.4 **13-000080 - Sport Court**	$0.00	$35,000.00	$65,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
12.5 **13-000090 - Gazebos**	$0.00	$25,000.00	$25,000.00	$50,000.00	$0.00	$0.00	$0.00	0.00%	$50,000.00	$0.00	0	$0.00
12.6 **13-110000 - Pools and Pool Equipment**	$0.00	$300,000.00	$300,000.00	$600,000.00	$0.00	$0.00	$0.00	0.00%	$600,000.00	$0.00	0	$0.00
13 - Special Construction Subtotals	$0.00	$664,000.00	$764,000.00	$1,428,000.00	$0.00	$0.00	$0.00	0.00%	$1,428,000.00	$0.00	0	$0.00
13 **14 - Conveying Systems**												
13.1 **14-240000 - Elevators**	$0.00	$735,000.00	$765,000.00	$1,500,000.00	$996,959.00	$0.00	$996,959.00	66.46%	$503,041.00	$0.00	0	$25,447.95
14 - Conveying Systems Subtotals	$0.00	$735,000.00	$765,000.00	$1,500,000.00	$996,959.00	$0.00	$996,959.00	66.46%	$503,041.00	$0.00	0	$25,447.95

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14 **21 - Fire Protection**												
14.1 **21-100000 - Fire Sprinkler**	$0.00	$396,000.00	$854,000.00	$1,250,000.00	$736,896.68	$0.00	$736,896.68	58.95%	$513,103.32	$0.00	0	$36,844.83
21 - Fire Protection Subtotals	$0.00	$396,000.00	$854,000.00	$1,250,000.00	$736,896.68	$0.00	$736,896.68	58.95%	$513,103.32	$0.00	0	$36,844.83
15 **22 - Plumbing**												
15.1 **22-000010 - Plumbing**	$0.00	$1,273,687.39	$976,312.61	$2,250,000.00	$1,664,950.00	$0.00	$1,664,950.00	74.00%	$585,050.00	$0.00	0	$73,247.50
15.2 **22-000020 - Plumbing Fixtures**	$0.00	$352,539.66	$147,460.34	$500,000.00	$352,539.66	$0.00	$352,539.66	70.51%	$147,460.34	$0.00	0	$0.00
15.3 **22-000090 - Hot Water Heaters**	$0.00	$158,400.00	$141,600.00	$300,000.00	$50,200.00	$50,200.00	$100,400.00	33.47%	$199,600.00	$0.00	0.00%	$0.00
15.4 **22-000100 - Tub Repairs**	$0.00	$6,600.00	($405.09)	$6,194.91	$0.00	$0.00	$0.00	0.00%	$6,194.91	$0.00	0	$0.00
15.5 **22-000110 - Sub-Metering (Water)**	$0.00	$46,200.00	$13,800.00	$60,000.00	$15,576.00	$0.00	$15,576.00	25.96%	$44,424.00	$0.00	0	$778.80
22 - Plumbing Subtotals	$0.00	$1,837,427.05	$1,278,767.86	$3,116,194.91	$2,083,265.66	$50,200.00	$2,133,465.66	68.46%	$982,729.25	$0.00	0.00%	$74,026.30
16 **23 - HVAC**												
16.1 **23-000010 - HVAC**	$0.00	$1,161,600.00	$1,338,400.00	$2,500,000.00	$1,262,643.00	$174,657.00	$1,437,300.00	57.49%	$1,062,700.00	$8,732.85	5.00%	$71,864.99
16.2 **23-000080 - Testing, Balancing, Adjusting**	$0.00	$92,400.00	$32,600.00	$125,000.00	$0.00	$0.00	$0.00	0.00%	$125,000.00	$0.00	0	$0.00
23 - HVAC Subtotals	$0.00	$1,254,000.00	$1,371,000.00	$2,625,000.00	$1,262,643.00	$174,657.00	$1,437,300.00	54.75%	$1,187,700.00	$8,732.85	5.00%	$71,864.99
17 **26 - Electrical**												
17.1 **26-000010 - Electrical**	$0.00	$1,557,831.98	$1,192,168.02	$2,750,000.00	$1,893,454.26	$0.00	$1,893,454.26	68.85%	$856,545.74	$0.00	0	$69,850.78
17.2 **26-000014 - Electrical Material**	$0.00	$0.00	$52,400.00	$52,400.00	$52,400.00	$0.00	$52,400.00	100.00%	$0.00	$0.00	0	$0.00
17.3 **26-000020 - Telephone & Cable Underground**	$0.00	$50,000.00	$0.00	$50,000.00	$50,000.00	$0.00	$50,000.00	100.00%	$0.00	$0.00	0	$2,500.00
17.4 **26-000030 - Low-Voltage Distribution**	$0.00	$132,000.00	$0.00	$132,000.00	$132,000.00	$0.00	$132,000.00	100.00%	$0.00	$0.00	0	$6,600.00

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17.5 **26-000040 - Electrical Fixtures**	$0.00	$264,000.00	$336,000.00	$600,000.00	$0.00	$0.00	$0.00	0.00%	$600,000.00	$0.00	0	$0.00
17.6 **26-560020 - Secondary Underground**	$0.00	$75,000.00	$15,000.00	$90,000.00	$90,000.00	$0.00	$90,000.00	100.00%	$0.00	$0.00	0	$9,750.00
17.7 **26-560040 - Fire Alarm**	$0.00	$165,000.00	($28,750.00)	$136,250.00	$136,250.00	$0.00	$136,250.00	100.00%	$0.00	$0.00	0	$6,812.50
26 - Electrical Subtotals	$0.00	$2,243,831.98	$1,566,818.02	$3,810,650.00	$2,354,104.26	$0.00	$2,354,104.26	61.78%	$1,456,545.74	$0.00	0	$95,513.28
18 **28 - Electronic Safety**												
18.1 **28-000020 - Access Control**	$0.00	$66,000.00	$34,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
28 - Electronic Safety Subtotals	$0.00	$66,000.00	$34,000.00	$100,000.00	$0.00	$0.00	$0.00	0.00%	$100,000.00	$0.00	0	$0.00
19 **31 - Earthwork**												
19.1 **31-000030 - Earthwork Grading**	$0.00	$771,983.62	$0.00	$771,983.62	$771,983.62	$0.00	$771,983.62	100.00%	$0.00	$0.00	0	$37,302.67
19.2 **31-100000 - Site Clearing**	$0.00	$230,000.00	$0.00	$230,000.00	$230,000.00	$0.00	$230,000.00	100.00%	$0.00	$0.00	0	$11,654.81
19.3 **31-230660 - Utility Spoil Disposal**	$0.00	$205,121.00	($10,256.05)	$194,864.95	$194,864.95	$0.00	$194,864.95	100.00%	$0.00	$0.00	0	$9,743.25
19.4 **31-250000 - Erosion & Sediment Control**	$0.00	$37,831.00	$1,810.00	$39,641.00	$39,641.00	$0.00	$39,641.00	100.00%	$0.00	$0.00	0	$1,334.08
31 - Earthwork Subtotals	$0.00	$1,244,935.62	($8,446.05)	$1,236,489.57	$1,236,489.57	$0.00	$1,236,489.57	100.00%	$0.00	$0.00	0	$60,034.81
20 **32 - Exterior Improvemets**												
20.1 **32-000005 - City Required Infrastructure**	$0.00	$85,000.00	($17,674.48)	$67,325.52	$67,325.52	$0.00	$67,325.52	100.00%	$0.00	$0.00	0	$1,241.28
20.2 **32-000010 - Exterior Improvements**	$0.00	$445,497.00	($14,044.41)	$431,452.59	$431,452.59	$0.00	$431,452.59	100.00%	$0.00	$0.00	0	$21,372.63
20.3 **32-131300 - Concrete Paving**	$0.00	$1,326,800.00	$186,655.52	$1,513,455.52	$1,513,455.52	$0.00	$1,513,455.52	100.00%	$0.00	$0.00	0	$153,590.43
20.4 **32-162300 - Sidewalks**	$0.00	$348,447.00	$0.00	$348,447.00	$348,447.00	$0.00	$348,447.00	100.00%	$0.00	$0.00	0	$17,422.35

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20.5 **32-172300 - Pavement Marking**	$0.00	$43,560.00	$16,440.00	$60,000.00	$0.00	$0.00	$0.00	0.00%	$60,000.00	$0.00	0	$0.00
20.6 **32-172500 - Surveying & Layouts**	$0.00	$70,000.00	($7,000.00)	$63,000.00	$63,000.00	$0.00	$63,000.00	100.00%	$0.00	$0.00	0	$0.00
20.7 **32-800000 - Irrigation Systems**	$0.00	$200,000.00	$139,200.00	$339,200.00	$34,072.88	$0.00	$34,072.88	10.05%	$305,127.12	$0.00	0	$4,654.58
20.8 **32-930000 - Landscaping**	$0.00	$264,000.00	$36,000.00	$300,000.00	$56,584.80	$3,366.58	$59,951.38	19.98%	$240,048.62	$0.00	0.00%	$2,354.68
32 - Exterior Improvemets Subtotals	$0.00	$2,783,304.00	$339,576.63	$3,122,880.63	$2,514,338.31	$3,366.58	$2,517,704.89	80.62%	$605,175.74	$0.00	0.00%	$200,635.95
21 **33 - Utilities**												
21.1 **33-000010 - Site Utilites**	$0.00	$196,326.35	$8,073.31	$204,399.66	$204,399.66	$0.00	$204,399.66	100.00%	$0.00	$0.00	0	$9,816.32
21.2 **33-100000 - Water**	$0.00	$350,000.00	$0.00	$350,000.00	$350,000.00	$0.00	$350,000.00	100.00%	$0.00	$0.00	0	$17,500.00
21.3 **33-300000 - Sanitary Sewer**	$0.00	$250,000.00	$0.00	$250,000.00	$250,000.00	$0.00	$250,000.00	100.00%	$0.00	$0.00	0	$12,500.00
21.4 **33-400000 - Storm Drain**	$0.00	$575,000.00	($7,340.33)	$567,659.67	$567,659.67	$0.00	$567,659.67	100.00%	$0.00	$0.00	0	$28,382.98
33 - Utilities Subtotals	$0.00	$1,371,326.35	$732.98	$1,372,059.33	$1,372,059.33	$0.00	$1,372,059.33	100.00%	$0.00	$0.00	0	$68,199.30
22 **50 - Fees**												
22.1 **50-000010 - Overhead**	$0.00	$601,852.00	$358,148.00	$960,000.00	$726,063.06	$0.00	$726,063.06	75.63%	$233,936.94	$0.00	0	$0.00
22.2 **50-000020 - GC Fee**	$0.00	$1,805,556.00	$994,444.00	$2,800,000.00	$2,178,189.18	$0.00	$2,178,189.18	77.79%	$621,810.82	$0.00	0	$0.00
50 - Fees Subtotals	$0.00	$2,407,408.00	$1,352,592.00	$3,760,000.00	$2,904,252.24	$0.00	$2,904,252.24	77.24%	$855,747.76	$0.00	0	$0.00
Grand Totals	$0.00	$33,500,000.00	$21,500,000.00	$55,000,000.00	$35,553,471.15	$1,202,957.55	$36,884,628.41	67.06%	$18,115,371.59	$41,490.44	3.45%	$1,239,638.47

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #023

RISE Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248
Phone: (972) 701-5555

Project: 2020-LRFW - Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Prime Contract Change Order #023: CE #205 - September Reallocati

TO:	**Garland Housing Finance Corporation** 1675 W Campbell Rd Garland, Texas 75044	**FROM:**	**Rise Residential Construction Riverside, LLC** 16812 Dallas Parkway Dallas, Texas 75248
DATE CREATED:	10/04/2024	**CREATED BY:**	Shayla Cerrone **(Rise Residential Construction)**
CONTRACT STATUS:	Approved	**REVISION:**	0
REQUEST RECEIVED FROM:		**LOCATION:**	
DESIGNATED REVIEWER:		**REVIEWED BY:**	
DUE DATE:		**REVIEW DATE:**	10/04/2024
INVOICED DATE:		**PAID DATE:**	
REFERENCE:		**CHANGE REASON:**	Budget Constraints or Reallocations
PAID IN FULL:	No	**EXECUTED:**	No
ACCOUNTING METHOD:	Amount Based	**SCHEDULE IMPACT:**	
SIGNED CHANGE ORDER RECEIVED DATE:			
FIELD CHANGE:	No	**CONTRACT FOR:**	20-0168:Legacy Riverside Senior Living
		TOTAL AMOUNT:	$0.00

DESCRIPTION:
CE #205 - September Reallocations

ATTACHMENTS:

CHANGE ORDER LINE ITEMS:

#	Budget Code	Description	Amount
1	05.05-511300.SUB Metals.Metal Pan Stairs & Rails.Subcontracts		$(167,940.91)
2	05.05-511300.MAT Metals.Metal Pan Stairs & Rails.Materials		$63,022.00
3	06.06-110002.SUB Wood & Plastics.Wood Framing Labor.Subcontracts		$115,000.00
4	06.06-460004.SUB Wood & Plastics.Finish Trim Carpentry - Labor.Subcontracts		$(41,138.00)
5	08.08-161400.MAT Doors & Windows.Doors - Exterior.Materials		$80,000.00
6	11.11-310000.MAT Equipment.Kitchen Appliances.Materials		$(34,338.00)
7	22.22-000100.SUB Plumbing.Tub Repairs.Subcontracts		$(3,805.09)
8	32.32-800000.SUB Exterior Improvements.Irrigation Systems.Subcontracts		$(10,800.00)
		Grand Total:	**$0.00**

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #023

The original (Contract Sum)	$33,500,000.00
Net change by previously authorized Change Orders	$6,668,970.41
The contract sum prior to this Change Order was	$40,168,970.41
The contract sum will not be changed by this Change Order in the amount of	$0.00
The new contract sum including this Change Order will be	$40,168,970.41

The contract time will not be changed by this Change Order.

Dan Burbine (Dan Burbine Associates)

12532 Renoir Ln.
Dallas, Texas 75230

SIGNATURE **DATE**

Garland Housing Finance Corporation

1675 W Campbell Rd
Garland, Texas 75044

SIGNATURE **DATE**

Rise Residential Construction Riverside, LLC

16812 Dallas Parkway
Dallas, Texas 75248

DocuSigned by:
Melissa Fisher
55DFEC86AA5B469...
10/9/2024 | 1:30 PM C

SIGNATURE **DATE**

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #022

RISE Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248
Phone: (972) 701-5555

Project: 2020-LRFW - Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Prime Contract Change Order #022: CE #200 - Increase Request

TO:	**Garland Housing Finance Corporation** 1675 W Campbell Rd Garland, Texas 75044	**FROM:**	**Rise Residential Construction Riverside, LLC** 16812 Dallas Parkway Dallas, Texas 75248
DATE CREATED:	9/20/2024	**CREATED BY:**	Shayla Cerrone **(Rise Residential Construction)**
CONTRACT STATUS:	Approved	**REVISION:**	0
REQUEST RECEIVED FROM:		**LOCATION:**	
DESIGNATED REVIEWER:		**REVIEWED BY:**	
DUE DATE:		**REVIEW DATE:**	10/09/2024
INVOICED DATE:		**PAID DATE:**	
REFERENCE:		**CHANGE REASON:**	Other: Please specify the reason by entering the reason in the "Other: Reason" field
PAID IN FULL:	No	**EXECUTED:**	No
ACCOUNTING METHOD:	Amount Based	**SCHEDULE IMPACT:**	
SIGNED CHANGE ORDER RECEIVED DATE:			
FIELD CHANGE:	No	**CONTRACT FOR:**	20-0168:Legacy Riverside Senior Living
		TOTAL AMOUNT:	$14,831,029.59

DESCRIPTION:
CE #200 - Increase Request

ATTACHMENTS:

CHANGE ORDER LINE ITEMS:

#	Budget Code	Description	Amount
1	01.01-310010.LABOR General Conditions.Project Management.Labor		$234,362.32
2	01.01-310030.LABOR General Conditions.Superintendent.Labor		$150,654.65
3	01.01-310035.LABOR General Conditions.Assistant Superintendent.Labor		$157,329.60
4	01.01-310040.LABOR General Conditions.Field Administrative Staff.Labor		$74,715.38
5	01.01-310045.OTHER General Conditions.Payroll Burden.Other		$88,531.88
6	01.01-310050.OTHER General Conditions.Travel Expenses.Other		$24,186.00
7	01.01-323310.OTHER General Conditions.Photography and Video.Other		$4,918.60
8	01.01-331310.OTHER General Conditions.Insurance - Builders Risk.Other		$73,611.75

RISE

PCCO #022

#	Budget Code	Description	Amount
9	01.01-331315.OTHER General Conditions.Insurance - General Liability.Other		$44,700.00
10	01.01-352310.OTHER General Conditions.Safety and First Aid.Other		$11,064.25
11	01.01-355300.OTHER General Conditions.Security.Other		$63,892.67
12	01.01-510010.OTHER General Conditions.Temporary Electric.Other		$37,792.42
13	01.01-510030.OTHER General Conditions.Temporary Water.Other		$34,100.00
14	01.01-510040.OTHER General Conditions.Temporary Phone, Internet.Other		$1,612.40
15	01.01-511330.OTHER General Conditions.Software.Other		$23,000.00
16	01.01-521310.OTHER General Conditions.Field Offices.Other		$14,911.22
17	01.01-521315.OTHER General Conditions.Temporary Toilets.Other		$5,000.00
18	01.01-521320.OTHER General Conditions.Office Supplies and Equipment.Other		$2,918.60
19	03.03-540010.MAT Concrete.Lightweight/Gypcrete.Materials		$379,600.00
20	04.04-000010.SUB Masonry.Masonry.Subcontracts		$368,909.17
21	05.05-511300.SUB Metals.Metal Pan Stairs & Rails.Subcontracts		$373,085.00
22	05.05-540010.SUB Metals.Perimeter Fence.Subcontracts		$159,990.00
23	06.06-175300.MAT Wood & Plastics.Trusses.Materials		$489,905.84
24	06.06-460000.MAT Wood & Plastics.Finish Trim Carpentry - Material.Materials		$486,630.26
25	06.06-460004.SUB Wood & Plastics.Finish Trim Carpentry - Labor.Subcontracts		$230,490.00
26	07.07-211610.SUB Thermal & Moisture Protection.Batt Insulation.Subcontracts		$391,000.00
27	07.07-311300.SUB Thermal & Moisture Protection.Shingles.Subcontracts		$234,709.67
28	07.07-712300.MAT Thermal & Moisture Protection.Gutters and Downspouts.Materials		$50,000.00
29	08.08-140002.MAT Doors & Windows.Doors - Interior.Materials		$159,597.72
30	08.08-161400.MAT Doors & Windows.Doors - Exterior.Materials		$212,400.00
31	08.08-531300.MAT Doors & Windows.Windows.Materials		$84,605.95
32	08.08-800000.SUB Doors & Windows.Glass and Glazing.Subcontracts		$37,000.00
33	09.09-000040.SUB Finishes.Drywall.Subcontracts		$455,805.00
34	09.09-301300.MAT Finishes.Ceramic.Materials		$107,000.00
35	09.09-651900.SUB Finishes.Vinyl.Subcontracts		$508,060.75
36	09.09-800000.SUB Finishes.Clubhouse Flooring.Subcontracts		$30,000.00
37	09.09-912300.SUB Finishes.Painting.Subcontracts		$230,000.00
38	10.10-140000.SUB Specialties.Exterior Signs.Subcontracts		$23,600.00
39	10.10-140010.SUB Specialties.Interior Signs.Subcontracts		$13,600.00

RISE

PCCO #022

#	Budget Code	Description	Amount
40	10.10-140020.SUB Specialties.Monument Sign.Subcontracts		$35,000.00
41	10.10-281300.MAT Specialties.Toilet Accessories.Materials		$20,012.46
42	10.10-550000.SUB Specialties.Postal Equipment.Subcontracts		$70,000.00
43	10.10-572313.SUB Specialties.Closet and Utility Shelving.Subcontracts		$36,745.00
44	11.11-310000.MAT Equipment.Kitchen Appliances.Materials		$219,200.00
45	11.11-310010.MAT Equipment.Residential Laundry Equipment: Material.Materials		$264,000.00
46	11.11-681300.SUB Equipment.Playground Equipment.Subcontracts		$100,000.00
47	12.12-353013.MAT Furnishings.Cabinets.Materials		$659,000.00
48	12.12-353015.MAT Furnishings.Granite.Materials		$144,258.00
49	12.12-930000.MAT Furnishings.Site Furnishings.Materials		$78,624.57
50	13.13-000020.SUB Special Construction.Carports.Subcontracts		$528,000.00
51	13.13-000040.SUB Special Construction.Maintenance Facility.Subcontracts		$30,000.00
52	13.13-000050.SUB Special Construction.Mail Kiosks.Subcontracts		$34,174.51
53	13.13-000080.SUB Special Construction.Sport Court.Subcontracts		$100,000.00
54	13.13-000090.SUB Special Construction.Gazebos.Subcontracts		$50,000.00
55	13.13-110000.SUB Special Construction.Pools and Pool Equipment.Subcontracts		$576,963.00
56	14.14-240000.SUB Conveying Systems.Elevators.Subcontracts		$503,041.00
57	21.21-100000.SUB Fire Protection.Fire Sprinkler.Subcontracts		$513,103.32
58	22.22-000010.SUB Plumbing.Plumbing.Subcontracts		$585,050.00
59	22.22-000020.MAT Plumbing.Plumbing Fixtures.Materials		$147,460.34
60	22.22-000090.SUB Plumbing.Hot Water Heaters.Subcontracts		$199,600.00
61	22.22-000100.SUB Plumbing.Tub Repairs.Subcontracts		$3,400.00
62	22.22-000110.SUB Plumbing.Sub-Metering (Water).Subcontracts		$28,848.00
63	23.23-000010.SUB HVAC.HVAC.Subcontracts		$1,062,700.00
64	23.23-000080.SUB HVAC.Testing, Balancing, Adjusting.Subcontracts		$125,000.00
65	26.26-000010.SUB Electrical.Electrical.Subcontracts		$856,545.74
66	26.26-000040.MAT Electrical.Electrical Fixtures.Materials		$600,000.00
67	28.28-000020.SUB Electronics Safety.Access Control.Subcontracts		$34,000.00
68	32.32-172300.SUB Exterior Improvements.Pavement Marking.Subcontracts		$60,000.00
69	32.32-800000.SUB Exterior Improvements.Irrigation Systems.Subcontracts		$184,598.39

Docusign Envelope ID: 14104BDC-9904-4561-A389-F03DDDE20974

PCCO #022

#	Budget Code	Description	Amount
70	32.32-930000.SUB Exterior Improvements.Landscaping.Subcontracts		$52,666.40
71	50.50-000010.ZCOSTS Fees.Overhead.ZCOSTS		$233,936.94
72	50.50-000020.ZCOSTS Fees.GC Fee.ZCOSTS		$621,810.82
		Grand Total:	**$14,831,029.59**

The original (Contract Sum)	$33,500,000.00
Net change by previously authorized Change Orders	$6,668,970.41
The contract sum prior to this Change Order was	$40,168,970.41
The contract sum will be increased by this Change Order in the amount of	$14,831,029.59
The new contract sum including this Change Order will be	$55,000,000.00

The contract time will not be changed by this Change Order.

Dan Burbine (Dan Burbine Associates)

12532 Renoir Ln.
Dallas, Texas 75230

SIGNATURE **DATE**

Garland Housing Finance Corporation

1675 W Campbell Rd
Garland, Texas 75044

SIGNATURE **DATE**

Rise Residential Construction Riverside, LLC

16812 Dallas Parkway
Dallas, Texas 75248

DocuSigned by:
Melissa Fisher
55DFEC86AA5B469...

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SIGNATURE **DATE**

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

September 25, 2024

Alexa Delerme
Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

RE: Legacy Riverside
Fort Worth, Texas
CA Partners, Inc Project No.: 20240

Dear Alexa,

Enclosed is Construction Progress Report No. 042 dated September 25, 2024 for the above referenced project. Please note that the first page of the report is a summary with detailed information in the pages that follow.

It is a pleasure working for you and Bellwether Enterprise. If you have any questions, please call me at (214) 468-0807 or email me at jbenson@capartnersinc.com.

Sincerely,

James Benson
Senior Project Manager

cc: constructionadmin@bwe.com - Bellwether Enterprise
Alma Navarro – IBC Bank (by reliance)
Claudia Padron – IBC Bank (by reliance)
Constantine Chigounis – 42 Equity (by reliance)
Oscar Leal, CPA – 42 Equity (by reliance)
Agustina Pesci – 42 Equity (by reliance)

Partners, Inc.
Construction Advisors

LEGACY RIVERSIDE
Fort Worth, Texas

Report No: 042 – September 25, 2024

CA Partners, Inc. Project Number: 20240

Prepared for:

Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

Professionals Serving Construction Lenders, Investors, and Participants

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

Legacy Riverside – Fort Worth, Texas

Executive Summary Report 042

Client: Bellwether Enterprise	From: James Benson, Senior Project Manager
ATTN: Alexa Delerme	CA Partners, Inc.

Project Name - City, State:			Legacy Riverside - Fort Worth, Texas
Project Type:			264-units in seven 3-story apartment buildings with a Clubhouse on 9.8 acres
Site Visit Date:			September 16, 2024
Development Draw/ Contractor Application # reviewed:	Draw No. Draw 41		Application No. 41
Complete Draw Package Received:	Yes ☒	No ☐	**September 23, 2024**
For the period ending:			August 25, 2024

Current Contract Sum through Change Order No. 19 / Contract Type:			$40,168,970.41/Cost Plus-GMP	
Was the Budget revised or modified this period?			By Reallocation ☐	No ☒
Current Change Orders:			By Change Order ☐	No ☒
Executed Change Orders Received:			Yes ☐	No ☒
Stored materials requested this draw?	Onsite: ☐	Offsite: ☐	Yes ☐	No ☒

Amount of Contractor's request this period:	$1,230,379.84
Amount of Contractor's request recommended:	**See Section 1 Comments**

Completion % estimated by CA Partners, Inc. (Does not include amounts funded for Stored Materials)		64%
Completion % indicated on Contractor's Application		88.83%
Hard Cost Budget appears sufficient on a % of work in place basis? ONLY with the change order	☐	No ☒
Yes		

Construction Schedule:

Completion date per Construction Contract or extended by change order:		March 21, 2025
Is Work currently on schedule to meet this date?POSSIBLE	Yes ☐	No ☒
If not, how far behind schedule? 100% WITH COMMON AREA		July 31, 2025

Retainage:

Percent of retainage currently held		3.35%
Does % withheld agree with terms of Construction Contract? TOTALLY COMPLIANT	Yes ☐	No ／
Is any retainage release requested this period?	Yes ☐	No ☒
If Yes, how much?		

Other:

General Contractor's lien waivers received and reviewed?	Yes ☐	No ☒
Project being constructed in general accordance with approved Plan and Specifications	Yes ☐	No ☐
Foundations Complete:	Yes ☒	No ☐
Certificate(s) of Occupancy issued?	Yes ☐	No ☒
Does CA Partners, Inc. recommend client contact us to discuss issues in this report?	Yes ☒	No ☐

** This is a summary of the findings from our site visit and draw processing. Please reference the information in the pages that follow for a more comprehensive and detailed discussion of issues.*

1. CONSTRUCTION FUNDING REQUEST

Overall scope of work: The Legacy Riverside Independent Senior Living project is located at the northeast intersection of North Riverside Drive and Summerfields Boulevard in Fort Worth, Texas. The project is located on a 9.82-acre tract of land, and a total of 264 apartment units will be constructed. Access to the property will be provided from two double lane entry drives from North Riverside Drive to the central Clubhouse located adjacent the buildings. One 1-story Clubhouse and seven 3-stort apartments buildings will be provided. Carport/covered parking spaces and vehicular access gates are identified. Site amenities include a fenced swimming pool area, dog park, outdoor siting areas, picnic tables, BBQ grills, gazebo, fire pit, horseshoe pit, beanbag toss, and perimeter fencing. Perimeter building and parking lot landscaping is proposed. The centrally located Clubhouse areas will include a Club Room with kitchen, Fitness Center, Craft Room, Billiards Room, Business Center, Conference Room, Leasing area, offices, and Public Restrooms.

Summary of Contractor's Application	Application for Payment No. 41
Original Contract Sum	**$33,500,00.00**
Net Change:$21.4MM pending at report	$6,668,970.41
Contract Sum to Date	**$40,168,970.41**
Total Completed and Stored to Date	**$35,681,670.86**
Retainage	$1,198,148.03
Total Earned Less Retainage	**$34,483,522.83**
Less Previous Certificates for Payment	$33,253,142.99
Current Payment Due	**$1,230,379.84**
Balance to Finish, Including Retainage	$5,685,447.58

1.1 Rise Residential – Application and Certificate for Payment No. 41

- **No new change orders have been incorporated this period and the Contract Sum remains unchanged until the updated changer order is approved by Investor\Lender**
- Work for the Period Ending: August 25, 2024
- Current Contract Sum: $40,168,970.41
- Application and Certificate for Payment No. 41 has been signed and certified by the Project Architect dated September 20, 2024.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, drywall, granite, etc.). We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders and received an official change order upated post report inspections
- General Requirement line items have been drawn to 89.41% at this time. Overhead has been drawn at 100%. GC Fee has been drawn at 100%. The project has billed for 88.83%. When removing stored materials, this percentage decreases further. It is somewhat common for general conditions to outpace actual construction when drawn on a pro-rata basis, however the current difference is

significantly more than typical. **We continue to recommend that funds advanced for General Conditions, Overhead, and GC Fee items be slowed or halted.**

Upon receipt of previous Application for Payments, we made an inquiry to the Borrower regarding various overdrawn line items. We have recommended that budget reallocations occur, or requests be reduced so that the scope line items were in line with the percent complete in the field. We were informed by the Borrower that the Bank going to escrow funds for work NOT in place so they can release them as soon as the work is in complete. The bank will hold any funds for work they feel is not in place. We were also informed that the Elevator cabs manufactured already for Austin Manor (a different project) have been transferred to Riverside and Riverside needs to repay Manor for the elevator cabs. Not correct. Please note this is not the typical construction practice to utilize different project sources to fund other projects. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn and need supplemental**

As mentioned previously, we do not object that these are actual cost incurred and that only the percent values are overdrawn based on what is complete in the field. We can only recommend funding on what is complete. If reducing the requests is not feasible, we recommend additional funds are allocated to the over drawn line items so that the percent complete is consistent with what is complete in the field. This project has been considered high risk for budget overruns, schedule delays, and line item requests that are **not** completed in the field. The recent change order addresses these issues subject to lender and investor approval

1.2 Retainage

- The Owner/Contractor Agreement indicates that 5% retainage will be withheld from subcontractor labor related line items with various exceptions including General Conditions, Overhead, GC Fees and costs, permits, insurance, bonds, and materials
- Retainage withheld appears to be generally consistent with the provisions detailed in the Owner/Contractor Agreement we reviewed, however we would consider these retainage provisions to be significantly more favorable than typical for the Contractor, and we would consider the limited amount of retainage to represent increased risk for the lender
- Based on the above exemptions, total retainage withheld to date is $1,198,148.03 reflecting 3.35% of the "Total Completed and Stored to Date" figure
- We would recommend that retainage for the project be increased. We recommend that a minimum of 5% of the total work completed be withheld for the project, and we would consider 10% total retainage to be ideal for lender protection
- We would also recommend that it be confirmed that current retainage withheld is consistent with the Loan Agreement
- No retainage release request has been indicated on the current Application for Payment

1.3 Lien Waivers

General Contractor's Conditional and Unconditional Waiver and Release on Progress Payment received:

- We have requested but not received a Conditional Waiver and Release on Progress Payment this period for Application for Payment No. 41.
- We have requested but not received Unconditional Lien Waivers referencing the amounts previously funded for Application Nos. 24-40. **We recommend you secure the Unconditional Lien Waiver prior to funding the current Draws.**
- Approval of lien waiver wording, format, and authority to sign is left to your discretion

1.4 Funding Recommendation

We have recommended additional funds be added to the project so that line items completion percentage are representative of the work actually complete in the field. At this time, based on job progress and cost incurred to date, we **do not** anticipate the current "Balance to Finish" amount of $4,487,299.55 to be sufficient for the remaining proposed scope of work. This comment is in relation to the line items that have been drawn high compared to the actual completion percentage as discussed above. Also, some material line items have been drawn 100% and do not have a line item for labor installation of these line items.

Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, granite, etc.). So, we anticipate additional funds will be needed to cover these labor costs for installation of some of the material line items. The change order submitted and pemdng final approval adddess these issues.

With the information provided within this Report, if you elect to fund the amount is noted below:

Application for Payment No. 41: $1,230,379.84

1.5 Development/Loan Budget

We have received a copy of the Borrower's development budget for this project. The total project costs are identified, and we cannot verify that the current Contract Sum or the Hard Cost request are consistent with the Contractor's Application for Payment.

We have received a copy of the Development Budget, with the current draw submission or during our pre-construction review, and we have not been able to determine if there is additional Hard Cost Contingency outside the Contractor's Schedule of Values. Approval of soft cost funding requested is left to you as an underwriting consideration.

2. STORED MATERIALS

2.1 Materials Stored Onsite:

- Hardie plank siding
- Lumber
- Trusses
- Sheathing
- PEX piping
- Windows
- Balcony doors
- Unit entry doors
- Tubs
- Balcony rails
- Stone veneer
- Drywall

2.2 Onsite Stored Material Request:

- No on-site stored materials requests have been made this application

2.3 Offsite Stored Material Request:

Not including framing materials, approximately $3,000,000 in materials have been funded to date as reflected on the previous Contractor's Application for Payment. These materials have not been installed at this time and our estimated completion percentage does not include materials purchased. We mention this for your information. These materials are reportedly stored at the Contractor's facility, vendor facility, or locked conexes onsite.

- $425,000 for "Metal Pan Stairs and Rails" – material previously purchased and funded (complete)
- $820,600 for "Thermal & Moisture Protection" – Contractor provided Bill of Lading and Photos for Zip sheathing, metal roof rolls, and Cladding materials purchased (previously purchased and funded) – now in progress of being installed.
- $92,411.44 for "Specialties" – material previously purchased and funded
- $250,000 for "Equipment" – material previously purchased and funded
- $300,000 for "Cabinets" – material previously purchased and funded

- $785,000 for the "Elevator" deposit
- $352,539.66 for "Plumbing Fixtures" – material previously purchased and funded
- $23,272.88 "Irrigation" – material previously purchased and funded

3. CHANGE ORDERS

3.1 Current Change Orders

The Contract Sum has previously been modified a total of $6,668,970.41 by Change Order Nos. 1-19. We were previously informed by the Developer/Contractor that formal change orders will be issued for budget reallocation with addtional costs. The Contract Sum remains $40,168,970.14. Pending lender and invesot approvl the CO will increase to $21.4MM per GC and Construction Risk Manger for IBC.

3.2 Pending Change Orders

- We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project
- At this time, we have been informed of any potential change orders for this project.

4. CONSTRUCTION - PROGRESS, ISSUES, AND SCHEDULE

4.1 Construction Progress

Observations made at the time of this month's site visit on July 3, 2024 NOT updated are as follows:

- Retaining walls at the north perimeter of the site remained complete
- Cutting and grouting for post tension cables remained incomplete
- Concrete paving for drives and parking areas were complete for all areas except the northwest portion of the site and the main approaches from adjacent public streets
- Framing was complete for the buildings except Building 5
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work has now been completed as of April 11, 2024.
- All buildings foundations were now complete
- CMU elevator shafts were complete for each building
- Concrete paving was complete for onsite drives and parking areas
- Concrete approach from Summerfields Blvd and North Riverside Drive were complete
- Concrete sidewalks was complete at Summerfields Blvd
- Temporary electrical power was complete
- Level 1 wall framing was complete for the Clubhouse and exterior sheathing and roof decking were also complete
- Roofing was observed complete for the Clubhouse
- Zip Sheathing tape and windows were complete at the Clubhouse
- Installation of storefront style doors was complete at the Clubhouse
- Additional exterior trim was nearing completion at the Clubhouse
- Plumbing rough in, electrical rough in, and HVAC ductwork were complete at the Clubhouse
- Insulation and drywall were complete at the Clubhouse
- Framing for levels 1-3 and roof decking were complete at Buildings 1-4, 6, and 7
- Framing for levels 1-3 was complete at Building 5 – exterior sheathing complete at levels 1 and 2
- Roofing and windows were complete at Buildings 1-4, 6, and Building 7
- Exterior siding was complete at Buildings 1, 2, 3, 4, and 7
- Plumbing rough in was complete at Buildings 1, 2, 3, 4, 6, and 7 – in progress at Building 5
- Electrical rough in was complete at Buildings 1, 2, 3, 4, 6, and 7

- HVAC ductwork was complete at Buildings 1, 2, 3, 4, 6, and 7
- HVAC refrigerant lines were complete at Buildings 1, 2, 3, 4, 6, and 7
- Fire caulking at framing penetrations was complete at Buildings 1, 2, 3, 4, and 7
- Fire sprinkler rough in was complete at Buildings 1, 2, 3, 4, 6, and 7
- Unit entry doors and balcony doors were complete at Buildings 1, 2, 3, 4, and 7
- Balcony rails were nearing completion at Buildings 1 and 7 – welding in progress for remaining buildings
- Installation of tubs was complete at Buildings 1, 2, 3, and 7
- Building insulation was complete at Buildings 1 and 7
- Drywall was in progress at Buildings 1 and 7
- Building metal stairs with concrete treads was complete
- Lightweight concrete at breezeways and balconies was nearing completion
- Exterior paint was nearing completion at Buildings 1 and 7
- Stone veneer was complete at Buildings 1 and 7 – in progress at Building 2
- Metal fencing was observed complete at the north perimeter of the site

4.2 Construction Issues

- **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction progress has remained at a steady pace during the period from August 30, 2023 to September 16, 2024.** **Due to bank's funding delays**
- There were approximately 30 laborers observed onsite at the time of our site visit.
- CA Partners has had previous and current projects with Rise Residential, and we have had generally mixed results regarding timeliness of completion. Several Austin and DFW area projects have experienced severe delays, and based on interactions to date with this project, we would consider this project to have an elevated risk for schedule and price increases.Addressed by CO pending
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the most recent G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have been received an official change order log.
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction at Building 5. This work is now complete and Building 5 foundation is now complete as of April 11, 2024.
- The Contractor is waiting to pass the fire sprinkler inspections for Building 1, 2 and 7 before insulation and drywall can commence. The delay appears to be a scheduling situation with the City Inspector. Fire sprinkler inspections have passed and insulation/drywall now in progress for the buildings.

4.3 Construction Schedule

Contractual Completion date:	March 21, 2025
Contractor's estimated Substantial Completion date:	Updated Schedule March 31, 2025
CA Partners estimated Substantial Completion date:	July 31, 2025
Has occupancy started: **First building turn 11/24**	No

- Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2025. This date can be met.
- **Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on July 31, 2025**

- Please be aware that the Contractor's progress to date has been much slower than industry standard, and our estimated date of Substantial Completion may therefore be much more susceptible to being modified. Should construction administration, manpower, and direction all improve in the coming months, Substantial Completion could be completed sooner, however should the current level of organization continue, the completion date may be at risk of being pushed further.
- Final Completion including all punchlist, cleaning and final demobilization may extend past the Substantial Completion date.

5. CONSTRUCTION MATERIAL TESTING

5.1 Test Results Received Since our Prior Report:

Testing was initially being performed by Intertek PSI for this project. We have not been provided with any additional copies of testing since the previous period, and we will continue to request that we be added to the direct testing distribution list.

Please be aware that it no longer appears that testing is being done for the project based on our observations onsite. Reinforcing steel is being placed over cracked soil which does not appear to have been recently compacted or tested. We recommend that testing begin immediately to ensure the project is built per plans and specifications. FAS IBC Construction risk manager

We will ultimately request a letter from the Engineer of Record be provided stating all materials tested have achieved project specifications. This is also a typical requirement of the municipality for the issuance of the Certificate of Occupancy.

6. CONSTRUCTION DOCUMENTATION

- Additional construction documentation has not been provided since the issuance of our previous Report.
- We will continue to comment on documents as they are received: Change orders pending

7. CONCLUSIONS

7.1 Job Progress

- Job progress since the previous period has been at a good pace
- Based on our observations and interactions with this project to date, we would consider the project to be at high risk of schedule delays and cost increases. Please see comments in Section 1.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 67% complete.

DISCLAIMER/RELIANCE

Information contained in this report was obtained through observations made at the time of our site visit(s), communication with on and off-site construction personnel, communication with Borrower/Owners, draw

documentation provided with applicable backup, meeting minutes, third party reports (testing, etc.), and documentation items (change orders, construction schedules, Certificates of Occupancy, etc.) provided by the Borrower and/or Contractor. Where necessary, information was also obtained by verbal communication, meetings, access to online portals, and/or email correspondence on specific issues requiring clarification in order for us to fulfill our report scope obligation. CA Partners, Inc. (CAP) will have no obligation or authority to direct any other party (Borrower, Architect, Engineer, Contractor, etc.) involved in the project. CAP will have no liability regarding acts or omissions of these parties, their employees, or agents. CAP will not provide construction management or supervision for this project and do not have authority to reject work. CAP services will not include any testing related to soil conditions, environmental issues, structural issues or mechanical /electrical systems, or construction materials. No destructive testing of building components will be performed. All reports issued by CAP reflect our judgement and opinion based on construction elements visible at the time of our monthly site observations.

The information contained in this report may be used and relied upon by Bellwether Enterprise and IBC Bank subject to terms, conditions, limitations and qualifications contained in the Agreement between the client named herein and CA Partners, Inc. This report, or any report prepared by CA Partners, Inc., is not to be relied upon by any third party financial institution, investor or lending entity unless arrangements are made by executed reliance letter signed by CA Partners, Inc. and the lead client named above. Third party reliance will require acceptance of the report scope agreed to and outlined in our original engagement unless engaged to perform added scope outlined in an additional agreement or co-engagement. Our reports are solely for the use of our client(s), approved reliant parties and/or co-engagements in administering the construction loan for this project. CA Partners, Inc. will not name or distribute our reports to Borrowers as we believe our reports are proprietary to our clients. However, named clients may distribute reports, if needed, at their discretion, to better administrate the construction loan per their polices. We recommend that any third parties perform their own due diligence in examining the above property.

This report is for the use and benefit of, and may be relied upon by,

a) the Seller/Servicer, Freddie Mac and all successors and assigns ("Lender");

b) independent auditors, accountants, attorneys and other professionals acting on behalf of the Lender;

c) governmental agencies having regulatory authority over Lender;

d) designated persons pursuant to an order or legal process of any court or governmental agency;

e) prospective purchasers of the mortgage; and

f) with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is the subject of this report, the following parties in their respective successors and assigns:

- any placement agent or broker/dealer and any of their prospective affiliates, agents, and advisers;
- any initial purchaser or subsequent holder of such debt and/or security;
- any Servicer or other agent acting on behalf of the holders of such debt and/or security;
- any indenture trustee;
- any rating agencies; and
- any institutional provider from time to time of any liquidity facility or credit support for such financings

1. Exterior siding complete and balcony rails nearing completion at Building 1. Stone veneer was complete and exterior paint nearing completion.

2. Breezeway wall insulation was complete at Building 1.

3. Unit insulation was complete at building 1.

4. Exterior paint was nearing complete at the Clubhouse.

5. Drywall was complete at the Clubhouse.

6. Stone veneer was in progress at Building 2.

7. Metal stairs with concrete treads was complete at Building 2.

8. Breezeway lightweight concrete was complete at Building 2.

9. MEP rough in was complete at Building 2. Insulation and drywall were stored.

10. Lightweight concrete was complete at Building 2 unit balconies.

11. Installation of electrical transformers was in progress.

12. Exterior siding was complete at Building 3.

13. Breezeway lightweight concrete was complete at Building 3.

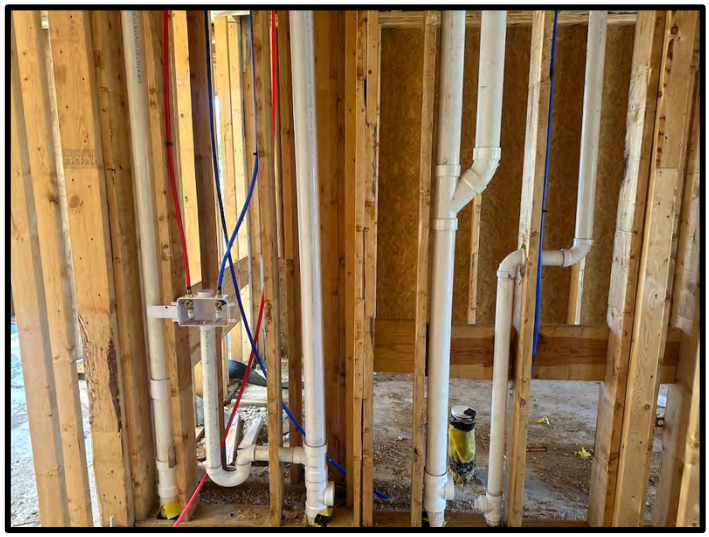
14. MEP rough in was complete at Building 3.

15. Exterior siding was complete at Building 4.

16. Balcony doors were complete at Building 4.

17. Electrical rough in was complete at Building 4.

18. Framing for levels 1-2 were complete at Building 5. Level 3 framing was in progress.



19. Plumbing rough in was in progress at Building 5.

20. Exterior siding was complete at Building 6.

21. MEP rough in was complete at Building 6.

22. Lightweight concrete was complete at Building 6 unit balconies.

23. Exterior paint was nearing completion at Building 7.

24. Insulation was complete and drywall in progress at Building 7.

Texas Department of Housing and Community Affairs, Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941,Austin, TX 78701, Main Number: 512-475-3800, Toll Free: 800-525-0657, Email: info@tdhca.state.tx.us, Web: www.tdhca.state.tx.us

Construction Status Report – Minority Owned Business Report (HTC Only)

TDHCA Asset Management Division - P.O. Box 13941, Austin, Texas 78711-3941 www.tdhca.state.tx.us/asset-management

This report must be provided every 90 days in coordination with the construction status reports for all HTC developments as required by Tex. Gov't Code §2306.6734 to demonstrate the Owner's attempt to ensure that at least 30% of the construction and management businesses with which the Owner contracts in connection with the development are minority-owned businesses.

TDHCA File No.: p20613 Development Name: Legacy Riverside Senior Living Community

NAME and ADDRESS of OWNERSHIP ENTITY	
Name of Ownership Entity: TX Riverside Seniors, LP	Contact Name: Melissa Fisher
Mailing Address: 16812 Dallas Parkway	City: Dallas, State: TX Zip: 75248
Phone: (972) 701-5555	Email: mfisher@rise-residential.com

In accordance with Texas Government Code, I, the Owner, as agreed in the Owner's Certification submitted with the Housing Tax Credit Application for the above named Development, have attempted to ensure that at least 30% of the construction and management businesses with which I contract in connection with the Development identified above are Minority Owned Businesses. I understand that a Minority Owned Business is defined by Section 2306.6734 as a business entity that is 51% owned, managed, and controlled by members of a minority group in its daily operations (for purposes of this report, Section 2306.6734 defines "minority group" as women, African Americans, American Indians, Asian Americans, Mexican Americans, and other Americans of Hispanic origin).

As of today, the percentage of businesses with which I, the Owner, have contracted that qualify as Minority Owned Businesses is as follows:

PERCENTAGE OF CONTRACTED MINORITY OWNED BUSINESSES
CONSTRUCTION: **35 %**
MANAGEMENT: **35 %**

Back up documentation will be provided to the Department in the event such documentation is requested to confirm the contracted percentages referenced above.

By: _____ 10/09/24

Signature of Owner Representative Date

Melissa Fisher, Manager

Printed Name of Owner Representative

Submit this form in accordance with the instructions related to Construction Status Reports in the Post Award Activities Manual. Construction Status Reports begin with an initial report and are received every 90 days via the applicant's FTP account. Please contact your Asset Manager or the general Asset Management inbox (asset.management@tdhca.state.tx.us) with questions.

Exhibit 9.1

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

March 26, 2024

Alexa Delerme
Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

RE: Legacy Riverside
Fort Worth, Texas
CA Partners, Inc Project No.: 20240

Dear Alexa,

Enclosed is Construction Progress Report No. 036 dated March 26, 2024 for the above referenced project. Please note that the first page of the report is a summary with detailed information in the pages that follow.

It is a pleasure working for you and Bellwether Enterprise. If you have any questions, please call me at (214) 468-0807 or email me at jbenson@capartnersinc.com.

Sincerely,

James Benson
Senior Project Manager

cc: constructionadmin@bwe.com - Bellwether Enterprise
Alma Navarro – IBC Bank (by reliance)
Lee Reed – IBC Bank (by reliance)
Constantine Chigounis – 42 Equity (by reliance)
Oscar Leal, CPA – 42 Equity (by reliance)
Agustina Pesci – 42 Equity (by reliance)

Partners, Inc.
Construction Advisors

LEGACY RIVERSIDE
Fort Worth, Texas

Report No: 036 – March 26, 2024

CA Partners, Inc. Project Number: 20240

Prepared for:

Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

Professionals Serving Construction Lenders, Investors, and Participants

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

Legacy Riverside – Fort Worth, Texas

Executive Summary Report 036

Client: Bellwether Enterprise	From: James Benson, Senior Project Manager
ATTN: Alexa Delerme	CA Partners, Inc.

Project Name - City, State:				Legacy Riverside - Fort Worth, Texas
Project Type:				264-units in seven 3-story apartment buildings with a Clubhouse on 9.8 acres
Site Visit Date:				February 2, 2024
Development Draw/ Contractor Application # reviewed:			Draw 36	Pay App 36
Complete Draw Package Received:		Yes ☒	No ☐	**March 25, 2024**
For the period ending:				February 25, 2024
Current Contract Sum through Change Order No. 19 / Contract Type:				$40,168,970.41/Cost Plus-GMP
Was the Budget revised or modified this period?			By Reallocation ☒	No ☐
Current Change Orders:	Change Order 19 $0.00		By Change Order ☒	No ☐
Executed Change Orders Received:			Yes ☒	No ☐
Stored materials requested this draw?		Onsite: ☐	Offsite: ☐ Yes ☐	No ☒
Amount of Contractor's request this period:				$1,647,778.34
Amount of Contractor's request recommended:				**See Section 1 Comments**

Completion % estimated by CA Partners, Inc. (Does not include amounts funded for Stored Materials)		50%
Completion % indicated on Contractor's Application		73.66%
Hard Cost Budget appears sufficient on a % of work in place basis?	Yes ☐	No ☒

Construction Schedule:

Completion date per Construction Contract or extended by change order:		March 21, 2023
Is Work currently on schedule to meet this date?	Yes ☐	No ☒
If not, how far behind schedule?		March 1, 2025

Retainage:

Percent of retainage currently held		3.3%
Does % withheld agree with terms of Construction Contract?	Yes ☐	No ☒
Is any retainage release requested this period?	Yes ☐	No ☒
If Yes, how much?		

Other:

General Contractor's lien waivers received and reviewed?	Yes ☐	No ☒
Project being constructed in general accordance with approved Plan and Specifications	Yes ☐	No ☐
Foundations Complete:	Yes ☐	No ☒
Certificate(s) of Occupancy issued?	Yes ☐	No ☒
Does CA Partners, Inc. recommend client contact us to discuss issues in this report?	Yes ☒	No ☐

** This is a summary of the findings from our site visit and draw processing. Please reference the information in the pages that follow for a more comprehensive and detailed discussion of issues.*

1. CONSTRUCTION FUNDING REQUEST

Overall scope of work: The Legacy Riverside Independent Senior Living project is located at the northeast intersection of North Riverside Drive and Summerfields Boulevard in Fort Worth, Texas. The project is located on a 9.82-acre tract of land, and a total of 264 apartment units will be constructed. Access to the property will be provided from two double lane entry drives from North Riverside Drive to the central Clubhouse located adjacent the buildings. One 1-story Clubhouse and seven 3-stort apartments buildings will be provided. Carport/covered parking spaces and vehicular access gates are identified. Site amenities include a fenced swimming pool area, dog park, outdoor siting areas, picnic tables, BBQ grills, gazebo, fire pit, horseshoe pit, beanbag toss, and perimeter fencing. Perimeter building and parking lot landscaping is proposed. The centrally located Clubhouse areas will include a Club Room with kitchen, Fitness Center, Craft Room, Billiards Room, Business Center, Conference Room, Leasing area, offices, and Public Restrooms.

Summary of Contractor's Application	Application for Payment No. 36
Original Contract Sum	**$33,500,00.00**
Net Change by Change Orders	$6,668,970.41
Contract Sum to Date	**$40,168,970.41**
Total Completed and Stored to Date	**$29,589,731.04**
Retainage	$970,922.33
Total Earned Less Retainage	**$28,618,808.71**
Less Previous Certificates for Payment	$26,971,030.37
Current Payment Due	**$1,647,778.34**
Balance to Finish, Including Retainage	$11,550,161.70

1.1 Rise Residential – Application and Certificate for Payment No. 36

- **A no cost Change Order has been incorporated this period that documents the budget reallocations that occurred within the Schedule of Values.** We were previously informed by the Developer/Contractor that formal change orders will not be issued for budget reallocations without additional scope changes.
- Work for the Period Ending: February 25, 2024
- Current Contract Sum: $40,168,970.41
- Application and Certificate for Payment No. 36 has been signed and certified by the Architect dated March 15, 2024.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) on the current most recent G703 showing which line items are currently over drawn on the current request only.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log.
- General Requirement line items have been drawn to 92.66% at this time. Overhead has been drawn at 100%. GC Fee has been drawn at 100%. The project has only billed for 73.66%. When removing stored materials, this percentage decreases further. It is somewhat common for general conditions to outpace actual construction when drawn on a pro-rata basis, however the current difference is

significantly more than typical. **We continue to recommend that funds advanced for General Conditions, Overhead, and GC Fee items be slowed or halted.**

Upon receipt of previous Application for Payments, we made an inquiry to the Borrower regarding various overdrawn line items. We had recommended that budget reallocations occur, or requests be reduced so that the scope line items were in line with the percent complete in the field. We were informed by the Borrower that the Bank going to escrow funds for work NOT in place so they can release them as soon as the work is in complete. The bank will hold any funds for work they feel is not in place. We were also informed that the Elevator cabs manufactured already for Austin Manor (a different project) have been transferred to Riverside and Riverside needs to repay Manor for the elevator cabs. Please note this is not the typical construction practice to utilize different project sources to fund other projects.

As mentioned previously, we do not object that these are actual cost incurred and that only the percent values are overdrawn based on what is complete in the field. We can only recommend funding on what is complete. If reducing the requests is not feasible, we recommend additional funds are allocated to the over drawn line items so that the percent complete is consistent with what is complete in the field.

1.2 Retainage

- The Owner/Contractor Agreement indicates that 5% retainage will be withheld from subcontractor labor related line items with various exceptions including General Conditions, Overhead, GC Fees and costs, permits, insurance, bonds, and materials
- Retainage withheld appears to be generally consistent with the provisions detailed in the Owner/Contractor Agreement we reviewed, however we would consider these retainage provisions to be significantly more favorable than typical for the Contractor, and we would consider the limited amount of retainage to represent increased risk for the lender
- Based on the above exemptions, total retainage withheld to date is $970,922.33 reflecting 3.3% of the "Total Completed and Stored to Date" figure
- We would recommend that retainage for the project be increased. We recommend that a minimum of 5% of the total work completed be withheld for the project, and we would consider 10% total retainage to be ideal for lender protection
- We would also recommend that it be confirmed that current retainage withheld is consistent with the Loan Agreement
- No retainage release request has been indicated on the current Application for Payment

1.3 Lien Waivers

General Contractor's Conditional and Unconditional Waiver and Release on Progress Payment received:

- We have requested but not received a Conditional Waiver and Release on Progress Payment this period for Application for Payment No. 36.
- We have requested but not received Unconditional Lien Waivers referencing the amounts previously funded for Application Nos. 24-35. **We recommend you secure the Unconditional Lien Waiver prior to funding the current Draws.**
- Approval of lien waiver wording, format, and authority to sign is left to your discretion

1.4 Funding Recommendation

We have recommended additional funds be added to the project so that line items completion percentage are representative of the work actually complete in the field. At this time, based on job progress and cost incurred to date, we do not anticipate the current “Balance to Finish” amount of $10,579,239.37 to be sufficient for the remaining proposed scope of work. However, it is the opinion of the Developer/Contractor that the remaining budget is sufficient to cover the remaining. This comment is in relation to the line items that have been drawn high compared to the actual completion percentage as discussed above. Also, some material line items have been drawn 100% and do not have a line item for labor installation of these line items. So, we anticipate additional funds will be needed to cover these labor costs for installation of some of the material line items.

With the information provided within this Report, if you elect to fund the amount is noted below:

Application for Payment No. 36: $1,647,778.34

1.5 Development/Loan Budget

We have not received a copy of the Borrower's development budget for this project. The total project costs are not identified, and we cannot verify that the current Contract Sum or the Hard Cost request are consistent with the Contractor's Application for Payment.

We have not received a copy of the Development Budget, with the current draw submission or during our pre-construction review, and we have not been able to determine if there is additional Hard Cost Contingency outside the Contractor's Schedule of Values. Approval of soft cost funding requested is left to you as an underwriting consideration.

2. STORED MATERIALS

2.1 Materials Stored Onsite:

- CMU
- Hardie plank siding
- Lumber
- Trusses
- Sheathing
- PEX piping
- Windows

2.2 Onsite Stored Material Request:

- No on-site stored materials requests have been made this application

2.3 Offsite Stored Material Request:

Not including framing materials, approximately $3,000,000 in materials have been funded to date as reflected on the previous Contractor's Application for Payment. These materials have not been installed at this time and our estimated completion percentage does not include materials purchased. We mention this for your information. These materials are reportedly stored at the Contractor's facility, vendor facility, or locked conexes onsite.

- $425,000 for "Metal Pan Stairs and Rails" – material previously purchased and funded
- $820,600 for "Thermal & Moisture Protection" – Contractor provided Bill of Lading and Photos for Zip sheathing, metal roof rolls, and Cladding materials purchased (previously purchased and funded) – now in progress of being installed.
- $92,411.44 for "Specialties" – material previously purchased and funded
- $250,000 for "Equipment" – material previously purchased and funded
- $300,000 for "Cabinets" – material previously purchased and funded
- $785,000 for the "Elevator" deposit
- $352,539.66 for "Plumbing Fixtures" – material previously purchased and funded
- $23,272.88 "Irrigation" – material previously purchased and funded

3. CHANGE ORDERS

3.1 Current Change Orders

The Contract Sum has previously been modified a total of $6,668,970.41 by Change Order Nos. 1-19. We were previously informed by the Developer/Contractor that formal change orders will not be issued for budget reallocations without additional scope changes. The Contract Sum remains $40,168,970.14.

3.2 Pending Change Orders

- We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project
- At this time, we have not been informed of any potential change orders for this project.

4. CONSTRUCTION - PROGRESS, ISSUES, AND SCHEDULE

4.1 Construction Progress

Observations made at the time of this month's site visit on March 5, 2024 are as follows:

- Retaining walls at the north perimeter of the site remained complete with the exception of backfill
- Cutting and grouting for post tension cables remained incomplete
- Concrete paving for drives and parking areas were complete for all areas except the northwest portion of the site and the main approaches from adjacent public streets
- Framing remains in progress for the buildings except Building 5
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work has resumed as of March 5, 2024..
- Foundations remained complete with the exception of Building 5
- Overgrown vegetation has now been cleared from the site and additional rough grading complete adjacent building areas.
- CMU elevator shafts remained complete for each building except Building 5
- Concrete paving was complete for onsite drives and parking areas – only remains for 1 approach from North Riverside Drive.
- Concrete approach from Summerfields Blvd was complete
- Concrete sidewalks was complete at Summerfields Blvd
- Temporary electrical power was complete
- Level 1 wall framing was complete for the Clubhouse and exterior sheathing and roof decking were also complete
- Roofing was observed complete for the Clubhouse
- Zip Sheathing tape and windows were complete at the Clubhouse – Storefront style doors remain
- Framing for levels 1-3 and roof decking were complete at Building 1
- Roofing and windows were complete at Building 1
- Exterior siding was in progress at Building
- Plumbing rough in was complete at Building 1
- Electrical rough in was in progress at Building 1
- Framing, roof decking, roofing, and windows were complete at Building 2
- Plumbing rough in was complete at Building 2
- Electrical rough in was just beginning at Building 2
- Framing levels 1-3, windows, and roof decking were complete at Building 3
- Plumbing rough in complete at Building 3
- Electrical rough in was in progress at Building 3
- Levels 1-3 wall framing was complete at Building 4 – roof trusses were in progress
- Re-trenching of grade beams was in progress at Building 5

- Level 2 wall framing and exterior sheathing were complete at Building 6
- Plumbing rough in was in progress at Building 6
- Framing, exterior sheathing, windows, and roofing were complete at Building 7
- Exterior siding was in progress at Building 7
- Plumbing rough in was complete at Building 7
- Electrical rough in was in progress at Building 7
- Metal fencing was observed complete at the north perimeter of the site

4.2 Construction Issues

- **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction pace has now picked back up during the period from August 30, 2023 to March 5, 2024.**
- There were approximately 25 laborers observed onsite at the time of our site visit.
- CA Partners has had previous and current projects with Rise Residential, and we have had generally mixed results regarding timeliness of completion. Several Austin and DFW area projects have experienced severe delays, and based on interactions to date with this project, we would consider this project to have an elevated risk for schedule and price increases.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) on the previous G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed by the Owner/Builder that the Schedule of Values need to be reevaluated due to recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log.
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work was observed in progress on March 5, 2024.

4.3 Construction Schedule

Contractual Completion date:	March 21, 2023
Contractor's estimated Substantial Completion date:	Updated Schedule Requested
CA Partners estimated Substantial Completion date:	March 1, 2025
Has occupancy started:	No

- Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2023. This date was not met.
- Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on March 1, 2025.
- Please be aware that the Contractor's progress to date has been much slower than industry standard, and our estimated date of Substantial Completion may therefore be much more susceptible to being modified. Should construction administration, manpower, and direction all improve in the coming months, Substantial Completion could be completed sooner, however should the current level of organization continue, the completion date may be at risk of being pushed further.
- Final Completion including all punchlist, cleaning and final demobilization may extend past the Substantial Completion date.

5. CONSTRUCTION MATERIAL TESTING

5.1 Test Results Received Since our Prior Report:

Testing was initially being performed by Intertek PSI for this project. We have not been provided with any additional copies of testing since the previous period, and we will continue to request that we be added to the direct testing distribution list.

Please be aware that it no longer appears that testing is being done for the project based on our observations onsite. Reinforcing steel is being placed over cracked soil which does not appear to have been recently compacted or tested. We recommend that testing begin immediately to ensure the project is built per plans and specifications

6. CONSTRUCTION DOCUMENTATION

- The following documents have been received with the draw submission for this report:
  - Contractor Application and Certificate for Payment No. 36
- We will continue to comment on documents as they are received

7. CONCLUSIONS

7.1 Job Progress

- Job progress since the previous period has been at a good pace
- Based on our observations and interactions with this project to date, we would consider the project to be at high risk of schedule delays and cost increases. Please see comments in Section 1.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 50% complete.

DISCLAIMER/RELIANCE

Information contained in this report was obtained through observations made at the time of our site visit(s), communication with on and off-site construction personnel, communication with Borrower/Owners, draw documentation provided with applicable backup, meeting minutes, third party reports (testing, etc.), and documentation items (change orders, construction schedules, Certificates of Occupancy, etc.) provided by the Borrower and/or Contractor. Where necessary, information was also obtained by verbal communication, meetings, access to online portals, and/or email correspondence on specific issues requiring clarification in order for us to fulfill our report scope obligation. CA Partners, Inc. (CAP) will have no obligation or authority to direct any other party (Borrower, Architect, Engineer, Contractor, etc.) involved in the project. CAP will have no liability regarding acts or omissions of these parties, their employees, or agents. CAP will not provide construction management or supervision for this project and do not have authority to reject work. CAP services will not include any testing related to soil conditions, environmental issues, structural issues or mechanical /electrical systems, or construction materials. No destructive testing of building components will be performed. All reports issued by CAP reflect our judgement and opinion based on construction elements visible at the time of our monthly site observations.

The information contained in this report may be used and relied upon by Bellwether Enterprise and IBC Bank subject to terms, conditions, limitations and qualifications contained in the Agreement between the client named herein and CA Partners, Inc. This report, or any report prepared by CA Partners, Inc., is not to be relied upon by any third party financial institution, investor or lending entity unless arrangements are made by executed reliance letter signed by CA Partners, Inc. and the lead client named above. Third party reliance will require acceptance of the report scope agreed to and outlined in our original engagement unless engaged to perform added scope outlined in an additional agreement or co-engagement. Our reports are solely for the use of our client(s), approved reliant parties and/or co-engagements in administering the construction loan for this project. CA Partners, Inc. will not name or distribute our reports to Borrowers as we believe our reports are proprietary to our clients. However, named clients may distribute reports, if needed, at their discretion, to better administrate the construction loan per their polices. We recommend that any third parties perform their own due diligence in examining the above property.

This report is for the use and benefit of, and may be relied upon by,

a) the Seller/Servicer, Freddie Mac and all successors and assigns ("Lender");

b) independent auditors, accountants, attorneys and other professionals acting on behalf of the Lender;

c) governmental agencies having regulatory authority over Lender;

d) designated persons pursuant to an order or legal process of any court or governmental agency;

e) prospective purchasers of the mortgage; and

f) with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is the subject of this report, the following parties in their respective successors and assigns:

- any placement agent or broker/dealer and any of their prospective affiliates, agents, and advisers;
- any initial purchaser or subsequent holder of such debt and/or security;
- any Servicer or other agent acting on behalf of the holders of such debt and/or security;
- any indenture trustee;
- any rating agencies; and
- any institutional provider from time to time of any liquidity facility or credit support for such financings

1. Zip sheathing tape and windows were complete at the Clubhouse.

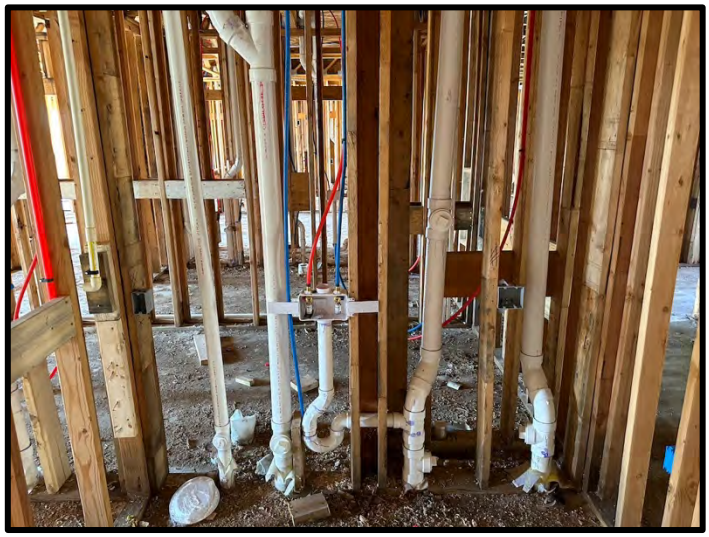
2. Electrical rough in was in progress at the Clubhouse.

3. Exterior siding and trim were in progress at Building 1.

4. Plumbing rough in was observed complete at Building 1.

5. Electrical rough in was nearing completion at Building 1.

6. Windows, exterior sheathing and zip tape were complete at Building 2.



7. Plumbing rough in was complete at Building 2.

8. Windows, exterior sheathing and zip tape were complete at Building 3.

9. Electrical rough in was in progress at Building 3.

10. Framing and exterior sheathing for levels 1-3 were complete at Building 4.

11. Roof trusses were in progress at Building 4.

12. Re-compaction of soil and grade beams were in progress at Building 5.

13. Concrete sidewalks were complete at Summerfields Blvd street frontage.

14. Re Level 2 framing was complete at Building 6. Level 3 floor decking was in progress.

15. Plumbing rough in was in progress at Building 6.

16. Exterior siding and trim were in progress at Building 7.

17. Plumbing rough in was complete at Building 7.

18. Electrical rough in was in progress at Building 7.

DOCUMENT SUMMARY SHEET

TO OWNER/CLIENT:
TX Riverside Seniors, LP
16812 Dallas Pkwy, Dallas, TX 75248

FROM CONTRACTOR:
Garland Housing Finance Corporation
1675 W. Campbell Rd, Garland, TX 75044

CONTRACT FOR: Legacy Riverside Senior Living

PROJECT:
Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

VIA ARCHITECT/ENGINEER:
Randy Richards (Hodges Architecture)

APPLICATION NO: 19 ✓
INVOICE NO: 36
PERIOD: 01/26/24 - 02/25/24 ✓
PROJECT NO: 2020-LRFW
CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1.	Original Contract Sum		$33,500,000.00 ✓
2.	Net change by change orders		$6,668,970.41 ✓
3.	Contract Sum to date (Line 1 ± 2)		$40,168,970.41 ✓
4.	Total completed and stored to date (Column G on detail sheet)		$29,589,731.04 *
5.	Retainage:		
	a. 3.30% of completed work	$970,922.33	
	b. 0.00% of stored material	$0.00	
	Total retainage (Line 5a + 5b or total in column I of detail sheet)		$970,922.33 ✓
6.	Total earned less retainage (Line 4 less Line 5 Total)		$28,618,808.71 ✓
7.	Less previous certificates for payment (Line 6 from prior certificate)		$26,971,030.37 *
8.	Current payment due:		$1,647,778.34 *
9.	Balance to finish, including retainage (Line 3 less Line 6)		$11,550,161.70

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner/Client:	$12,641,999.83	$(5,973,029.42)
Total approved this month:	$73,041.27	$(73,041.27)
Totals:	$12,715,041.10	$(6,046,070.69)
Net change by change orders:	$6,668,970.41	

The undersigned certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner/Client, and that current payments shown herein is now due.

Contractor: Garland Housing Finance Corporation

By: [signature] Date: 3/25/2024

State of: Texas
County of: Dallas
Subscribed and sworn to before me this 25th day of March 2024
Notary Public: [signature]
My commission expires: 10/27/2024

MARTA LYDIA MADERA
Notary Public, State of Texas
Comm. Expires 10-27-2024
Notary ID 130878308

ARCHITECT'S/ENGINEER'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on the on-site observations and the data comprising this application, the Architect/Engineer certifies to the Owner/Client that to the best of the Architect's/Engineer's knowledge, information and belief that Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: $1,647,778.34

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm the amount certified.)

ARCHITECT/ENGINEER:

DocuSigned by:
By: Dan Burbine ✓ Date: 3/15/2024
72E9B559C6E8426...

This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to the rights of the Owner/Client or Contractor under this Contract.

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED FROM PREVIOUS APPLICATION (D + E)	WORK COMPLETED THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
01 - Requirements										
1.1	01-210000	Mobilization Allowance	$150,000.00	$150,000.00	$0.00	$0.00	$150,000.00	100.00%	$0.00	$0.00
1.2	01-210100	Living & Vehicle Allowances/Per Diem	$27,000.00	$26,257.00	$0.00	$0.00	$26,257.00	97.25%	$743.00	$0.00
1.3	01-310010	Project Management	$291,562.00	$291,562.00	$0.00	$0.00	$291,562.00	100.00%	$0.00	$0.00
1.4	01-310030	Superintendent	$317,893.25	$310,597.58	$7,295.67	$0.00	$317,893.25	100.00% *	$0.00	$0.00
1.5	01-310035	Assistant Superintendent	$134,106.75	$134,106.75	$0.00	$0.00	$134,106.75	100.00%	$0.00	$0.00
1.6	01-310037	Field Labor	$18,438.00	$18,438.00	$0.00	$0.00	$18,438.00	100.00%	$0.00	$0.00
1.7	01-310040	Field Administrative Staff	$70,000.00	$70,000.00	$0.00	$0.00	$70,000.00	100.00%	$0.00	$0.00
1.8	01-310045	Payroll Burden	$175,586.00	$175,586.00	$0.00	$0.00	$175,586.00	100.00%	$0.00	$0.00
1.9	01-310050	Travel Expenses	$50,814.00	$50,814.00	$0.00	$0.00	$50,814.00	100.00%	$0.00	$0.00
1.10	01-323310	Photography and Video	$5,081.40	$5,081.40	$0.00	$0.00	$5,081.40	100.00%	$0.00	$0.00
1.11	01-331310	Insurance - Builders Risk	$126,388.25	$126,388.25	$0.00	$0.00	$126,388.25	100.00%	$0.00	$0.00
1.12	01-331315	Insurance - General Liability	$155,300.00	$155,300.00	$0.00	$0.00	$155,300.00	100.00%	$0.00	$0.00
1.13	01-331320	Permits and Fees	$560,000.00	$560,000.00	$0.00	$0.00	$560,000.00	100.00%	$0.00	$0.00
1.14	01-352320	Termite & Pest Control	$28,935.75	$28,935.75	$0.00	$0.00	$28,935.75	100.00%	$0.00	$0.00
1.15	01-355300	Security	$36,107.33	$36,107.33	$0.00	$0.00	$36,107.33	100.00%	$0.00	$0.00
1.16	01-432610	Quality Testing	$101,892.00	$47,938.00	$444.00	$0.00	$48,382.00	47.48%	$53,510.00	$0.00
1.17	01-510010	Temporary Electric	$162,207.58	$60,802.63	$0.00	$0.00	$60,802.63	37.48%	$101,404.95	$0.00
1.18	01-510030	Temporary Water	$25,900.00	$11,399.55	$0.00	$0.00	$11,399.55	44.01%	$14,500.45	$0.00
1.19	01-510040	Temporary Phone, Internet	$3,387.60	$3,387.60	$0.00	$0.00	$3,387.60	100.00%	$0.00	$0.00
1.20	01-511330	Software	$27,000.00	$27,000.00	$0.00	$0.00	$27,000.00	100.00%	$0.00	$0.00
1.21	01-521310	Field Offices	$65,088.78	$22,243.13	$0.00	$0.00	$22,243.13	34.17%	$42,845.65	$0.00
1.22	01-521315	Temporary Toilets	$15,000.00	$9,567.62	$1,240.37	$0.00	$10,807.99	72.05%	$4,192.01	$0.00
1.23	01-521320	Office Supplies and Equipment	$5,081.40	$5,081.40	$0.00	$0.00	$5,081.40	100.00%	$0.00	$0.00
1.24	01-541620	Equipment Rental	$26,100.00	$26,100.00	$0.00	$0.00	$26,100.00	100.00%	$0.00	$0.00
1.25	01-562610	Temporary Fencing and Walkways	$28,260.28	$21,016.90	$1,536.26	$0.00	$22,553.16	79.81%	$5,707.12	$0.00

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				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
1.26	01-581310	Project Signs and Identification	$4,705.00	$4,705.00	$0.00	$0.00	$4,705.00	100.00%	$0.00	$0.00
1.27	01-660010	Trucking and Material Storage	$3,387.60	$3,387.60	$0.00	$0.00	$3,387.60	100.00%	$0.00	$0.00
1.28	01-712312	Estimator Expenses	$18,820.00	$18,820.00	$0.00	$0.00	$18,820.00	100.00%	$0.00	$0.00
1.29	01-731930	Small Tools	$1,693.80	$1,693.80	$0.00	$0.00	$1,693.80	100.00%	$0.00	$0.00
1.30	01-741900	General Debris and Dumpsters	$223,581.60	$223,581.60	$0.00	$0.00	$223,581.60	100.00%	$0.00	$0.00
1.31	01-771610	Punch List and Closeout	$18,820.00	$18,820.00	$0.00	$0.00	$18,820.00	100.00%	$0.00	$0.00
1.32	01-783910	Project Documentation	$3,387.60	$3,387.60	$0.00	$0.00	$3,387.60	100.00%	$0.00	$0.00
1.33	01-784231	Final Cleaning	$155,289.03	$155,289.03	$0.00	$0.00	$155,289.03	100.00%	$0.00	$0.00
01 - Requirements Subtotals			$3,036,815.00	$2,803,395.52	$10,516.30	$0.00	$2,813,911.82	92.66%	$222,903.18	$0.00
03 - Division 03										
2.1	03-310024	CIP Concrete Foundations	$1,285,674.25	$1,225,674.25	$60,000.00	$0.00	$1,285,674.25	100.00% *	$0.00	$64,283.72
2.2	03-540010	Lightweight/Gypcrete	$520,400.00	$0.00	$0.00	$0.00	$0.00	0.00%	$520,400.00	$0.00
03 - Division 03 Subtotals			$1,806,074.25	$1,225,674.25	$60,000.00	$0.00	$1,285,674.25	71.19%	$520,400.00	$64,283.72
04 - Division 04										
3.1	04-000010	Masonry	$2,024,988.00	$611,745.27	$25,000.00	$0.00	$636,745.27	31.44%	$1,388,242.73	$8,551.13
3.2	04-050000	Dumpster Enclosure	$16,000.00	$16,000.00	$0.00	$0.00	$16,000.00	100.00%	$0.00	$800.00
04 - Division 04 Subtotals			$2,040,988.00	$627,745.27	$25,000.00	$0.00	$652,745.27	31.98%	$1,388,242.73	$9,351.13
05 - Division 05										
4.1	05-511300	Metal Pan Stairs & Rails	$1,126,915.00	$425,000.00	$300,000.00	$0.00	$725,000.00	64.33% *	$401,915.00	$21,250.00
4.2	05-521320	Pool Fence	$49,775.00	$25,000.00	$0.00	$0.00	$25,000.00	50.23%	$24,775.00	$1,250.00
4.3	05-540010	Perimeter Fence	$340,010.00	$217,000.00	$0.00	$0.00	$217,000.00	63.82%	$123,010.00	$3,750.00
05 - Division 05 Subtotals			$1,516,700.00	$667,000.00	$300,000.00	$0.00	$967,000.00	63.76%	$549,700.00	$26,250.00
06 - Division 06										
5.1	06-110002	Wood Framing Labor	$1,637,790.11	$1,637,790.11	$0.00	$0.00	$1,637,790.11	100.00%	$0.00	$81,889.51
5.2	06-110004	Wood Framing Material	$4,162,871.16	$4,034,671.45	$0.00	$128,199.71	$4,162,871.16	100.00%	$0.00	$128,509.40

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				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
5.3	06-175300 - Trusses		$2,150,094.16	$2,150,094.16	$0.00	$0.00	$2,150,094.16	100.00%	$0.00	$107,936.32
5.4	06-460000 - Finish Trim Carpentry - Material		$309,510.00 *	$0.00	$22,056.00	$0.00	$22,056.00	7.13%	$287,454.00	$0.00
5.5	06-460004 - Finish Trim Carpentry - Labor		$369,510.00	$0.00	$0.00	$0.00	$0.00	0.00%	$369,510.00	$0.00
06 - Division 06 Subtotals			$8,629,775.43 *	$7,822,555.72	$22,056.00	$128,199.71	$7,972,811.43	92.39%	$656,964.00	$318,335.23
07 - Division 07										
6.1	07-130000 - Waterproofing		$37,350.00	$0.00	$0.00	$0.00	$0.00	0.00%	$37,350.00	$0.00
6.2	07-211610 - Batt Insulation		$509,000.00	$0.00	$100,000.00	$0.00	$100,000.00	19.65%	$409,000.00	$5,000.00
6.3	07-311300 - Shingles		$265,290.33 *	$265,290.33	$0.00	$0.00	$265,290.33	100.00%	$0.00	$1,807.45
6.4	07-510000 - Metal Roofing		$1,040,600.00 *	$1,040,600.00	$0.00	$0.00	$1,040,600.00	100.00%	$0.00	$11,000.00
6.5	07-712300 - Gutters and Downspouts		$85,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$85,000.00	$0.00
07 - Division 07 Subtotals			$1,937,240.33 *	$1,305,890.33	$100,000.00	$0.00	$1,405,890.33	72.57%	$531,350.00	$17,807.45
08 - Division 08										
7.1	08-140002 - Doors - Interior		$290,402.28	$0.00	$50,000.00	$0.00	$50,000.00	17.22% *	$240,402.28	$0.00
7.2	08-161400 - Doors - Exterior		$237,600.00	$237,600.00	$0.00	$0.00	$237,600.00	100.00%	$0.00	$0.00
7.3	08-531300 - Windows		$265,394.05	$265,394.05	$0.00	$0.00	$265,394.05	100.00%	$0.00	$7,500.00
7.4	08-531400 - Window Coverings		$31,680.00	$31,680.00	$0.00	$0.00	$31,680.00	100.00%	$0.00	$0.00
7.5	08-800000 - Glass and Glazing		$33,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$33,000.00	$0.00
08 - Division 08 Subtotals			$858,076.33	$534,674.05	$50,000.00	$0.00	$584,674.05	68.14%	$273,402.28	$7,500.00
09 - Division 09										
8.1	09-000040 - Drywall		$1,594,195.00	$0.00	$200,000.00	$0.00	$200,000.00	12.55% *	$1,394,195.00	$10,000.00
8.2	09-301300 - Ceramic		$143,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$143,000.00	$0.00
8.3	09-651900 - Vinyl		$331,819.00	$0.00	$0.00	$0.00	$0.00	0.00%	$331,819.00	$0.00
8.4	09-800000 - Clubhouse Flooring		$25,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$25,000.00	$0.00
8.5	09-912300 - Painting		$770,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$770,000.00	$0.00
09 - Division 09 Subtotals			$2,864,014.00	$0.00	$200,000.00	$0.00	$200,000.00	6.98%	$2,664,014.00	$10,000.00

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10 - Division 10										
9.1	10-110000 - Door Hardware		$54,223.90	$54,223.90	$0.00	$0.00	$54,223.90	100.00%	$0.00	$0.00
9.2	10-140000 - Exterior Signs		$26,400.00	$0.00	$0.00	$0.00	$0.00	0.00%	$26,400.00	$0.00
9.3	10-140010 - Interior Signs		$26,400.00	$0.00	$0.00	$0.00	$0.00	0.00%	$26,400.00	$0.00
9.4	10-140020 - Monument Sign		$15,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$15,000.00	$0.00
9.5	10-211300 - Toilet Partitions		$7,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$7,000.00	$0.00
9.6	10-281300 - Toilet Accessories		$24,987.54	$24,987.54	$0.00	$0.00	$24,987.54	100.00%	$0.00	$0.00
9.7	10-440000 - Fire Extinguishers		$13,200.00	$13,200.00	$0.00	$0.00	$13,200.00	100.00%	$0.00	$0.00
9.8	10-550000 - Postal Equipment		$30,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$30,000.00	$0.00
9.9	10-572313 - Closet and Utility Shelving		$23,255.00	$0.00	$0.00	$0.00	$0.00	0.00%	$23,255.00	$0.00
10 - Division 10 Subtotals			$220,466.44	$92,411.44	$0.00	$0.00	$92,411.44	41.92%	$128,055.00	$0.00
11 - Division 11										
10.1	11-310000 - Kitchen Appliances		$580,800.00	$250,000.00	$0.00	$0.00	$250,000.00	43.04%	$330,800.00	$0.00
10.2	11-310010 - Residential Laundry Equipment: Material		$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
10.3	11-681300 - Playground Equipment		$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
11 - Division 11 Subtotals			$580,800.00	$250,000.00	$0.00	$0.00	$250,000.00	43.04%	$330,800.00	$0.00
12 - Division 12										
11.1	12-353013 - Cabinets		$141,000.00 *	$141,000.00	$0.00	$0.00	$141,000.00	100.00%	$0.00	$0.00
11.2	12-353015 - Granite		$355,742.00 *	$0.00	$0.00	$0.00	$0.00	0.00%	$355,742.00	$0.00
11.3	12-930000 - Site Furnishings		$121,375.43	$0.00	$0.00	$0.00	$0.00	0.00%	$121,375.43	$0.00
12 - Division 12 Subtotals			$618,117.43	$141,000.00	$0.00	$0.00	$141,000.00	22.81%	$477,117.43	$0.00
13 - Division 13										
12.1	13-000020 - Carports		$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
12.2	13-000040 - Maintenance Facility		$20,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$20,000.00	$0.00
12.3	13-000050 - Mail Kiosks		$65,825.49	$0.00	$0.00	$0.00	$0.00	0.00%	$65,825.49	$0.00

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED FROM PREVIOUS APPLICATION (D + E)	WORK COMPLETED THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
12.4	13-000080 - Sport Court		$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
12.5	13-000090 - Gazebos		$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
12.6	13-110000 - Pools and Pool Equipment		$23,037.00	$0.00	$0.00	$0.00	$0.00	0.00%	$23,037.00	$0.00
13 - Division 13 Subtotals			$108,862.49	$0.00	$0.00	$0.00	$0.00	0.00%	$108,862.49	$0.00
14 - Division 14										
13.1	14-240000 - Elevators		$996,959.00	$785,000.00	$0.00	$0.00	$785,000.00	78.74%	$211,959.00	$14,850.00
14 - Division 14 Subtotals			$996,959.00	$785,000.00	$0.00	$0.00	$785,000.00	78.74%	$211,959.00	$14,850.00
21 - Division 21										
14.1	21-100000 - Fire Sprinkler		$406,890.00	$45,000.00	$150,000.00	$0.00	$195,000.00	47.92% *	$211,890.00	$9,750.00
21 - Division 21 Subtotals			$406,890.00	$45,000.00	$150,000.00	$0.00	$195,000.00	47.92%	$211,890.00	$9,750.00
22 - Division 22										
15.1	22-000010 - Plumbing		$1,602,321.63	$1,372,452.09	$229,869.54	$0.00	$1,602,321.63	100.00% *	$0.00	$70,116.08
15.2	22-000020 - Plumbing Fixtures		$352,539.66	$352,539.66	$0.00	$0.00	$352,539.66	100.00%	$0.00	$0.00
15.3	22-000090 - Hot Water Heaters		$100,400.00	$0.00	$0.00	$0.00	$0.00	0.00%	$100,400.00	$0.00
15.4	22-000100 - Tub Repairs		$6,600.00	$0.00	$0.00	$0.00	$0.00	0.00%	$6,600.00	$0.00
15.5	22-000110 - Sub-Metering (Water)		$31,152.00	$0.00	$0.00	$0.00	$0.00	0.00%	$31,152.00	$0.00
22 - Division 22 Subtotals			$2,093,013.29	$1,724,991.75	$229,869.54	$0.00	$1,954,861.29	93.40%	$138,152.00	$70,116.08
23 - Division 23										
16.1	23-000010 - HVAC		$1,448,000.00	$150,000.00	$300,000.00	$0.00	$450,000.00	31.08% *	$998,000.00	$22,500.00
16.2	23-000080 - Testing, Balancing, Adjusting		$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
23 - Division 23 Subtotals			$1,448,000.00	$150,000.00	$300,000.00	$0.00	$450,000.00	31.08%	$998,000.00	$22,500.00
26 - Division 26										
17.1	26-000010 - Electrical		$1,893,454.26	$1,710,772.70	$182,681.56	$0.00	$1,893,454.26	100.00% *	$0.00	$69,850.78
17.2	26-000014 - Electrical Material		$16,000.00	$3,490.98	$0.00	$0.00	$3,490.98	21.82%	$12,509.02	$0.00
17.3	26-000020 - Telephone & Cable Underground		$50,000.00	$50,000.00	$0.00	$0.00	$50,000.00	100.00%	$0.00	$2,500.00

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
17.4	26-000030 - Low-Voltage Distribution		$132,000.00	$132,000.00	$0.00	$0.00	$132,000.00	100.00%	$0.00	$6,600.00
17.5	26-000040 - Electrical Fixtures		$273,257.18	$0.00	$0.00	$0.00	$0.00	0.00%	$273,257.18	$0.00
17.6	26-560020 - Secondary Underground		$90,000.00	$90,000.00	$0.00	$0.00	$90,000.00	100.00%	$0.00	$9,750.00
17.7	26-560040 - Fire Alarm		$136,250.00	$0.00	$0.00	$0.00	$0.00	0.00%	$136,250.00	$0.00
26 - Division 26 Subtotals			$2,590,961.44	$1,986,263.68	$182,681.56	$0.00	$2,168,945.24	83.71%	$422,016.20	$88,700.78
28 - Division 28										
18.1	28-000020 - Access Control		$66,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00
28 - Division 28 Subtotals			$66,000.00	$0.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00
31 - Division 31										
19.1	31-000030 - Earthwork Grading		$771,983.62	$771,983.62	$0.00	$0.00	$771,983.62	100.00%	$0.00	$37,302.67
19.2	31-100000 - Site Clearing		$230,000.00	$230,000.00	$0.00	$0.00	$230,000.00	100.00%	$0.00	$11,654.81
19.3	31-230660 - Utility Spoil Disposal		$194,864.95	$194,864.95	$0.00	$0.00	$194,864.95	100.00%	$0.00	$9,743.25
19.4	31-250000 - Erosion & Sediment Control		$39,641.00	$39,641.00	$0.00	$0.00	$39,641.00	100.00%	$0.00	$1,334.08
31 - Division 31 Subtotals			$1,236,489.57	$1,236,489.57	$0.00	$0.00	$1,236,489.57	100.00%	$0.00	$60,034.81
32 - Division 32										
20.1	32-000005 - City Required Infrastructure		$67,325.52	$42,500.00	$0.00	$0.00	$42,500.00	63.13%	$24,825.52	$0.00
20.2	32-000010 - Exterior Improvements		$431,452.59	$309,649.25	$0.00	$0.00	$309,649.25	71.77%	$121,803.34	$15,282.46
20.3	32-131300 - Concrete Paving		$1,513,455.52	$1,437,782.73	$0.00	$0.00	$1,437,782.73	95.00%	$75,672.79	$149,806.79
20.4	32-162300 - Sidewalks		$348,447.00	$170,000.00	$100,000.00	$0.00	$270,000.00	77.49% *	$78,447.00	$13,500.00
20.5	32-172300 - Pavement Marking		$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00
20.6	32-172500 - Surveying & Layouts		$63,000.00	$63,000.00	$0.00	$0.00	$63,000.00	100.00%	$0.00	$0.00
20.7	32-800000 - Irrigation Systems		$165,401.61	$34,072.88	$0.00	$0.00	$34,072.88	20.60%	$131,328.73	$4,654.58
20.8	32-930000 - Landscaping		$247,333.60	$0.00	$0.00	$0.00	$0.00	0.00%	$247,333.60	$0.00
32 - Division 32 Subtotals			$2,836,415.84	$2,057,004.86	$100,000.00	$0.00	$2,157,004.86	76.05%	$679,410.98	$183,243.83
33 - Division 33										

A		B	C	D	E	F	G		H	I
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
				FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
21.1	33-000010 - Site Utilites		$204,399.66	$204,399.66	$0.00	$0.00	$204,399.66	100.00%	$0.00	$9,816.32
21.2	33-100000 - Water		$350,000.00	$350,000.00	$0.00	$0.00	$350,000.00	100.00%	$0.00	$17,500.00
21.3	33-300000 - Sanitary Sewer		$250,000.00	$250,000.00	$0.00	$0.00	$250,000.00	100.00%	$0.00	$12,500.00
21.4	33-400000 - Storm Drain		$567,659.67	$567,659.67	$0.00	$0.00	$567,659.67	100.00%	$0.00	$28,382.98
33 - Division 33 Subtotals			$1,372,059.33	$1,372,059.33	$0.00	$0.00	$1,372,059.33	100.00%	$0.00	$68,199.30
50 - Division 50										
22.1	50-000010 - Overhead		$726,063.06	$726,063.06	$0.00	$0.00	$726,063.06	100.00%	$0.00	$0.00
22.2	50-000020 - GC Fee		$2,178,189.18	$2,178,189.10	$0.00	$0.00	$2,178,189.10	100.00%	$0.08	$0.00
50 - Division 50 Subtotals			$2,904,252.24	$2,904,252.16	$0.00	$0.00	$2,904,252.16	100.00%	$0.08	$0.00
Grand Totals			$40,168,970.41	$27,731,407.93	$1,730,123.40	$128,199.71	$29,589,731.04	73.66%	$10,579,239.37	$970,922.33

RISE RESIDENTIAL CONSTRUCTION
CONDITIONAL WAIVER - SUBCONTRACTOR LIST

PROJECT: Legacy Riverside
Fort Worth, TX

APPLICATION NUMBER: 36
APPLICATION DATE: 2/25/2024
PERIOD FROM: 1/26/2023
PERIOD TO: 2/25/2024

Division	Cost Code		Total Drawn	Contractor / Vendor Name	Sub, Materials, or Stored Materials	Total Due	Sub Retainage	Billed Retainage	Conditional Waivers Attached
Division #1	310010	General Conditions				$0.00			
Division #1	310030	General Conditions	$7,295.67			$7,295.67			
Division #1	310035	General Conditions				$0.00			
Division #1	310040	General Conditions				$0.00			
Division #1	331310	General Conditions				$0.00			
Division #1	331320	General Conditions		CITY OF FW		$0.00			
Division #1	355300	General Conditions		SECURITY		$0.00			
Division #1	432610	General Conditions	$444.00	PSI		$444.00			
Division #1	521315	General Conditions	$1,240.37	Viking		$1,240.37			
Division #1	562610	General Conditions	$1,536.26	Viking		$1,536.26			
Division #1	741900	General Conditions		Waste Conn		$0.00			
Division #2		Existing Conditions				$0.00	$0.00	$0.00	$0.00
Division #3	310024	Concrete	$60,000.00	Hold @ Title	Subcontractor	$60,000.00	$6,000.00	$3,000.00	$54,000.00
Division #4	000010	Masonry	$25,000.00	Hold @ Title	Subcontractor	$25,000.00	$2,500.00	$1,250.00	$22,500.00
Division #5	511300	Metals	$300,000.00	Hold @ Title	Subcontractor	$300,000.00	$30,000.00	$15,000.00	$270,000.00
Division #6	110002	Wood & Plastics		MFL	Other	$0.00	$0.00	$0.00	$0.00
Division #6	110004	Wood & Plastics		SOUTHERN CARLSON	Materials Onsite	$0.00	$0.00	$0.00	$0.00
Division #6	175300	Wood & Plastics		84 LUMBER	Materials Onsite	$0.00	$0.00	$0.00	$0.00
Division #6	460000	Wood & Plastics	$22,056.00	RED RIVER LOGISTICS	Other	$22,056.00	$0.00	$0.00	$22,056.00
Division #7	211610	Thermal & Moisture	$100,000.00	Hold @ Title	Subcontractor	$100,000.00	$10,000.00	$5,000.00	$90,000.00
Division #7	311300	Thermal & Moisture		Quick Roofing	Subcontractor	$0.00	$0.00	$0.00	$0.00
Division #8	140002	Doors & Windows	$50,000.00	Hold @ Title	Other	$50,000.00	$0.00	$0.00	$50,000.00
Division #8	531300	Doors & Windows		84 LUMBER	Materials Onsite	$0.00	$0.00	$0.00	$0.00
Division #9	000040	Finishes	$200,000.00	Hold @ Title	Subcontractor	$200,000.00	$20,000.00	$10,000.00	$180,000.00
Division #10		Specialities				$0.00	$0.00	$0.00	$0.00
Division #11		Equipment				$0.00	$0.00	$0.00	$0.00
Division #12		Furnishings				$0.00	$0.00	$0.00	$0.00
Division #13		Special Construction				$0.00	$0.00	$0.00	$0.00
Division #14		Conveying Systems				$0.00	$0.00	$0.00	$0.00
Division #21	100000	Fire Protection	$150,000.00	Hold @ Title	Subcontractor	$150,000.00	$15,000.00	$7,500.00	$135,000.00
Division #22	000010	Plumbing		Salinas	Subcontractor	$0.00	$0.00	$0.00	$0.00
Division #22	000010	Plumbing	$229,869.54	Hold @ Title	Subcontractor	$229,869.54	$22,986.95	$11,493.48	$206,882.59
Division #23	000010	HVAC	$300,000.00	Hold @ Title	Subcontractor	$300,000.00	$30,000.00	$15,000.00	$270,000.00
Division #25		Integrated Automation				$0.00	$0.00	$0.00	$0.00
Division #26	000010	Electrical		Protec	Subcontractor	$0.00	$0.00	$0.00	$0.00
Division #26	000010	Electrical	$650.00	GC CENTRAL	Materials Onsite	$650.00	$0.00	$0.00	$650.00
Division #26	000010	Electrical	$182,031.56	Hold @ Title	Subcontractor	$182,031.56	$18,203.16	$9,101.58	$163,828.40
Division #27		Communications				$0.00	$0.00	$0.00	$0.00
Division #28		Electronic Safety				$0.00	$0.00	$0.00	$0.00
Division #31		Earthwork				$0.00	$0.00	$0.00	$0.00
Division #32	162300	Exterior Improvements	$100,000.00	Hold @ Title	Subcontractor	$100,000.00	$10,000.00	$5,000.00	$90,000.00
Division #33		Utilities				$0.00	$0.00	$0.00	$0.00
Division #50		OH&P				$0.00	$0.00	$0.00	$0.00
			$1,730,123.40	**$0.00**	**$0.00**	**$1,730,123.40**	**$164,690.11**	**$82,345.06**	**$1,554,916.99**

Current Draw Amount $1,730,123.40 Billing Less Retainage $1,647,778.35

$10,516.30 Profit, Overhead and General Conditions Draw Total

DocuSign Envelope ID: C85629EE-7424-4888-A691-33E4E6DA3444

PCCO #019

RISE Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248
Phone: (972) 701-5555

Project: 2020-LRFW - Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Prime Contract Change Order #019: CE #146 - Feb Reallocations

TO:	**Garland Housing Finance Corporation** 1675 W Campbell Rd Garland, Texas 75044	**FROM:**	**Rise Residential Construction Riverside, LLC** 16812 Dallas Parkway Dallas, Texas 75248
DATE CREATED:	3/04/2024	**CREATED BY:**	Shayla Cerrone **(Rise Residential Construction)**
CONTRACT STATUS:	Approved	**REVISION:**	0
REQUEST RECEIVED FROM:		**LOCATION:**	
DESIGNATED REVIEWER:		**REVIEWED BY:**	
DUE DATE:		**REVIEW DATE:**	03/04/2024
INVOICED DATE:		**PAID DATE:**	
REFERENCE:		**CHANGE REASON:**	Budget Constraints or Reallocations
PAID IN FULL:	No	**EXECUTED:**	No
ACCOUNTING METHOD:	Amount Based	**SCHEDULE IMPACT:**	
SIGNED CHANGE ORDER RECEIVED DATE:			
FIELD CHANGE:	No	**CONTRACT FOR:**	20-0168:Legacy Riverside Senior Living
		TOTAL AMOUNT:	$0.00

DESCRIPTION:
CE #146 - Feb Reallocations

ATTACHMENTS:

CHANGE ORDER LINE ITEMS:

#	Budget Code	Description	Amount
1	01.01-541620.EQUIP General Conditions.Equipment Rental.Equipment		$13,041.27
2	01.01-541620.MAT General Conditions.Equipment Rental.Materials		$(13,041.27)
3	03.03-310024.SUB Concrete.CIP Concrete Foundations.Subcontracts		$60,000.00
4	06.06-460000.MAT Wood & Plastics.Finish Trim Carpentry - Material.Materials		$(60,000.00)
		Subtotal:	**$0.00**
		50-000010 Overhead (2.00% Applies to all line item types.):	$0.00
		50-000040 CO Fee (6.00% Applies to all line item types.):	$0.00
		Grand Total:	**$0.00**

PCCO #019

The original (Contract Sum)	$33,500,000.00
Net change by previously authorized Change Orders	$6,668,970.41
The contract sum prior to this Change Order was	$40,168,970.41
The contract sum will not be changed by this Change Order in the amount of	$0.00
The new contract sum including this Change Order will be	$40,168,970.41

The contract time will not be changed by this Change Order.

Randy Richards (Hodges Architecture)
Dan Burbine

DocuSigned by:
Dan Burbine 3/15/2024
72F9B559C6E8426...

SIGNATURE **DATE**

Garland Housing Finance Corporation

1675 W Campbell Rd
Garland, Texas 75044

SIGNATURE **DATE**

Rise Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248

DocuSigned by:
Melissa Fisher 3/7/2024
55DEEC86AA5B469...

SIGNATURE **DATE**

RISE Residential Construction Riverside, LLC

Printed on Fri Mar 15, 2024 at 11:41 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

Installing poly

Taken Date	Uploaded By
03/13/2024 at 05:51 pm	Joseph Welch

Upload Date	File Name
03/13/2024 at 05:51 pm	IMG_2024_03_13_17_51_10_187.j...

Description

Installing roof decking

Taken Date	Uploaded By
03/13/2024 at 04:51 pm	Joseph Welch

Upload Date	File Name
03/13/2024 at 04:51 pm	IMG_2024_03_13_16_51_07_221.j...

Description

Framing 3rd floor

Taken Date	Uploaded By
03/13/2024 at 04:49 pm	Joseph Welch

Upload Date	File Name
03/13/2024 at 04:49 pm	IMG_2024_03_13_16_49_37_342.j...

Description

Bug spray

Taken Date	Uploaded By
03/12/2024 at 05:27 pm	Joseph Welch

Upload Date	File Name
03/12/2024 at 05:28 pm	IMG_2024_03_12_17_27_53_290.j...

RISE Residential Construction Riverside, LLC

Printed on Fri Mar 15, 2024 at 11:41 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

Installing roof

Taken Date	Uploaded By
03/12/2024 at 01:56 pm	Joseph Welch

Upload Date	File Name
03/12/2024 at 01:56 pm	IMG_2024_03_12_13_56_46_505.j...

Description

Installing hardie

Taken Date	Uploaded By
03/12/2024 at 01:49 pm	Joseph Welch

Upload Date	File Name
03/12/2024 at 01:49 pm	IMG_2024_03_12_13_49_51_094.j...

Description

Installing hardie

Taken Date	Uploaded By
03/09/2024 at 08:57 am	Joseph Welch

Upload Date	File Name
03/09/2024 at 08:57 am	IMG_2024_03_09_08_57_21_468.j...

Description

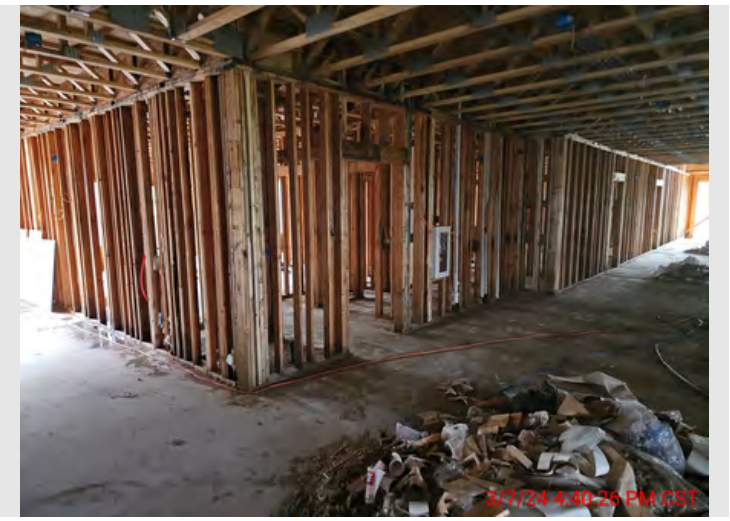
Taken Date	Uploaded By
03/08/2024 at 12:44 pm	Joseph Welch

Upload Date	File Name
03/08/2024 at 12:44 pm	IMG_2024_03_08_12_44_27_849.j...

RISE Residential Construction Riverside, LLC

Printed on Fri Mar 15, 2024 at 11:41 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137



Description

Sweet out

Taken Date

03/07/2024 at 04:40 pm

Uploaded By

Joseph Welch

Upload Date

03/07/2024 at 04:40 pm

File Name

IMG_2024_03_07_16_40_25_641.j...

Description

Installing light boxes

Taken Date

03/06/2024 at 09:52 am

Uploaded By

Joseph Welch

Upload Date

03/06/2024 at 09:52 am

File Name

IMG_2024_03_06_09_52_15_652.j...

Description

Installing hardie

Taken Date

03/06/2024 at 08:03 am

Uploaded By

Joseph Welch

Upload Date

03/06/2024 at 08:03 am

File Name

IMG_2024_03_06_08_03_20_995.j...

Description

Installing hardie

Taken Date

03/05/2024 at 05:04 pm

Uploaded By

Joseph Welch

Upload Date

03/05/2024 at 05:05 pm

File Name

IMG_2024_03_05_17_04_48_657.j...

RISE Residential Construction Riverside, LLC

Printed on Fri Mar 15, 2024 at 11:41 am CDT

Job #: 2020-LRFW Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

Description

222 Main side panel

Taken Date	**Uploaded By**
03/04/2024 at 01:20 pm	Joseph Welch
Upload Date	**File Name**
03/04/2024 at 01:20 pm	IMG_2024_03_04_13_20_17_487.j...

Exhibit 9.2

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

May 8, 2024

Alexa Delerme
Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

RE: Legacy Riverside
Fort Worth, Texas
CA Partners, Inc Project No.: 20240

Dear Alexa,

Enclosed is Construction Progress Report No. 037 dated May 8, 2024 for the above referenced project. Please note that the first page of the report is a summary with detailed information in the pages that follow.

It is a pleasure working for you and Bellwether Enterprise. If you have any questions, please call me at (214) 468-0807 or email me at jbenson@capartnersinc.com.

Sincerely,

James Benson
Senior Project Manager

cc: constructionadmin@bwe.com - Bellwether Enterprise
Alma Navarro – IBC Bank (by reliance)
Lee Reed – IBC Bank (by reliance)
Constantine Chigounis – 42 Equity (by reliance)
Oscar Leal, CPA – 42 Equity (by reliance)
Agustina Pesci – 42 Equity (by reliance)

Partners, Inc.
Construction Advisors

LEGACY RIVERSIDE
Fort Worth, Texas

Report No: 037 – May 8, 2024

CA Partners, Inc. Project Number: 20240

Prepared for:

Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

Professionals Serving Construction Lenders, Investors, and Participants

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Construction Advisors

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Legacy Riverside – Fort Worth, Texas

Executive Summary Report 037

Client: Bellwether Enterprise	From: James Benson, Senior Project Manager
ATTN: Alexa Delerme	CA Partners, Inc.

Project Name - City, State:			Legacy Riverside - Fort Worth, Texas
Project Type:			264-units in seven 3-story apartment buildings with a Clubhouse on 9.8 acres
Site Visit Date:			April 11, 2024
Development Draw/ Contractor Application # reviewed:	Draw No. Draw N/A		Application No. N/A
Complete Draw Package Received:	Yes ☐	No ☒	**Progress Report**
For the period ending:			April 10, 2024

Current Contract Sum through Change Order No. 19 / Contract Type:			$40,168,970.41/Cost Plus-GMP	
Was the Budget revised or modified this period?			By Reallocation ☐	No ☒
Current Change Orders:			By Change Order ☐	No ☒
Executed Change Orders Received:			Yes ☐	No ☒
Stored materials requested this draw?	Onsite: ☐	Offsite: ☐	Yes ☐	No ☒

Amount of Contractor's request this period:	Progress Report (No Application for Payment Submitted)
Amount of Contractor's request recommended:	**Progress Report (No Application for Payment Submitted)**

Completion % estimated by CA Partners, Inc. (Does not include amounts funded for Stored Materials)		53%
Completion % indicated on Contractor's Application		Not Submitted
Hard Cost Budget appears sufficient on a % of work in place basis?	Yes ☐	No ☒

Construction Schedule:

Completion date per Construction Contract or extended by change order:		March 21, 2023
Is Work currently on schedule to meet this date?	Yes ☐	No ☒
If not, how far behind schedule?		March 1, 2025

Retainage:

Percent of retainage currently held		3.3%
Does % withheld agree with terms of Construction Contract?	Yes ☐	No ☒
Is any retainage release requested this period?	Yes ☐	No ☒
If Yes, how much?		

Other:

General Contractor's lien waivers received and reviewed?	Yes ☐	No ☒
Project being constructed in general accordance with approved Plan and Specifications	Yes ☐	No ☐
Foundations Complete:	Yes ☐	No ☒
Certificate(s) of Occupancy issued?	Yes ☐	No ☒
Does CA Partners, Inc. recommend client contact us to discuss issues in this report?	Yes ☒	No ☐

** This is a summary of the findings from our site visit and draw processing. Please reference the information in the pages that follow for a more comprehensive and detailed discussion of issues.*

1. CONSTRUCTION FUNDING REQUEST

Overall scope of work: The Legacy Riverside Independent Senior Living project is located at the northeast intersection of North Riverside Drive and Summerfields Boulevard in Fort Worth, Texas. The project is located on a 9.82-acre tract of land, and a total of 264 apartment units will be constructed. Access to the property will be provided from two double lane entry drives from North Riverside Drive to the central Clubhouse located adjacent the buildings. One 1-story Clubhouse and seven 3-stort apartments buildings will be provided. Carport/covered parking spaces and vehicular access gates are identified. Site amenities include a fenced swimming pool area, dog park, outdoor siting areas, picnic tables, BBQ grills, gazebo, fire pit, horseshoe pit, beanbag toss, and perimeter fencing. Perimeter building and parking lot landscaping is proposed. The centrally located Clubhouse areas will include a Club Room with kitchen, Fitness Center, Craft Room, Billiards Room, Business Center, Conference Room, Leasing area, offices, and Public Restrooms.

Please note we have requested but not received a Contractor's Application for Payment since Application for Payment No. 36 for work through February 25, 2024. Onsite work progress has picked up during the months of February and March. We are submitting this Construction Progress Report to report on work completed through April 11, 2024.

2. STORED MATERIALS

2.1 Materials Stored Onsite:

- CMU
- Hardie plank siding
- Lumber
- Trusses
- Sheathing
- PEX piping
- Windows
- Balcony doors
- Unit entry doors

2.2 Onsite Stored Material Request:

- No on-site stored materials requests have been made this application

2.3 Offsite Stored Material Request:

Not including framing materials, approximately $3,000,000 in materials have been funded to date as reflected on the previous Contractor's Application for Payment. These materials have not been installed at this time and our estimated completion percentage does not include materials purchased. We mention this for your information. These materials are reportedly stored at the Contractor's facility, vendor facility, or locked conexes onsite.

- $425,000 for "Metal Pan Stairs and Rails" – material previously purchased and funded
- $820,600 for "Thermal & Moisture Protection" – Contractor provided Bill of Lading and Photos for Zip sheathing, metal roof rolls, and Cladding materials purchased (previously purchased and funded) – now in progress of being installed.
- $92,411.44 for "Specialties" – material previously purchased and funded
- $250,000 for "Equipment" – material previously purchased and funded
- $300,000 for "Cabinets" – material previously purchased and funded
- $785,000 for the "Elevator" deposit
- $352,539.66 for "Plumbing Fixtures" – material previously purchased and funded

- $23,272.88 “Irrigation” – material previously purchased and funded

3. CHANGE ORDERS

3.1 Current Change Orders

The Contract Sum has previously been modified a total of $6,668,970.41 by Change Order Nos. 1-19. We were previously informed by the Developer/Contractor that formal change orders will not be issued for budget reallocations without additional scope changes. The Contract Sum remains $40,168,970.14.

3.2 Pending Change Orders

- We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project
- At this time, we have not been informed of any potential change orders for this project.

4. CONSTRUCTION - PROGRESS, ISSUES, AND SCHEDULE

4.1 Construction Progress

Observations made at the time of this month's site visit on April 11, 2024 are as follows:

- Retaining walls at the north perimeter of the site remained complete with the exception of backfill
- Cutting and grouting for post tension cables remained incomplete
- Concrete paving for drives and parking areas were complete for all areas except the northwest portion of the site and the main approaches from adjacent public streets
- Framing remains in progress for the buildings except Building 5
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work has now been completed as of April 11, 2024.
- All buildings foundations were now complete
- Overgrown vegetation has now been cleared from the site and additional rough grading complete adjacent building areas.
- CMU elevator shafts remained complete for each building except Building 5 – now nearing completion at Building 5
- Concrete paving was complete for onsite drives and parking areas – only remains for 1 approach from North Riverside Drive.
- Concrete approach from Summerfields Blvd and North Riverside Drive were complete
- Concrete sidewalks was complete at Summerfields Blvd
- Temporary electrical power was complete
- Level 1 wall framing was complete for the Clubhouse and exterior sheathing and roof decking were also complete
- Roofing was observed complete for the Clubhouse
- Zip Sheathing tape and windows were complete at the Clubhouse
- Installation of storefront style doors was complete at the Clubhouse
- Plumbing rough in, electrical rough in, and HVAC ductwork were complete at the Clubhouse
- Framing for levels 1-3 and roof decking were complete at Building 1
- Roofing and windows were complete at Building 1, Building 2, Building 3, and Building 7
- Exterior siding was in progress at Buildings 1, 2, 3, and 7
- Plumbing rough in was complete at Buildings 1, 2, 3, and 7
- Electrical rough in was complete at Buildings 1 and 2 – in progress at Buildings 3 and 7
- HVAC ductwork was complete at Building 1 and 7 – in progress at Building 2

- HVAC refrigerant lines were complete at Buildings 1 and 7
- Levels 1-3 wall framing and roof decking was complete at Building 4
- Roofing was in progress at Building 4
- Level 1-3 framing was complete and roof trusses in progress at Building 6
- Plumbing rough in was in progress at Building 6
- Metal fencing was observed complete at the north perimeter of the site

4.2 Construction Issues

- **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction pace has now picked back up during the period from August 30, 2023 to April 11, 2024.**
- There were approximately 20 laborers observed onsite at the time of our site visit.
- CA Partners has had previous and current projects with Rise Residential, and we have had generally mixed results regarding timeliness of completion. Several Austin and DFW area projects have experienced severe delays, and based on interactions to date with this project, we would consider this project to have an elevated risk for schedule and price increases.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) on the previous G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed by the Owner/Builder that the Schedule of Values need to be reevaluated due to recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log.
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work was observed in progress on March 5, 2024.

4.3 Construction Schedule

Contractual Completion date:	March 21, 2023
Contractor's estimated Substantial Completion date:	Updated Schedule Requested
CA Partners estimated Substantial Completion date:	March 1, 2025
Has occupancy started:	No

- Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2023. This date was not met.
- **Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on March 1, 2025.**
- Please be aware that the Contractor's progress to date has been much slower than industry standard, and our estimated date of Substantial Completion may therefore be much more susceptible to being modified. Should construction administration, manpower, and direction all improve in the coming months, Substantial Completion could be completed sooner, however should the current level of organization continue, the completion date may be at risk of being pushed further.
- Final Completion including all punchlist, cleaning and final demobilization may extend past the Substantial Completion date.

5. CONSTRUCTION MATERIAL TESTING

5.1 Test Results Received Since our Prior Report:

Testing was initially being performed by Intertek PSI for this project. We have not been provided with any additional copies of testing since the previous period, and we will continue to request that we be added to the direct testing distribution list.

Please be aware that it no longer appears that testing is being done for the project based on our observations onsite. Reinforcing steel is being placed over cracked soil which does not appear to have been recently compacted or tested. We recommend that testing begin immediately to ensure the project is built per plans and specifications

6. CONSTRUCTION DOCUMENTATION

- The following documents have been received with the draw submission for this report:
  - Contractor Application and Certificate for Payment No. 36
- We will continue to comment on documents as they are received

7. CONCLUSIONS

7.1 Job Progress

- Job progress since the previous period has been at a good pace
- Based on our observations and interactions with this project to date, we would consider the project to be at high risk of schedule delays and cost increases. Please see comments in Section 1.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 53% complete.

DISCLAIMER/RELIANCE

Information contained in this report was obtained through observations made at the time of our site visit(s), communication with on and off-site construction personnel, communication with Borrower/Owners, draw documentation provided with applicable backup, meeting minutes, third party reports (testing, etc.), and documentation items (change orders, construction schedules, Certificates of Occupancy, etc.) provided by the Borrower and/or Contractor. Where necessary, information was also obtained by verbal communication, meetings, access to online portals, and/or email correspondence on specific issues requiring clarification in order for us to fulfill our report scope obligation. CA Partners, Inc. (CAP) will have no obligation or authority to direct any other party (Borrower, Architect, Engineer, Contractor, etc.) involved in the project. CAP will have no liability regarding acts or omissions of these parties, their employees, or agents. CAP will not provide construction management or supervision for this project and do not have authority to reject work. CAP services will not include any testing related to soil conditions, environmental issues, structural issues or mechanical /electrical systems, or construction materials. No destructive testing of building components will be performed. All reports issued by CAP reflect our judgement and opinion based on construction elements visible at the time of our monthly site observations.

The information contained in this report may be used and relied upon by Bellwether Enterprise and IBC Bank subject to terms, conditions, limitations and qualifications contained in the Agreement between the client named herein and CA Partners, Inc. This report, or any report prepared by CA Partners, Inc., is not to be relied upon by any third party financial institution, investor or lending entity unless arrangements are made by executed reliance letter signed by CA Partners, Inc. and the lead client named above. Third party reliance will require acceptance of the report scope agreed to and outlined in our original engagement unless engaged to perform added scope outlined in an additional agreement or co-engagement. Our reports are solely for the use of our client(s), approved reliant parties and/or co-engagements in administering the construction loan for this project. CA Partners, Inc. will not name or distribute our reports to Borrowers as we believe our reports are proprietary to our clients. However, named clients may distribute reports, if needed, at their discretion, to better administrate the construction loan per their polices. We recommend that any third parties perform their own due diligence in examining the above property.

This report is for the use and benefit of, and may be relied upon by,

a) the Seller/Servicer, Freddie Mac and all successors and assigns ("Lender");

b) independent auditors, accountants, attorneys and other professionals acting on behalf of the Lender;

c) governmental agencies having regulatory authority over Lender;

d) designated persons pursuant to an order or legal process of any court or governmental agency;

e) prospective purchasers of the mortgage; and

f) with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is the subject of this report, the following parties in their respective successors and assigns:

- any placement agent or broker/dealer and any of their prospective affiliates, agents, and advisers;
- any initial purchaser or subsequent holder of such debt and/or security;
- any Servicer or other agent acting on behalf of the holders of such debt and/or security;
- any indenture trustee;
- any rating agencies; and
- any institutional provider from time to time of any liquidity facility or credit support for such financings

1. Zip sheathing tape and windows were complete at the Clubhouse.

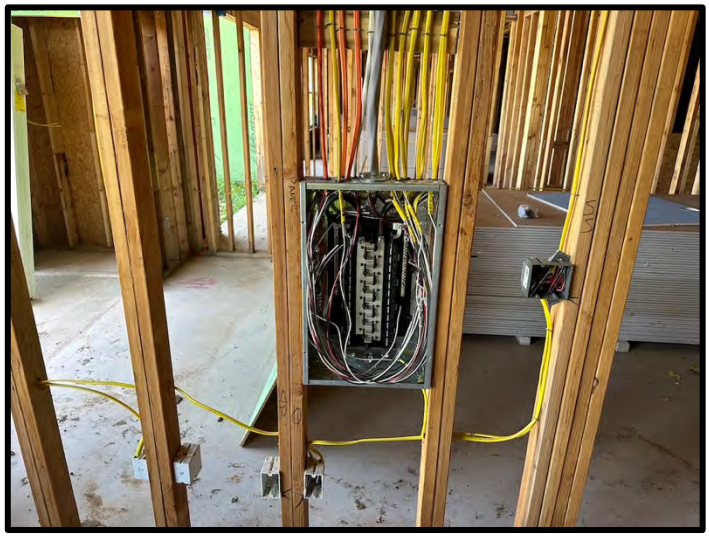
2. Storefront style doors were complete at the Clubhouse.

3. HVAC ductwork was complete at the Clubhouse.

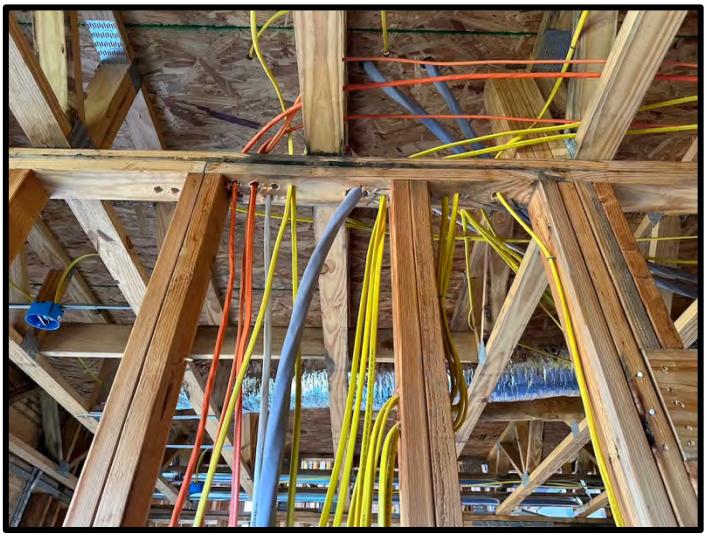
4. Electrical rough in was complete for the Clubhouse.

5. Exterior siding and trim were nearing completion at Building 1.

6. HVAC ductwork was complete at Building 1.



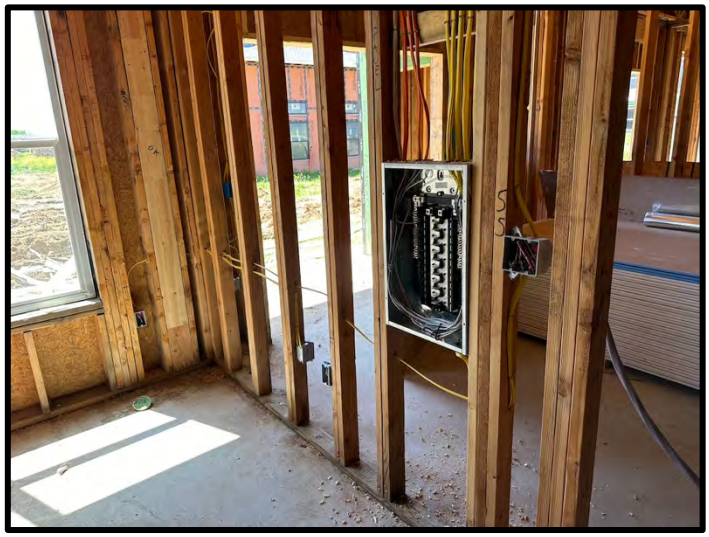
7. Electrical rough in was complete at Building 1.



8. MEP inspections and fire caulking remains at Building 1.

9. Exterior siding and trim were nearing completion at Building 2.

10. Vent ductwork was in progress at Building 2.



11. Electrical rough in was nearing completion at Building 2.

12. Exterior siding was in progress at Building 3.

13. Plumbing rough in was complete at Building 3.

14. Electrical rough in was in progress at Building 3.

15. Exterior sheathing was complete at Building 4. Roofing was observed in progress.

16. Plumbing rough in was in progress at Building 4.

17. The concrete foundation was now complete at Building 5.

18. CMU elevator shaft was nearing completion at Building 5.

19. Level 1-3 framing was complete at Building 6. Roof trusses were nearing completion.

20. Plumbing rough in was in progress at Building 6.

21. Exterior siding was nearing completion at Building 7.

22. HVAC ductwork and refrigerant lines were complete at Building 7.

23. Plumbing rough in and dryer vents were complete at Building 7.

24. Concrete paving was now complete for the approach from North Riverside Drive.

Exhibit 9.3

CA Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 3200
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

September 25, 2024

Alexa Delerme
Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

RE: Legacy Riverside
Fort Worth, Texas
CA Partners, Inc Project No.: 20240

Dear Alexa,

Enclosed is Construction Progress Report No. 042 dated September 25, 2024 for the above referenced project. Please note that the first page of the report is a summary with detailed information in the pages that follow.

It is a pleasure working for you and Bellwether Enterprise. If you have any questions, please call me at (214) 468-0807 or email me at jbenson@capartnersinc.com.

Sincerely,

James Benson
Senior Project Manager

cc: constructionadmin@bwe.com - Bellwether Enterprise
Alma Navarro – IBC Bank (by reliance)
Claudia Padron – IBC Bank (by reliance)
Constantine Chigounis – 42 Equity (by reliance)
Oscar Leal, CPA – 42 Equity (by reliance)
Agustina Pesci – 42 Equity (by reliance)

Partners, Inc.
Construction Advisors

LEGACY RIVERSIDE
Fort Worth, Texas

Report No: 042 – September 25, 2024

CA Partners, Inc. Project Number: 20240

Prepared for:

Bellwether Enterprise
15770 Dallas Parkway
Dallas, Texas 75248

Professionals Serving Construction Lenders, Investors, and Participants

CA Partners, Inc.
Construction Advisors

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Legacy Riverside – Fort Worth, Texas

Executive Summary Report 042

Client: Bellwether Enterprise	From: James Benson, Senior Project Manager
ATTN: Alexa Delerme	CA Partners, Inc.

Project Name - City, State:			Legacy Riverside - Fort Worth, Texas
Project Type:			264-units in seven 3-story apartment buildings with a Clubhouse on 9.8 acres
Site Visit Date:			September 16, 2024
Development Draw/ Contractor Application # reviewed:	Draw No. Draw 41		Application No. 41
Complete Draw Package Received:	Yes ☒	No ☐	**September 23, 2024**
For the period ending:			August 25, 2024

Current Contract Sum through Change Order No. 19 / Contract Type:			$40,168,970.41/Cost Plus-GMP	
Was the Budget revised or modified this period?			By Reallocation ☐	No ☒
Current Change Orders:			By Change Order ☐	No ☒
Executed Change Orders Received:			Yes ☐	No ☒
Stored materials requested this draw?	Onsite: ☐	Offsite: ☐	Yes ☐	No ☒

Amount of Contractor's request this period:	$1,230,379.84
Amount of Contractor's request recommended:	**See Section 1 Comments**

Completion % estimated by CA Partners, Inc. (Does not include amounts funded for Stored Materials)		64%
Completion % indicated on Contractor's Application		88.83%
Hard Cost Budget appears sufficient on a % of work in place basis?	Yes ☐	No ☒

Construction Schedule:

Completion date per Construction Contract or extended by change order:		March 21, 2023
Is Work currently on schedule to meet this date?	Yes ☐	No ☒
If not, how far behind schedule?		July 31, 2025

Retainage:

Percent of retainage currently held		3.35%
Does % withheld agree with terms of Construction Contract?	Yes ☐	No ☒
Is any retainage release requested this period?	Yes ☐	No ☒
If Yes, how much?		

Other:

General Contractor's lien waivers received and reviewed?	Yes ☐	No ☒
Project being constructed in general accordance with approved Plan and Specifications	Yes ☐	No ☐
Foundations Complete:	Yes ☒	No ☐
Certificate(s) of Occupancy issued?	Yes ☐	No ☒
Does CA Partners, Inc. recommend client contact us to discuss issues in this report?	Yes ☒	No ☐

** This is a summary of the findings from our site visit and draw processing. Please reference the information in the pages that follow for a more comprehensive and detailed discussion of issues.*

1. CONSTRUCTION FUNDING REQUEST

Overall scope of work: The Legacy Riverside Independent Senior Living project is located at the northeast intersection of North Riverside Drive and Summerfields Boulevard in Fort Worth, Texas. The project is located on a 9.82-acre tract of land, and a total of 264 apartment units will be constructed. Access to the property will be provided from two double lane entry drives from North Riverside Drive to the central Clubhouse located adjacent the buildings. One 1-story Clubhouse and seven 3-stort apartments buildings will be provided. Carport/covered parking spaces and vehicular access gates are identified. Site amenities include a fenced swimming pool area, dog park, outdoor siting areas, picnic tables, BBQ grills, gazebo, fire pit, horseshoe pit, beanbag toss, and perimeter fencing. Perimeter building and parking lot landscaping is proposed. The centrally located Clubhouse areas will include a Club Room with kitchen, Fitness Center, Craft Room, Billiards Room, Business Center, Conference Room, Leasing area, offices, and Public Restrooms.

Summary of Contractor's Application	Application for Payment No. 41
Original Contract Sum	**$33,500,00.00**
Net Change by Change Orders	$6,668,970.41
Contract Sum to Date	**$40,168,970.41**
Total Completed and Stored to Date	**$35,681,670.86**
Retainage	$1,198,148.03
Total Earned Less Retainage	**$34,483,522.83**
Less Previous Certificates for Payment	$33,253,142.99
Current Payment Due	**$1,230,379.84**
Balance to Finish, Including Retainage	$5,685,447.58

1.1 Rise Residential – Application and Certificate for Payment No. 41

- **No new change orders have been incorporated this period and the Contract Sum remains unchanged.**
- Work for the Period Ending: August 25, 2024
- Current Contract Sum: $40,168,970.41
- Application and Certificate for Payment No. 41 has been signed and certified by the Project Architect dated September 20, 2024.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, drywall, granite, etc.). We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log.
- General Requirement line items have been drawn to 89.41% at this time. Overhead has been drawn at 100%. GC Fee has been drawn at 100%. The project has billed for 88.83%. When removing stored materials, this percentage decreases further. It is somewhat common for general conditions to outpace actual construction when drawn on a pro-rata basis, however the current difference is

significantly more than typical. **We continue to recommend that funds advanced for General Conditions, Overhead, and GC Fee items be slowed or halted.**

Upon receipt of previous Application for Payments, we made an inquiry to the Borrower regarding various overdrawn line items. We have recommended that budget reallocations occur, or requests be reduced so that the scope line items were in line with the percent complete in the field. We were informed by the Borrower that the Bank going to escrow funds for work NOT in place so they can release them as soon as the work is in complete. The bank will hold any funds for work they feel is not in place. We were also informed that the Elevator cabs manufactured already for Austin Manor (a different project) have been transferred to Riverside and Riverside needs to repay Manor for the elevator cabs. Please note this is not the typical construction practice to utilize different project sources to fund other projects. **We have indicated with an asterisk (*) next to the Percent Complete on the current G703 showing which line items are currently over drawn.**

As mentioned previously, we do not object that these are actual cost incurred and that only the percent values are overdrawn based on what is complete in the field. We can only recommend funding on what is complete. If reducing the requests is not feasible, we recommend additional funds are allocated to the over drawn line items so that the percent complete is consistent with what is complete in the field. This project is considered high risk for budget overruns, schedule delays, and line item requests that are **not** completed in the field.

1.2 Retainage

- The Owner/Contractor Agreement indicates that 5% retainage will be withheld from subcontractor labor related line items with various exceptions including General Conditions, Overhead, GC Fees and costs, permits, insurance, bonds, and materials
- Retainage withheld appears to be generally consistent with the provisions detailed in the Owner/Contractor Agreement we reviewed, however we would consider these retainage provisions to be significantly more favorable than typical for the Contractor, and we would consider the limited amount of retainage to represent increased risk for the lender
- Based on the above exemptions, total retainage withheld to date is $1,198,148.03 reflecting 3.35% of the "Total Completed and Stored to Date" figure
- We would recommend that retainage for the project be increased. We recommend that a minimum of 5% of the total work completed be withheld for the project, and we would consider 10% total retainage to be ideal for lender protection
- We would also recommend that it be confirmed that current retainage withheld is consistent with the Loan Agreement
- No retainage release request has been indicated on the current Application for Payment

1.3 Lien Waivers

General Contractor's Conditional and Unconditional Waiver and Release on Progress Payment received:

- We have requested but not received a Conditional Waiver and Release on Progress Payment this period for Application for Payment No. 41.
- We have requested but not received Unconditional Lien Waivers referencing the amounts previously funded for Application Nos. 24-40. **We recommend you secure the Unconditional Lien Waiver prior to funding the current Draws.**
- Approval of lien waiver wording, format, and authority to sign is left to your discretion

1.4 Funding Recommendation

We have recommended additional funds be added to the project so that line items completion percentage are representative of the work actually complete in the field. At this time, based on job progress and cost incurred to date, we **do not** anticipate the current "Balance to Finish" amount of $4,487,299.55 to be sufficient for the remaining proposed scope of work. This comment is in relation to the line items that have been drawn high compared to the actual completion percentage as discussed above. Also, some material line items have been drawn 100% and do not have a line item for labor installation of these line items.

Several line items have been overdrawn more than 50% with the scope of work for the line item not started (i.e. appliances, granite, etc.). So, we anticipate additional funds will be needed to cover these labor costs for installation of some of the material line items.

With the information provided within this Report, if you elect to fund the amount is noted below:

Application for Payment No. 41: $1,230,379.84

1.5 Development/Loan Budget

We have not received a copy of the Borrower's development budget for this project. The total project costs are not identified, and we cannot verify that the current Contract Sum or the Hard Cost request are consistent with the Contractor's Application for Payment.

We have not received a copy of the Development Budget, with the current draw submission or during our pre-construction review, and we have not been able to determine if there is additional Hard Cost Contingency outside the Contractor's Schedule of Values. Approval of soft cost funding requested is left to you as an underwriting consideration.

2. STORED MATERIALS

2.1 Materials Stored Onsite:

- Hardie plank siding
- Lumber
- Trusses
- Sheathing
- PEX piping
- Windows
- Balcony doors
- Unit entry doors
- Tubs
- Balcony rails
- Stone veneer
- Drywall

2.2 Onsite Stored Material Request:

- No on-site stored materials requests have been made this application

2.3 Offsite Stored Material Request:

Not including framing materials, approximately $3,000,000 in materials have been funded to date as reflected on the previous Contractor's Application for Payment. These materials have not been installed at this time and our estimated completion percentage does not include materials purchased. We mention this for your information. These materials are reportedly stored at the Contractor's facility, vendor facility, or locked conexes onsite.

- $425,000 for "Metal Pan Stairs and Rails" – material previously purchased and funded (complete)
- $820,600 for "Thermal & Moisture Protection" – Contractor provided Bill of Lading and Photos for Zip sheathing, metal roof rolls, and Cladding materials purchased (previously purchased and funded) – now in progress of being installed.
- $92,411.44 for "Specialties" – material previously purchased and funded
- $250,000 for "Equipment" – material previously purchased and funded
- $300,000 for "Cabinets" – material previously purchased and funded

- $785,000 for the "Elevator" deposit
- $352,539.66 for "Plumbing Fixtures" – material previously purchased and funded
- $23,272.88 "Irrigation" – material previously purchased and funded

3. CHANGE ORDERS

3.1 Current Change Orders

The Contract Sum has previously been modified a total of $6,668,970.41 by Change Order Nos. 1-19. We were previously informed by the Developer/Contractor that formal change orders will not be issued for budget reallocations without additional scope changes. The Contract Sum remains $40,168,970.14.

3.2 Pending Change Orders

- We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project
- At this time, we have not been informed of any potential change orders for this project.

4. CONSTRUCTION - PROGRESS, ISSUES, AND SCHEDULE

4.1 Construction Progress

Observations made at the time of this month's site visit on September 16, 2024 are as follows:

- Retaining walls at the north perimeter of the site remained complete
- Cutting and grouting for post tension cables remained incomplete
- Concrete paving for drives and parking areas were complete for all areas except the northwest portion of the site and the main approaches from adjacent public streets
- Framing was complete for the buildings except Building 5
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction. This work has now been completed as of April 11, 2024.
- All buildings foundations were now complete
- CMU elevator shafts were complete for each building
- Concrete paving was complete for onsite drives and parking areas
- Concrete approach from Summerfields Blvd and North Riverside Drive were complete
- Concrete sidewalks was complete at Summerfields Blvd
- Temporary electrical power was complete
- Level 1 wall framing was complete for the Clubhouse and exterior sheathing and roof decking were also complete
- Roofing was observed complete for the Clubhouse
- Zip Sheathing tape and windows were complete at the Clubhouse
- Installation of storefront style doors was complete at the Clubhouse
- Additional exterior trim was nearing completion at the Clubhouse
- Plumbing rough in, electrical rough in, and HVAC ductwork were complete at the Clubhouse
- Insulation and drywall were complete at the Clubhouse
- Framing for levels 1-3 and roof decking were complete at Buildings 1-4, 6, and 7
- Framing for levels 1-3 was complete at Building 5 – exterior sheathing complete at levels 1 and 2
- Roofing and windows were complete at Buildings 1-4, 6, and Building 7
- Exterior siding was complete at Buildings 1, 2, 3, 4, and 7
- Plumbing rough in was complete at Buildings 1, 2, 3, 4, 6, and 7 – in progress at Building 5
- Electrical rough in was complete at Buildings 1, 2, 3, 4, 6, and 7

- HVAC ductwork was complete at Buildings 1, 2, 3, 4, 6, and 7
- HVAC refrigerant lines were complete at Buildings 1, 2, 3, 4, 6, and 7
- Fire caulking at framing penetrations was complete at Buildings 1, 2, 3, 4, and 7
- Fire sprinkler rough in was complete at Buildings 1, 2, 3, 4, 6, and 7
- Unit entry doors and balcony doors were complete at Buildings 1, 2, 3, 4, and 7
- Balcony rails were nearing completion at Buildings 1 and 7 – welding in progress for remaining buildings
- Installation of tubs was complete at Buildings 1, 2, 3, and 7
- Building insulation was complete at Buildings 1 and 7
- Drywall was in progress at Buildings 1 and 7
- Building metal stairs with concrete treads was complete
- Lightweight concrete at breezeways and balconies was nearing completion
- Exterior paint was nearing completion at Buildings 1 and 7
- Stone veneer was complete at Buildings 1 and 7 – in progress at Building 2
- Metal fencing was observed complete at the north perimeter of the site

4.2 Construction Issues

- **Construction Progress from June 28, 2023 to August 30, 2023 slowed down. Construction progress has remained at a steady pace during the period from August 30, 2023 to September 16, 2024.**
- There were approximately 30 laborers observed onsite at the time of our site visit.
- CA Partners has had previous and current projects with Rise Residential, and we have had generally mixed results regarding timeliness of completion. Several Austin and DFW area projects have experienced severe delays, and based on interactions to date with this project, we would consider this project to have an elevated risk for schedule and price increases.
- We have discussed with the Contractor that it is our opinion that several line items have been overdrawn based on what is complete in the field. **We have indicated with an asterisk (*) next to the Percent Complete on the most recent G703 showing which line items are currently over drawn.** We have not objected that the Pay Requests submitted each month are not actual cost incurred, but that the line items need additional funds allocated so they are not overdrawn compared to the amount of work remaining to be completed. We have been informed that some of these line items are for materials purchased. We have been informed by the Owner/Builder that the Schedule of Values need will continue to be evaluated based on recent increases in material, labor, and logistics costs. Owner change orders are likely in the near future to address the additional costs. We have requested to be kept in the loop regarding potential change orders but have not received an official change order log.
- Under slab plumbing lines, trenching for grade beams, under slab vapor barrier, and post tension cables were previously complete but due to excessive rainfall the grade beams and subgrade soils had to receive extra fill and re-compaction at Building 5. This work is now complete and Building 5 foundation is now complete as of April 11, 2024.
- The Contractor is waiting to pass the fire sprinkler inspections for Building 1, 2 and 7 before insulation and drywall can commence. The delay appears to be a scheduling situation with the City Inspector. Fire sprinkler inspections have passed and insulation/drywall now in progress for the buildings.

4.3 Construction Schedule

Contractual Completion date:	March 21, 2023
Contractor's estimated Substantial Completion date:	Updated Schedule Requested
CA Partners estimated Substantial Completion date:	July 31, 2025
Has occupancy started:	No

- Utilizing a date of commencement of March 31, 2021, and based on the contractual duration of 720-days, we calculate the contractual completion date to be March 21, 2023. This date was not met.
- **Based on current progress and past performance of the Contractor, CA Partners estimates that Substantial Completion will likely be achieved on July 31, 2025.**

- Please be aware that the Contractor's progress to date has been much slower than industry standard, and our estimated date of Substantial Completion may therefore be much more susceptible to being modified. Should construction administration, manpower, and direction all improve in the coming months, Substantial Completion could be completed sooner, however should the current level of organization continue, the completion date may be at risk of being pushed further.
- Final Completion including all punchlist, cleaning and final demobilization may extend past the Substantial Completion date.

5. CONSTRUCTION MATERIAL TESTING

5.1 Test Results Received Since our Prior Report:

Testing was initially being performed by Intertek PSI for this project. We have not been provided with any additional copies of testing since the previous period, and we will continue to request that we be added to the direct testing distribution list.

Please be aware that it no longer appears that testing is being done for the project based on our observations onsite. Reinforcing steel is being placed over cracked soil which does not appear to have been recently compacted or tested. We recommend that testing begin immediately to ensure the project is built per plans and specifications

We will ultimately request a letter from the Engineer of Record be provided stating all materials tested have achieved project specifications. This is also a typical requirement of the municipality for the issuance of the Certificate of Occupancy.

6. CONSTRUCTION DOCUMENTATION

- Additional construction documentation has not been provided since the issuance of our previous Report.
- We will continue to comment on documents as they are received

7. CONCLUSIONS

7.1 Job Progress

- Job progress since the previous period has been at a good pace
- Based on our observations and interactions with this project to date, we would consider the project to be at high risk of schedule delays and cost increases. Please see comments in Section 1.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 64% complete.

DISCLAIMER/RELIANCE

Information contained in this report was obtained through observations made at the time of our site visit(s), communication with on and off-site construction personnel, communication with Borrower/Owners, draw

documentation provided with applicable backup, meeting minutes, third party reports (testing, etc.), and documentation items (change orders, construction schedules, Certificates of Occupancy, etc.) provided by the Borrower and/or Contractor. Where necessary, information was also obtained by verbal communication, meetings, access to online portals, and/or email correspondence on specific issues requiring clarification in order for us to fulfill our report scope obligation. CA Partners, Inc. (CAP) will have no obligation or authority to direct any other party (Borrower, Architect, Engineer, Contractor, etc.) involved in the project. CAP will have no liability regarding acts or omissions of these parties, their employees, or agents. CAP will not provide construction management or supervision for this project and do not have authority to reject work. CAP services will not include any testing related to soil conditions, environmental issues, structural issues or mechanical /electrical systems, or construction materials. No destructive testing of building components will be performed. All reports issued by CAP reflect our judgement and opinion based on construction elements visible at the time of our monthly site observations.

The information contained in this report may be used and relied upon by Bellwether Enterprise and IBC Bank subject to terms, conditions, limitations and qualifications contained in the Agreement between the client named herein and CA Partners, Inc. This report, or any report prepared by CA Partners, Inc., is not to be relied upon by any third party financial institution, investor or lending entity unless arrangements are made by executed reliance letter signed by CA Partners, Inc. and the lead client named above. Third party reliance will require acceptance of the report scope agreed to and outlined in our original engagement unless engaged to perform added scope outlined in an additional agreement or co-engagement. Our reports are solely for the use of our client(s), approved reliant parties and/or co-engagements in administering the construction loan for this project. CA Partners, Inc. will not name or distribute our reports to Borrowers as we believe our reports are proprietary to our clients. However, named clients may distribute reports, if needed, at their discretion, to better administrate the construction loan per their polices. We recommend that any third parties perform their own due diligence in examining the above property.

This report is for the use and benefit of, and may be relied upon by,

a) the Seller/Servicer, Freddie Mac and all successors and assigns ("Lender");

b) independent auditors, accountants, attorneys and other professionals acting on behalf of the Lender;

c) governmental agencies having regulatory authority over Lender;

d) designated persons pursuant to an order or legal process of any court or governmental agency;

e) prospective purchasers of the mortgage; and

f) with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is the subject of this report, the following parties in their respective successors and assigns:

- any placement agent or broker/dealer and any of their prospective affiliates, agents, and advisers;
- any initial purchaser or subsequent holder of such debt and/or security;
- any Servicer or other agent acting on behalf of the holders of such debt and/or security;
- any indenture trustee;
- any rating agencies; and
- any institutional provider from time to time of any liquidity facility or credit support for such financings

1. Exterior siding complete and balcony rails nearing completion at Building 1. Stone veneer was complete and exterior paint nearing completion.

2. Breezeway wall insulation was complete at Building 1.

3. Unit insulation was complete at building 1.

4. Exterior paint was nearing complete at the Clubhouse.

5. Drywall was complete at the Clubhouse.

6. Stone veneer was in progress at Building 2.

7. Metal stairs with concrete treads was complete at Building 2.

8. Breezeway lightweight concrete was complete at Building 2.

9. MEP rough in was complete at Building 2. Insulation and drywall were stored.

10. Lightweight concrete was complete at Building 2 unit balconies.

11. Installation of electrical transformers was in progress.

12. Exterior siding was complete at Building 3.

13. Breezeway lightweight concrete was complete at Building 3.

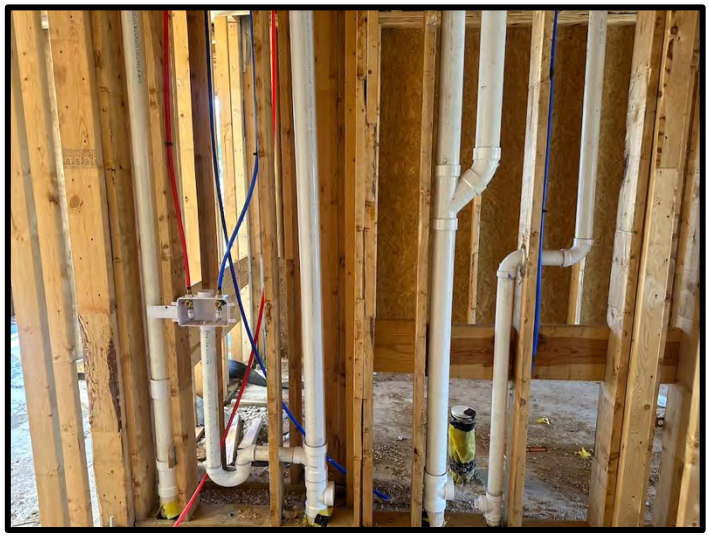
14. MEP rough in was complete at Building 3.

15. Exterior siding was complete at Building 4.

16. Balcony doors were complete at Building 4.

17. Electrical rough in was complete at Building 4.

18. Framing for levels 1-2 were complete at Building 5. Level 3 framing was in progress.



19. Plumbing rough in was in progress at Building 5.

20. Exterior siding was complete at Building 6.

21. MEP rough in was complete at Building 6.

22. Lightweight concrete was complete at Building 6 unit balconies.

23. Exterior paint was nearing completion at Building 7.

24. Insulation was complete and drywall in progress at Building 7.

TO OWNER/CLIENT:
Garland Housing Finance Corporation
1675 W Campbell Rd
Garland, Texas 75044

PROJECT:
Riverside Senior Living
8000 N Riverside Dr.
Fort Worth, Texas 76137

APPLICATION NO: 24 ✓
INVOICE NO: 41
PERIOD: 07/26/24 - 08/25/24 ✓
PROJECT NO: 2020-LRFW
CONTRACT DATE:

FROM CONTRACTOR:
Rise Residential Construction Riverside, LLC
16812 Dallas Parkway
Dallas, Texas 75248

VIA ARCHITECT/ENGINEER:
Randy Richards (Hodges Architecture)

CONTRACT FOR: Legacy Riverside Senior Living

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1.	Original Contract Sum		$33,500,000.00 ✓
2.	Net change by change orders		$6,668,970.41 ✓
3.	Contract Sum to date (Line 1 ± 2)		$40,168,970.41 ✓
4.	Total completed and stored to date (Column G on detail sheet)		$35,681,670.86
5.	Retainage:		
	a. 3.37% of completed work	$1,198,148.03	
	b. 0.00% of stored material	$0.00	
	Total retainage (Line 5a + 5b or total in column I of detail sheet)		$1,198,148.03
6.	Total earned less retainage (Line 4 less Line 5 Total)		$34,483,522.83 ✓
7.	Less previous certificates for payment (Line 6 from prior certificate)		$33,253,142.99 ✓
8.	Current payment due:		$1,230,379.84 *
9.	Balance to finish, including retainage (Line 3 less Line 6)		$5,685,447.58

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner/Client:	$13,879,035.71	$(7,210,065.30)
Total approved this month:	$0.00	$0.00
Totals:	$13,879,035.71	$(7,210,065.30)
Net change by change orders:	$6,668,970.41	

The undersigned certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner/Client, and that current payments shown herein is now due.

CONTRACTOR: Rise Residential Construction Riverside, LLC

By: DocuSigned by: Melissa Fisher 55DFEC86AA5B409... Date: 9/13/2024 | 5:04 PM

State of: TEXAS
County of: DALLAS
Subscribed and sworn to before me this 13th day of September
Notary Public: DocuSigned by: Shayla Cerrone 3121342B22A5464...
My commission expires: 2/9/26

SHAYLA CERRONE
Notary Public, State of Texas
Comm. Expires 02-09-2026
Notary ID 133579493

ARCHITECT'S/ENGINEER'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on the on-site observations and the data comprising this application, the Architect/Engineer certifies to the Owner/Client that to the best of the Architect's/Engineer's knowledge, information and belief that Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: $1,230,379.84

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm the amount certified.)

ARCHITECT/ENGINEER:

By: [signature] Date: 13 Sept 2024 ✓

This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to the rights of the Owner/Client or Contractor under this Contract.

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1 01 - General Conditions												
1.1 01-210000 - Mobilization Allowance	$0.00	$150,000.00	$0.00	$150,000.00	$150,000.00	$0.00	$150,000.00	100.00%	$0.00	$0.00	0	$0.00
1.2 01-210100 - Living & Vehicle Allowances/ Per Diem	$0.00	$27,000.00	$0.00	$27,000.00	$26,257.00	$0.00	$26,257.00	97.25%	$743.00	$0.00	0	$0.00
1.3 01-310010 - Project Management	$0.00	$180,000.00	$235,637.68	$415,637.68	$353,242.27	$11,453.14	$364,695.41	87.74% *	$50,942.27	$0.00	0.00%	$0.00
1.4 01-310030 - Superintendent	$0.00	$180,000.00	$269,345.35	$449,345.35	$389,098.56	$12,134.04	$401,232.60	89.29% *	$48,112.75	$0.00	0.00%	$0.00
1.5 01-310035 - Assistant Superintendent	$0.00	$117,000.00	$125,670.40	$242,670.40	$185,764.23	$10,021.26	$195,785.49	80.68% *	$46,884.91	$0.00	0.00%	$0.00
1.6 01-310037 - Field Labor	$0.00	$18,000.00	$438.00	$18,438.00	$18,438.00	$0.00	$18,438.00	100.00%	$0.00	$0.00	0	$0.00
1.7 01-310040 - Field Administrative Staff	$0.00	$50,000.00	$125,284.62	$175,284.62	$130,696.56	$9,718.58	$140,415.14	80.11% *	$34,869.48	$0.00	0.00%	$0.00
1.8 01-310045 - Payroll Burden	$0.00	$122,400.00	$139,068.12	$261,468.12	$223,151.48	$7,927.58	$231,079.06	88.38% *	$30,389.06	$0.00	0.00%	$0.00
1.9 01-310050 - Travel Expenses	$0.00	$54,000.00	($3,186.00)	$50,814.00	$50,814.00	$0.00	$50,814.00	100.00%	$0.00	$0.00	0	$0.00
1.10 01-323310 - Photography and Video	$0.00	$5,400.00	($318.60)	$5,081.40	$5,081.40	$0.00	$5,081.40	100.00%	$0.00	$0.00	0	$0.00
1.11 01-331310 - Insurance - Builders Risk	$0.00	$71,920.00	$54,468.25	$126,388.25	$126,388.25	$0.00	$126,388.25	100.00%	$0.00	$0.00	0	$0.00
1.12 01-331315 - Insurance - General Liability	$0.00	$89,900.00	$65,400.00	$155,300.00	$155,300.00	$0.00	$155,300.00	100.00%	$0.00	$0.00	0	$0.00
1.13 01-331320 - Permits and Fees	$0.00	$0.00	$560,000.00	$560,000.00	$560,000.00	$0.00	$560,000.00	100.00%	$0.00	$0.00	0	$0.00
1.14 01-352320 - Termite & Pest Control	$0.00	$30,750.00	($1,814.25)	$28,935.75	$28,935.75	$0.00	$28,935.75	100.00%	$0.00	$0.00	0	$0.00
1.15 01-355300 - Security	$0.00	$3,600.00	$32,507.33	$36,107.33	$36,107.33	$0.00	$36,107.33	100.00%	$0.00	$0.00	0	$0.00
1.16 01-432610 - Quality Testing	$0.00	$50,000.00	$51,892.00	$101,892.00	$49,574.00	$5,000.00	$54,574.00	53.56%	$47,318.00	$0.00	0.00%	$0.00

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
1.17 01-510010 - Temporary Electric	$0.00	$6,300.00	$155,907.58	$162,207.58	$83,686.56	$5,000.00	$88,686.56	54.67%	$73,521.02	$0.00	0.00%	$0.00
1.18 01-510030 - Temporary Water	$0.00	$900.00	$25,000.00	$25,900.00	$17,482.07	$270.63	$17,752.70	68.54%	$8,147.30	$0.00	0.00%	$0.00
1.19 01-510040 - Temporary Phone, Internet	$0.00	$3,600.00	($212.40)	$3,387.60	$3,387.60	$0.00	$3,387.60	100.00%	$0.00	$0.00	0	$0.00
1.20 01-511330 - Software	$0.00	$0.00	$27,000.00	$27,000.00	$27,000.00	$0.00	$27,000.00	100.00%	$0.00	$0.00	0	$0.00
1.21 01-521310 - Field Offices	$0.00	$9,360.00	$55,728.78	$65,088.78	$38,051.88	$165.65	$38,217.53	58.72%	$26,871.25	$0.00	0.00%	$0.00
1.22 01-521315 - Temporary Toilets	$0.00	$3,600.00	$11,400.00	$15,000.00	$15,000.00	$0.00	$15,000.00	100.00%	$0.00	$0.00	0	$0.00
1.23 01-521320 - Office Supplies and Equipment	$0.00	$5,400.00	($318.60)	$5,081.40	$5,081.40	$0.00	$5,081.40	100.00%	$0.00	$0.00	0	$0.00
1.24 01-541620 - Equipment Rental	$0.00	$13,500.00	$31,561.00	$45,061.00	$33,083.01	$0.00	$33,083.01	73.42%	$11,977.99	$0.00	0	$0.00
1.25 01-562610 - Temporary Fencing and Walkways	$0.00	$5,400.00	$22,860.28	$28,260.28	$25,273.57	$0.00	$25,273.57	89.43%	$2,986.71	$0.00	0	$0.00
1.26 01-581310 - Project Signs and Identification	$0.00	$5,000.00	($295.00)	$4,705.00	$4,705.00	$0.00	$4,705.00	100.00%	$0.00	$0.00	0	$0.00
1.27 01-660010 - Trucking and Material Storage	$0.00	$3,600.00	$3,465.60	$7,065.60	$7,065.60	$0.00	$7,065.60	100.00%	$0.00	$0.00	0	$0.00
1.28 01-712312 - Estimator Expenses	$0.00	$20,000.00	($1,180.00)	$18,820.00	$18,820.00	$0.00	$18,820.00	100.00%	$0.00	$0.00	0	$0.00
1.29 01-731930 - Small Tools	$0.00	$1,800.00	($106.20)	$1,693.80	$1,693.80	$0.00	$1,693.80	100.00%	$0.00	$0.00	0	$0.00
1.30 01-741900 - General Debris and Dumpsters	$0.00	$237,600.00	($14,018.40)	$223,581.60	$223,581.60	$0.00	$223,581.60	100.00%	$0.00	$0.00	0	$0.00
1.31 01-771610 - Punch List and Closeout	$0.00	$20,000.00	($1,180.00)	$18,820.00	$18,820.00	$0.00	$18,820.00	100.00%	$0.00	$0.00	0	$0.00
1.32 01-783910 - Project Documentation	$0.00	$3,600.00	($212.40)	$3,387.60	$3,387.60	$0.00	$3,387.60	100.00%	$0.00	$0.00	0	$0.00
1.33 01-784231 - Final Cleaning	$0.00	$192,185.00	($36,895.97)	$155,289.03	$155,289.03	$0.00	$155,289.03	100.00%	$0.00	$0.00	0	$0.00

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
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01 - General Conditions Subtotals	$0.00	$1,681,815.00	$1,932,897.17	$3,614,712.17	$3,170,257.55	$61,690.88	$3,231,948.43	89.41%	$382,763.74	$0.00	0.00%	$0.00
2 03 - Concrete												
2.1 03-310024 - CIP Concrete Foundations	$0.00	$987,767.00	$297,907.25	$1,285,674.25	$1,285,674.25	$0.00	$1,285,674.25	100.00%	$0.00	$0.00	0	$64,283.72
2.2 03-540010 - Lightweight/Gypcrete	$0.00	$592,660.00	($72,260.00)	$520,400.00	$289,096.40	$0.00	$289,096.40	55.55%	$231,303.60	$0.00	0	$14,454.82
03 - Concrete Subtotals	$0.00	$1,580,427.00	$225,647.25	$1,806,074.25	$1,574,770.65	$0.00	$1,574,770.65	87.19%	$231,303.60	$0.00	0	$78,738.54
3 04 - Masonry												
3.1 04-000010 - Masonry	$0.00	$900,000.00	$531,090.83	$1,431,090.83	$713,302.38	$300,000.00	$1,013,302.38	70.81%	$417,788.45	$15,000.00	5.00%	$26,051.13
3.2 04-050000 - Dumpster Enclosure	$0.00	$40,000.00	($24,000.00)	$16,000.00	$16,000.00	$0.00	$16,000.00	100.00%	$0.00	$0.00	0	$800.00
04 - Masonry Subtotals	$0.00	$940,000.00	$507,090.83	$1,447,090.83	$729,302.38	$300,000.00	$1,029,302.38	71.13%	$417,788.45	$15,000.00	5.00%	$26,851.13
4 05 - Metals												
4.1 05-511300 - Metal Pan Stairs & Rails	$0.00	$336,000.00	$790,915.00	$1,126,915.00	$825,000.00	$67,822.00	$892,822.00	79.23%	$234,093.00	$3,391.10	5.00%	$29,641.10
4.2 05-521320 - Pool Fence	$0.00	$25,000.00	$24,775.00	$49,775.00	$25,000.00	$0.00	$25,000.00	50.23%	$24,775.00	$0.00	0	$1,250.00
4.3 05-540010 - Perimeter Fence	$0.00	$150,000.00	$190,010.00	$340,010.00	$217,000.00	$8,300.00	$225,300.00	66.26%	$114,710.00	$415.00	5.00%	$4,165.00
05 - Metals Subtotals	$0.00	$511,000.00	$1,005,700.00	$1,516,700.00	$1,067,000.00	$76,122.00	$1,143,122.00	75.37%	$373,578.00	$3,806.10	5.00%	$35,056.10
5 06 - Wood & Plastics												
5.1 06-110002 - Wood Framing Labor	$0.00	$2,370,640.00	($575,787.50)	$1,794,852.50	$1,794,852.50	$0.00	$1,794,852.50	100.00%	$0.00	$0.00	0	$81,889.51
5.2 06-110004 - Wood Framing Material	$0.00	$2,963,300.00	$1,199,571.16	$4,162,871.16	$4,034,671.45	$0.00	$4,162,871.16	100.00%	$0.00	$0.00	0	$128,509.40
5.3 06-175300 - Trusses	$0.00	$888,990.00	$1,261,104.16	$2,150,094.16	$2,150,094.16	$0.00	$2,150,094.16	100.00%	$0.00	$0.00	0	$107,936.32
5.4 06-460000 - Finish Trim Carpentry - Material	$0.00	$369,510.00	($308,140.26)	$63,369.74	$44,447.53	$0.00	$44,447.53	70.14%	$18,922.21	$0.00	0	$0.00
5.5 06-460004 - Finish Trim Carpentry - Labor	$0.00	$369,510.00	$0.00	$369,510.00	$50,000.00	$50,000.00	$100,000.00	27.06%	$269,510.00	$0.00	0.00%	$2,500.00

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06 - Wood & Plastics Subtotals	$0.00	$6,961,950.00	$1,578,747.56	$8,540,697.56	$8,074,065.64	$50,000.00	$8,252,265.35	96.62%	$288,432.21	$0.00	0.00%	$320,835.23
6 07 - Thermal & Moisture Protection												
6.1 07-130000 - Waterproofing	$0.00	$0.00	$37,350.00	$37,350.00	$37,350.00	$0.00	$37,350.00	100.00%	$0.00	$0.00	0	$0.00
6.2 07-211610 - Batt Insulation	$0.00	$461,888.00	$47,112.00	$509,000.00	$200,000.00	$50,000.00	$250,000.00	49.12% *	$259,000.00	$2,500.00	5.00%	$12,500.00
6.3 07-311300 - Shingles	$0.00	$0.00	$265,290.33	$265,290.33	$265,290.33	$0.00	$265,290.33	100.00%	$0.00	$0.00	0	$1,807.45
6.4 07-510000 - Metal Roofing	$0.00	$1,066,788.00	($26,188.00)	$1,040,600.00	$1,040,600.00	$0.00	$1,040,600.00	100.00%	$0.00	$0.00	0	$11,000.00
6.5 07-712300 - Gutters and Downspouts	$0.00	$50,000.00	$35,000.00	$85,000.00	$0.00	$25,000.00	$25,000.00	29.41% *	$60,000.00	$1,250.00	5.00%	$1,250.00
07 - Thermal & Moisture Protection Subtotals	$0.00	$1,578,676.00	$358,564.33	$1,937,240.33	$1,543,240.33	$75,000.00	$1,618,240.33	83.53%	$319,000.00	$3,750.00	5.00%	$26,557.45
7 08 - Doors & Windows												
7.1 08-140002 - Doors - Interior	$0.00	$237,600.00	$52,802.28	$290,402.28	$290,402.28	$0.00	$290,402.28	100.00%	$0.00	$0.00	0	$0.00
7.2 08-161400 - Doors - Exterior	$0.00	$237,600.00	$0.00	$237,600.00	$237,600.00	$0.00	$237,600.00	100.00%	$0.00	$0.00	0	$0.00
7.3 08-531300 - Windows	$0.00	$237,600.00	$27,794.05	$265,394.05	$265,394.05	$0.00	$265,394.05	100.00%	$0.00	$0.00	0	$7,500.00
7.4 08-531400 - Window Coverings	$0.00	$31,680.00	$0.00	$31,680.00	$31,680.00	$0.00	$31,680.00	100.00%	$0.00	$0.00	0	$0.00
7.5 08-800000 - Glass and Glazing	$0.00	$33,000.00	($10,000.00)	$23,000.00	$10,000.00	$0.00	$10,000.00	43.48%	$13,000.00	$0.00	0	$0.00
08 - Doors & Windows Subtotals	$0.00	$777,480.00	$70,596.33	$848,076.33	$835,076.33	$0.00	$835,076.33	98.47%	$13,000.00	$0.00	0	$7,500.00
8 09 - Finishes												
8.1 09-000040 - Drywall	$0.00	$1,201,648.00	$392,547.00	$1,594,195.00	$956,517.00	$100,000.00	$1,056,517.00	66.27% *	$537,678.00	$5,000.00	5.00%	$52,825.85
8.2 09-301300 - Ceramic	$0.00	$143,000.00	$0.00	$143,000.00	$0.00	$50,000.00	$50,000.00	34.97% *	$93,000.00	$2,500.00	5.00%	$2,500.00
8.3 09-651900 - Vinyl	$0.00	$580,659.00	($248,840.00)	$331,819.00	$0.00	$50,000.00	$50,000.00	15.07% *	$281,819.00	$2,500.00	5.00%	$2,500.00
8.4 09-800000 - Clubhouse Flooring	$0.00	$25,000.00	($10,000.00)	$15,000.00	$0.00	$0.00	$0.00	0.00%	$15,000.00	$0.00	0	$0.00

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8.5 09-912300 - Painting	$0.00	$527,872.00	$242,128.00	$770,000.00	$100,000.00	$100,000.00	$200,000.00	25.97%	$570,000.00	$5,000.00	5.00%	$10,000.00
09 - Finishes Subtotals	$0.00	$2,478,179.00	$375,835.00	$2,854,014.00	$1,056,517.00	$300,000.00	$1,356,517.00	47.53%	$1,497,497.00	$15,000.00	5.00%	$67,825.85
9 10 - Specialties												
9.1 10-110000 - Door Hardware	$0.00	$75,240.00	($21,016.10)	$54,223.90	$54,223.90	$0.00	$54,223.90	100.00%	$0.00	$0.00	0	$0.00
9.2 10-140000 - Exterior Signs	$0.00	$26,400.00	($10,000.00)	$16,400.00	$8,200.00	$0.00	$8,200.00	50.00%	$8,200.00	$0.00	0	$0.00
9.3 10-140010 - Interior Signs	$0.00	$26,400.00	($10,000.00)	$16,400.00	$8,200.00	$0.00	$8,200.00	50.00%	$8,200.00	$0.00	0	$0.00
9.4 10-140020 - Monument Sign	$0.00	$15,000.00	$0.00	$15,000.00	$7,500.00	$0.00	$7,500.00	50.00%	$7,500.00	$0.00	0	$0.00
9.5 10-211300 - Toilet Partitions	$0.00	$7,000.00	$0.00	$7,000.00	$0.00	$0.00	$0.00	0.00%	$7,000.00	$0.00	0	$0.00
9.6 10-281300 - Toilet Accessories	$0.00	$33,000.00	($8,012.46)	$24,987.54	$24,987.54	$0.00	$24,987.54	100.00%	$0.00	$0.00	0	$0.00
9.7 10-440000 - Fire Extinguishers	$0.00	$13,200.00	$0.00	$13,200.00	$13,200.00	$0.00	$13,200.00	100.00%	$0.00	$0.00	0	$0.00
9.8 10-550000 - Postal Equipment	$0.00	$30,000.00	$0.00	$30,000.00	$15,000.00	$0.00	$15,000.00	50.00%	$15,000.00	$0.00	0	$0.00
9.9 10-572313 - Closet and Utility Shelving	$0.00	$39,600.00	($16,345.00)	$23,255.00	$11,627.50	$0.00	$11,627.50	50.00%	$11,627.50	$0.00	0	$0.00
10 - Specialties Subtotals	$0.00	$265,840.00	($65,373.56)	$200,466.44	$142,938.94	$0.00	$142,938.94	71.30%	$57,527.50	$0.00	0	$0.00
10 11 - Equipment												
10.1 11-310000 - Kitchen Appliances	$0.00	$580,800.00	$0.00	$580,800.00	$546,462.00	$0.00	$546,462.00	94.09%	$34,338.00	$0.00	0	$0.00
10.2 11-310010 - Residential Laundry Equipment: Material	$0.00	$237,600.00	($237,600.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
10.3 11-681300 - Playground Equipment	$0.00	$45,000.00	($45,000.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
11 - Equipment Subtotals	$0.00	$863,400.00	($282,600.00)	$580,800.00	$546,462.00	$0.00	$546,462.00	94.09%	$34,338.00	$0.00	0	$0.00
11 12 - Furnishings												
11.1 12-353013 - Cabinets	$0.00	$594,000.00	($453,000.00)	$141,000.00	$141,000.00	$0.00	$141,000.00	100.00%	$0.00	$0.00	0	$0.00

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11.2 12-353015 - Granite	$0.00	$264,000.00	$91,742.00	$355,742.00	$249,019.40	$50,000.00	$299,019.40	84.06%	$56,722.60	$2,500.00	5.00%	$8,449.17
11.3 12-930000 - Site Furnishings	$0.00	$0.00	$121,375.43	$121,375.43	$0.00	$50,000.00	$50,000.00	41.19%	$71,375.43	$2,500.00	5.00%	$2,500.00
12 - Furnishings Subtotals	$0.00	$858,000.00	($239,882.57)	$618,117.43	$390,019.40	$100,000.00	$490,019.40	79.28%	$128,098.03	$5,000.00	5.00%	$10,949.17
12 13 - Special Construction												
12.1 13-000020 - Carports	$0.00	$264,000.00	($264,000.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
12.2 13-000040 - Maintenance Facility	$0.00	$20,000.00	$0.00	$20,000.00	$0.00	$0.00	$0.00	0.00%	$20,000.00	$0.00	0	$0.00
12.3 13-000050 - Mail Kiosks	$0.00	$20,000.00	$45,825.49	$65,825.49	$0.00	$0.00	$0.00	0.00%	$65,825.49	$0.00	0	$0.00
12.4 13-000080 - Sport Court	$0.00	$35,000.00	($35,000.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
12.5 13-000090 - Gazebos	$0.00	$25,000.00	($25,000.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
12.6 13-110000 - Pools and Pool Equipment	$0.00	$300,000.00	($276,963.00)	$23,037.00	$0.00	$0.00	$0.00	0.00%	$23,037.00	$0.00	0	$0.00
13 - Special Construction Subtotals	$0.00	$664,000.00	($555,137.51)	$108,862.49	$0.00	$0.00	$0.00	0.00%	$108,862.49	$0.00	0	$0.00
13 14 - Conveying Systems												
13.1 14-240000 - Elevators	$0.00	$735,000.00	$261,959.00	$996,959.00	$996,959.00	$0.00	$996,959.00	100.00%	$0.00	$0.00	0	$25,447.95
14 - Conveying Systems Subtotals	$0.00	$735,000.00	$261,959.00	$996,959.00	$996,959.00	$0.00	$996,959.00	100.00%	$0.00	$0.00	0	$25,447.95
14 21 - Fire Protection												
14.1 21-100000 - Fire Sprinkler	$0.00	$396,000.00	$340,896.68	$736,896.68	$626,362.18	$110,534.50	$736,896.68	100.00%	$0.00	$5,526.73	5.00%	$36,844.83
21 - Fire Protection Subtotals	$0.00	$396,000.00	$340,896.68	$736,896.68	$626,362.18	$110,534.50	$736,896.68	100.00%	$0.00	$5,526.73	5.00%	$36,844.83
15 22 - Plumbing												
15.1 22-000010 - Plumbing	$0.00	$1,273,687.39	$391,262.61	$1,664,950.00	$1,664,950.00	$0.00	$1,664,950.00	100.00%	$0.00	$0.00	0	$73,247.50
15.2 22-000020 - Plumbing Fixtures	$0.00	$352,539.66	$0.00	$352,539.66	$352,539.66	$0.00	$352,539.66	100.00%	$0.00	$0.00	0	$0.00

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15.3 22-000090 - Hot Water Heaters	$0.00	$158,400.00	($58,000.00)	$100,400.00	$0.00	$50,200.00	$50,200.00	50.00%	$50,200.00	$0.00	0.00%	$0.00
15.4 22-000100 - Tub Repairs	$0.00	$6,600.00	$0.00	$6,600.00	$0.00	$0.00	$0.00	0.00%	$6,600.00	$0.00	0	$0.00
15.5 22-000110 - Sub-Metering (Water)	$0.00	$46,200.00	($15,048.00)	$31,152.00	$10,000.00	$5,576.00	$15,576.00	50.00%	$15,576.00	$278.80	5.00%	$778.80
22 - Plumbing Subtotals	$0.00	$1,837,427.05	$318,214.61	$2,155,641.66	$2,027,489.66	$55,776.00	$2,083,265.66	96.64%	$72,376.00	$278.80	0.50%	$74,026.30
16 23 - HVAC												
16.1 23-000010 - HVAC	$0.00	$1,161,600.00	$275,700.00	$1,437,300.00	$1,112,643.00	$150,000.00	$1,262,643.00	87.85%	$174,657.00	$7,500.00	5.00%	$63,132.15
16.2 23-000080 - Testing, Balancing, Adjusting	$0.00	$92,400.00	($92,400.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
23 - HVAC Subtotals	$0.00	$1,254,000.00	$183,300.00	$1,437,300.00	$1,112,643.00	$150,000.00	$1,262,643.00	87.85%	$174,657.00	$7,500.00	5.00%	$63,132.15
17 26 - Electrical												
17.1 26-000010 - Electrical	$0.00	$1,557,831.98	$335,622.28	$1,893,454.26	$1,893,454.26	$0.00	$1,893,454.26	100.00%	$0.00	$0.00	0	$69,850.78
17.2 26-000014 - Electrical Material	$0.00	$0.00	$52,400.00	$52,400.00	$52,400.00	$0.00	$52,400.00	100.00%	$0.00	$0.00	0	$0.00
17.3 26-000020 - Telephone & Cable Underground	$0.00	$50,000.00	$0.00	$50,000.00	$50,000.00	$0.00	$50,000.00	100.00%	$0.00	$0.00	0	$2,500.00
17.4 26-000030 - Low-Voltage Distribution	$0.00	$132,000.00	$0.00	$132,000.00	$132,000.00	$0.00	$132,000.00	100.00%	$0.00	$0.00	0	$6,600.00
17.5 26-000040 - Electrical Fixtures	$0.00	$264,000.00	($264,000.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
17.6 26-560020 - Secondary Underground	$0.00	$75,000.00	$15,000.00	$90,000.00	$90,000.00	$0.00	$90,000.00	100.00%	$0.00	$0.00	0	$9,750.00
17.7 26-560040 - Fire Alarm	$0.00	$165,000.00	($28,750.00)	$136,250.00	$136,250.00	$0.00	$136,250.00	100.00%	$0.00	$0.00	0	$6,812.50
26 - Electrical Subtotals	$0.00	$2,243,831.98	$110,272.28	$2,354,104.26	$2,354,104.26	$0.00	$2,354,104.26	100.00%	$0.00	$0.00	0	$95,513.28
18 28 - Electronic Safety												
18.1 28-000020 - Access Control	$0.00	$66,000.00	$0.00	$66,000.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00	0	$0.00

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28 - Electronic Safety Subtotals	$0.00	$66,000.00	$0.00	$66,000.00	$0.00	$0.00	$0.00	0.00%	$66,000.00	$0.00	0	$0.00
19 **31 - Earthwork**												
19.1 **31-000030 - Earthwork Grading**	$0.00	$771,983.62	$0.00	$771,983.62	$771,983.62	$0.00	$771,983.62	100.00%	$0.00	$0.00	0	$37,302.67
19.2 **31-100000 - Site Clearing**	$0.00	$230,000.00	$0.00	$230,000.00	$230,000.00	$0.00	$230,000.00	100.00%	$0.00	$0.00	0	$11,654.81
19.3 **31-230660 - Utility Spoil Disposal**	$0.00	$205,121.00	($10,256.05)	$194,864.95	$194,864.95	$0.00	$194,864.95	100.00%	$0.00	$0.00	0	$9,743.25
19.4 **31-250000 - Erosion & Sediment Control**	$0.00	$37,831.00	$1,810.00	$39,641.00	$39,641.00	$0.00	$39,641.00	100.00%	$0.00	$0.00	0	$1,334.08
31 - Earthwork Subtotals	$0.00	$1,244,935.62	($8,446.05)	$1,236,489.57	$1,236,489.57	$0.00	$1,236,489.57	100.00%	$0.00	$0.00	0	$60,034.81
20 **32 - Exterior Improvemets**												
20.1 **32-000005 - City Required Infrastructure**	$0.00	$85,000.00	($17,674.48)	$67,325.52	$67,325.52	$0.00	$67,325.52	100.00%	$0.00	$0.00	0	$1,241.28
20.2 **32-000010 - Exterior Improvements**	$0.00	$445,497.00	($14,044.41)	$431,452.59	$431,452.59	$0.00	$431,452.59	100.00%	$0.00	$0.00	0	$21,372.63
20.3 **32-131300 - Concrete Paving**	$0.00	$1,326,800.00	$186,655.52	$1,513,455.52	$1,513,455.52	$0.00	$1,513,455.52	100.00%	$0.00	$0.00	0	$153,590.43
20.4 **32-162300 - Sidewalks**	$0.00	$348,447.00	$0.00	$348,447.00	$348,447.00	$0.00	$348,447.00	100.00%	$0.00	$0.00	0	$17,422.35
20.5 **32-172300 - Pavement Marking**	$0.00	$43,560.00	($43,560.00)	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	0	$0.00
20.6 **32-172500 - Surveying & Layouts**	$0.00	$70,000.00	($7,000.00)	$63,000.00	$63,000.00	$0.00	$63,000.00	100.00%	$0.00	$0.00	0	$0.00
20.7 **32-800000 - Irrigation Systems**	$0.00	$200,000.00	($34,598.39)	$165,401.61	$34,072.88	$0.00	$34,072.88	20.60%	$131,328.73	$0.00	0	$4,654.58
20.8 **32-930000 - Landscaping**	$0.00	$264,000.00	($16,666.40)	$247,333.60	$49,466.72	$7,118.08	$56,584.80	22.88%*	$190,748.80	$0.00	0.00%	$2,354.68
32 - Exterior Improvemets Subtotals	$0.00	$2,783,304.00	$53,111.84	$2,836,415.84	$2,507,220.23	$7,118.08	$2,514,338.31	88.64%*	$322,077.53	$0.00	0.00%	$200,635.95
21 **33 - Utilities**												
21.1 **33-000010 - Site Utilites**	$0.00	$196,326.35	$8,073.31	$204,399.66	$204,399.66	$0.00	$204,399.66	100.00%	$0.00	$0.00	0	$9,816.32

Item Number	Value				Work Completed		Total Completed & Stored Materials			Retainage		
	Budget Changes Value	Prime Contract Value	Change Value	Scheduled Value	From Previous Application ($)	This Period ($)	Total to Date ($)	Total to Date (%)	Balance to Finish	Work Retainage This Period ($)	Work Retainage This Period (%)	Total
21.2 33-100000 - Water	$0.00	$350,000.00	$0.00	$350,000.00	$350,000.00	$0.00	$350,000.00	100.00%	$0.00	$0.00	0	$17,500.00
21.3 33-300000 - Sanitary Sewer	$0.00	$250,000.00	$0.00	$250,000.00	$250,000.00	$0.00	$250,000.00	100.00%	$0.00	$0.00	0	$12,500.00
21.4 33-400000 - Storm Drain	$0.00	$575,000.00	($7,340.33)	$567,659.67	$567,659.67	$0.00	$567,659.67	100.00%	$0.00	$0.00	0	$28,382.98
33 - Utilities Subtotals	$0.00	$1,371,326.35	$732.98	$1,372,059.33	$1,372,059.33	$0.00	$1,372,059.33	100.00%	$0.00	$0.00	0	$68,199.30
22 50 - Fees												
22.1 50-000010 - Overhead	$0.00	$601,852.00	$124,211.06	$726,063.06	$726,063.06	$0.00	$726,063.06	100.00%	$0.00	$0.00	0	$0.00
22.2 50-000020 - GC Fee	$0.00	$1,805,556.00	$372,633.18	$2,178,189.18	$2,178,189.18	$0.00	$2,178,189.18	100.00%	$0.00	$0.00	0	$0.00
50 - Fees Subtotals	$0.00	$2,407,408.00	$496,844.24	$2,904,252.24	$2,904,252.24	$0.00	$2,904,252.24	100.00%	$0.00	$0.00	0	$0.00
Grand Totals	$0.00	$33,500,000.00	$6,668,970.41	$40,168,970.41	$34,267,229.69	$1,286,241.46	$35,681,670.86	88.83%	$4,487,299.55	$55,861.63	4.34%	$1,198,148.04

June 6, 2025

VIA ELECTRONIC MAIL
TDHCA Governing Board
Attention: Ysella Kaseman
221 East 11th Street
Austin, Texas 78701

RE: Supplement to the Appeal of Notice of Debarment Determination for Melissa Fisher

Dear Board Members:

Let me begin by stating that I did not alter any documents, nor was I aware that any alterations had occurred in the reports I submitted.

As part of our regular reporting process, I upload a quarterly construction status report that includes a cover page, G702, site photos, the third-party inspection report, and a minority business report. Aside from the cover page and any additional photo pages, all other materials are existing documents previously reviewed and distributed—often to banks and investor partners—prior to submission.

Every month, the third-party reports are authored and distributed by CA Partners directly to IBC Bank (their client), who then forwards the report to us. We save these to our ProCore construction management system shared folder and to our "draw" folder on our computer network. The construction management team reviews the inspection reports in the ProCore folder for accuracy and issues that may need addressing. They add notes or comments to the report as needed. At no point is it standard practice for me or others on our team to make nonobvious, inline alterations to the reports.

I. October 2024 Quarterly Reporting Triggering Debarment Proceedings

Bill Fisher submitted the report marked up by the construction team to TDHCA staff in my absence by email. The report was due that day by 5 pm and he tried to help me while I was attending a TDHCA Board meeting, knowing I wouldn't be available to file it by 5 pm. He copied me on his email. Late that night I uploaded the complete quarterly reporting package and attached the CA Partners report from his email. I had no intention of submitting any falsified report.

The edits contained in what Bill filed and I later filed were obvious to anyone who read it because they were in varying fonts with some in red font. There were grammatical errors, too. This was clearly not a report that would deceive anyone regarding the fact that edits had clearly been made. In fact, TDHCA staff later emailed Bill asking for the original report because of the obvious markups that they could readily see.

Our working assumption is that these edits made without my knowledge and consent were for our internal review only and were not distributed externally. In fact, our construction management team members do not know that we submit the inspection reports with the quarterly TDHCA reporting. Thus, the situation described above wherein Bill filed the edited report was a clear

deviation from our typical and proper protocol, which would have been to use handwritten notes or comments or Adobe comments solely for our internal use and not to be distributed externally if the team disagreed with any details in the report, neither of which occurred here.

II. Additional Reports Subsequently Discovered to Have Edits

Now we have learned recently on May 30, 2025, when TDHCA notified us that they were looking at other reports, that one *former* internal staff member made nonobvious alterations to two prior inspection reports in the "draw" folder and the ProCore folder that were erroneously filed with TDHCA. When confronted about how his having made the changes without my knowledge and consent, he acknowledged making the changes without disclosing the changes to me because he believed the inspection report was wrong and it reflected negatively on his work which could ultimately hurt his bonus compensation. His intention in making the hidden alterations to the report was to prevent me from seeing it. He did not know these reports in the "draw" folder were sent to TDHCA.

When compiling all quarterly submissions, I assume—reasonably—that all included documents are in their original form in the "draw" folder because they are not used for review by the construction team. I do not audit third-party content that has already been distributed to stakeholders, nor would I have any reason to because I had no prior knowledge that anyone was making any changes to the reports. There is no financial incentive for us to manipulate or make misrepresentations in a report, and doing so would provide no benefit to us. In doing what I did in filing the reports without thinking any alterations had been made to any of them, I exercised the standard level of diligence expected for this role and had no cause to doubt the integrity of the documents.

In hindsight, I do not know that I could have done anything differently because there was nothing to suggest that the Q1 and Q2 reports I accessed had been changed. There was no alternate version in our records to compare it against. Typically, if there is disagreement with a third-party observation, our site team makes handwritten notes in the field or flags the issue for discussion in our project management meetings. If necessary, we address it directly with the bank during our regular calls.

There was no reasonable basis for me to suspect that a document, which originated from a reputable third party and was shared by the lender, had been changed internally. I exercised the standard level of diligence expected for this role and had no cause to doubt the integrity of the materials.

Let me be clear: I support and respect the Department's commitment to integrity and transparency. I strongly believe it is important to distinguish between dishonesty and the inability to detect another person's concealed misconduct. In this case, I was unaware of the alteration and had no reason to suspect it.

To further investigate the issue, I personally reviewed similar reports from another property in our portfolio, Lakeway TDHCA #19427, for Q1 and Q2 of 2024. I compared them to the original reports that I obtained and found no discrepancies. This project is similarly behind schedule and over budget due to unrelated issues, which leads me to believe that any tampering was isolated to

the Riverside project and potentially driven by someone trying to suppress negative feedback to protect their performance assessment.

Finally, I want to emphasize that very little on a construction site can be hidden. Anyone is welcome to visit our projects unannounced at any time. Progress in this field is plainly visible; it either exists or it doesn't.

For debarment to apply, there must be intentional or negligent misrepresentation that is material, or significant enough to affect a regulatory decision. In this case, I neither knew about the change nor had a duty or reason to suspect it, and the change had no impact on outcomes. Therefore, my actions do not meet the threshold for debarment under the cited provision.

Further, debarment is a very serious punishment for someone who has merely made a clerical error. The effect is not limited to applying for awards through TDHCA. It negatively affects my applications with government agencies across the United States for any and all purposes. This directly hurts my ability to continue working to provide affordable housing. It may negatively impact my licensure as a Certified Public Accountant. Since there is no end date for reporting a debarment. It is a lifetime sentence against me as a professional and as a person.

I believe a better course of action is to submit a Corrective Action Plan for the board's review. These changes are designed to strengthen internal controls, provide better checks and balances, and demonstrate our full commitment to regulatory compliance and transparency with TDHCA.

1. Compliance Dept Submission: Rise's VP of compliance will submit the compliant package via CMTS
2. Direct Submission: The third-party inspector will email the inspection report directly to the asset manager before the submission deadline.

We have already changed the internal controls regarding access to the "draw" folder where a clean copy of the report is saved for quarterly reporting packages.

We believe that this will ensure full transparency and prevent any future issues.

Thank you for your time and consideration.

Melissa Fisher

Shackelford
A LIMITED LIABILITY PARTNERSHIP
ATTORNEYS & COUNSELORS

John C. Shackelford
9201 N. Central Expressway
Fourth Floor
Dallas, Texas 75231
(214) 780-1400 (Main)
(214) 780-1414 (Direct)
(214) 780-1401 (Fax)
jshack@shackelford.law

June 16, 2025

VIA ELECTRONIC MAIL
TDHCA Governing Board
Attention: Ysella Kaseman
221 East 11th Street
Austin, Texas 78701

RE: Additional Information to the Notice Regarding Debarment Appeal Determination for Melissa Fisher

Our Firm represents Melissa Fisher, and we have been requested by Melissa to respond to the Texas Department of Housing and Community Affairs' ("TDHCA") Notice Regarding Debarment Appeal Determination letter decision to debar Melissa.

We are submitting this letter in response to your letter of June 9, 2025, which provided your interpretation of 10 TAC §1.7(f)(3), and gave our client an additional seven calendar days to submit "additional information [received] after the Executive Director has denied the Appeal." We appreciate the opportunity to formally and fully respond to your request regarding the quarterly reporting for quarters one and two of 2024, for the Board to consider at the meeting now scheduled for July 10, 2025.

BACKGROUND

On February 14, 2025, Melissa received a notice of a Debarment Referral to the TDHCA's Enforcement Committee relating to Riverside Heights Senior Living AKA Legacy Riverside Senior Living Community (HTC #20613 / Bond #20613B) ("Riverside"). This was the first indication from TDHCA to our client that the Department had responded to a rectified clerical error at Rise Residential Construction Riverside, LLC ("Rise") as the basis for Melissa's potential debarment.

The clerical error at issue when the debarment claim was initially asserted was the uploading of a third-party inspection report used by construction site personnel to respond to the report findings within the body of the report made by the inspector. Most edits that were made to the submitted report (without Melissa's knowledge or consent) were made in red font and therefore, were clearly not intended to deceive anyone reading the report. The report in question was due on October 10, 2024, to be filed with the Department. On the due date for the filing of the report, Rise's consultant (and Melissa's stepfather), Bill Fisher (who knew of the filing

deadline) attempted to file it with the Department timely, knowing that our client was away from Rise's office that day. Mr. Fisher did not read the report before he submitted it by email to the Department. TDHCA staff had resisted giving Melissa a one-day extension to file the report when she was attending a TDHCA Board meeting that day out of town and, not in a position to file the quarterly report on time. Mr. Fisher had not filed a quarterly report prior to that, so he emailed the report he found on the computer network in the file, not knowing the content had been altered which was evident. Late on that same evening Melissa uploaded the same report Mr. Fisher had emailed to TDHCA staff to CMTS. She had no reason to know or suspect the inspection report Mr. Fisher sent in had been altered.

Email correspondence from the Department to Rise first occurred on December 5, 2024, when Rosalio Banuelos emailed Mr. Fisher, a consultant, with a copy to Melissa, asking the following questions about the construction inspection report submitted October 10, 2024: (1) Was it the original version prepared by CA Partners, Inc. (the third-party inspector), (2) Was it edited by the third-party inspector or someone else, and (3) Requesting the original report. Mr. Fisher confirmed for the Department in his response that he emailed the incorrect document used for internal comments to the status report and promptly emailed the correct report.

On April 11, 2025, Melissa received written notice of debarment from TDHCA. She filed her appeal of the debarment on April 25, 2025, (after being granted a seven-day extension due to the seriousness of the matter).

On May 30, 2025, Melissa received notification from TDHCA that it was performing more investigations of Rise's inspection report submissions to use as rebuttal evidence of Melissa's appeal. On June 9, 2025, Melissa received notification from TDHCA that Rise's quarterly reports filed for Q1 and Q2 of 2024 also have inconsistencies from the original CA Partners inspection reports. TDHCA granted seven days in which to respond to these new findings.

DISCUSSION OF APPLICABLE LAW

Statutory Basis for Possible Debarment

10 TAC §2.401(a) gives a list of actions and consequences of actions that may result in referral to the Committee for Debarment. The list involves:

- Refusal to comply with TDHCA rules and conditions,
- Refusal to comply with LURA terms and conditions,
- Unauthorized transfer of affordable housing properties,
- Failure to correct Events of Noncompliance or pay administrative penalties,
- Failure to comply such that TDHCA must repay federal funds,
- Misrepresentation that non-compliance has been corrected,
- Substandard construction,

- Loss of LURA of multifamily development,
- Repeated material financial system deficiencies,
- Repeated violations of audit reporting requirements, and
- Misapplication of funds or commingling of funds

All of these specified behaviors show either intentional or negligent disregard for TDHCA's mission and purpose. These behaviors cause health and safety risks to the intended beneficiaries of affordable housing who do not have a voice, and typically result in loss of affordable housing units and loss of taxpayer money.

Included in 10 TAC §2.401(a) is item (5) "Providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department…" When this provision is properly considered within the context of 10 TAC §2.401(a), the reader recognizes that it is a tool given to TDHCA staff to step in and prevent a current or future project from getting to the point of endangering residents, losing affordable housing units, or losing federal funds. It lets TDHCA keep people and entities out of the affordable housing industry who do not share TDHCA Board's and staff's passion for helping people by offering affordable housing.

The purpose of keeping out bad actors through these provisions is evident because people and entities that meet the ineligibility criteria of 10 TAC §11.202 may be debarred pursuant to 10 TAC §2.401(a)(4). The ineligibility criteria are based on bad behavior that has caused or may cause losses to government entities and agencies, including:

- Committing state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses,

- Materially breaching a contract with a public agency,

- Being, at the time of the Application, subject to an order in connection with an enforcement or disciplinary action under state or federal securities law or by the Financial Industry Regulatory Authority ("FINRA"); subject to a federal tax lien; or the subject of a proceeding in which a Governmental Entity has issued an order to impose penalties, suspend funding, or take adverse action based on an allegation of financial misconduct or uncured violation of material laws, rules, or other legal requirements governing activities considered relevant by the Governmental Entity,

- Misrepresenting to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the

scope of the Developer's participation in contracts with the agency, and the amount of financial assistance awarded to the Developer by the agency,

- Being delinquent in any loan, fee, or escrow payments to the Department in accordance with the terms of the loan, as amended, or is otherwise in default with any provisions of such loans, and for which no repayment plan has been approved by the Department,

- Failing to cure any past due fees owed to the Department within the time frame provided by notice from the Department and at least 10 days prior to the Board meeting at which the decision for an award is to be made,

- Providing false or misleading documentation or made other intentional or negligent material misrepresentations or omissions in or in connection with an Application (and certifications contained therein), Commitment or Determination Notice, or Direct Loan Contract for a Development,

- Owning (direct or indirectly) a Department assisted rental Development for which the federal affordability requirements were prematurely terminated and the affordability requirements have not been re-affirmed or Department funds repaid,

- Failing to disclose, in the Application, any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction, that has terminated voluntarily or involuntarily within the past 10 years, or plans to or is negotiating to terminate, their relationship with any other affordable housing development,

- Failing to disclose in the Application any voluntary compliance agreement or similar agreement with any governmental agency that is the result of negotiation regarding noncompliance of any affordable housing Development with any requirements, and

- Having been or being barred, suspended, or terminated from participation in a state or Federal program, including those listed in the U.S. government's System for Award Management (SAM).

Despite identifying these behaviors as those indicating a greater likelihood of losses, foreclosure resulting in loss of units and funding does not create mandatory debarment. According to TDHCA staff discussing a foreclosure-related debarment, one purpose of debarment "is to give the responsible parties time to regroup and fix their internal policies and mechanisms to show that they can responsibly administer TDHCA properties and funding."[1]

[1] TDHCA Governing Board Meeting Transcript from December 12, 2024, lines 168-171

(emphasis added) "This is kind of a new direction that purposely we changed the rules … to give you a stick …if people allow foreclosure. It is discretionary."[2]

The debarment discussed (in the foregoing quote) was that of Cliff McDaniel, the general partner ("GP") of a project through the nonprofit OnTrack Ministries. In that case, the Board decided against debarring Mr. McDaniel and instead used the threat of his potential debarment at that Board meeting to send the message that "I do want to be clear for GPs that … the GP is responsible in the operations. They are and I expect them to be careful with who they're in bed with."[3]

The change in rules noted by Mr. Wilkinson in his consideration of Mr. McDaniel reflect that previously "we've mostly taken you to [debarment] about compliance, health and safety, et cetera."[4] The statutes, prior debarments, and Board discussions about debarment have focused on non-compliance in property management, health and safety risks to residents, and, recently, foreclosures resulting in loss of affordable housing units and funding.

There is no possible rationale for believing that an error that may arise in a quarterly report filing should cause the erroneous filer to be on the receiving end of a potential debarment absent the existence of other more potentially harmful factors likely to cause serious harm to people, loss of property, or refusal to comply with the affordable housing statutes, rules, and regulations.

Basis for Mandatory Debarment

Debarment is a mandatory punishment for someone who repeatedly scores 50% or less on UPCS inspections and NSPIRE inspections; refuses to allow a monitoring visit despite receiving proper notice; refuses to reduce rents to less than the highest allowed under the LURA; refuses to correct a UPCS, NSPIRE, or final construction inspection deficiency; fails to meet minimum set aside by the end of the first year of the credit period; or excludes an individual or family from admission to the Development solely because the household participates in the HOME Tenant Based Rental Assistance Program, the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. § 1-437), or other federal, state, or local government rental assistance program. 10 TAC §2.401(c) through (e).

Debarment is also mandatory for a Responsible Party, Consultant, or Vendor who is debarred from participation in any program administered by the United States Government. 10 TAC §2.401(b).

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[2] Id. Lines 1733-1737.
[3] Id. Holland Harper (01:34:48), lines 2025-2029
[4] Id. Bobby Wilkinson (01:22:23), line 1733-1735

SERIOUSNESS AND PERMANENCE OF DEBARMENT

In its prior rulings in this case, TDHCA acknowledges that debarment is to prevent loss of affordable housing property and funding in addition to protecting health and safety of residents. Debarment for loss of property and funding is consistent with the statutes that focus on behaviors that lead to, or have led to, loss of affordable housing property and funding.

The serious punishment of debarment is found in the statute, and it constitutes far more of a damaging result in the careers of the alleged wrongdoer than a mere pause in participating in some capacity in affordable housing development so that a person can be more organized in their back office. The serious danger to a person debarred includes the following:

- The Department shall debar any Responsible Party, Consultant, or Vendor who is debarred from participation in any program administered by the United States Government. 10 TAC §2.401(b).

- A party is ineligible under 10 TAC §2.401(a)(4) and subject to debarment if they have been or are currently barred, suspended, or terminated from participation in a state or Federal program, including those listed in the U.S. government's System for Award Management (SAM); 10 TAC §11.202(1)(A). (emphasis added)

Most, if not all, states besides Texas have a similar provision regarding the severe consequences of debarment, thereby making debarment in Texas a permanent ban on doing affordable housing projects (and any government-related work) in other jurisdictions.

Debarment is effectively a taking because it must be disclosed on ongoing projects with HUD which can deprive a debarred person of a current property interest in existing contracts.

TDHCA staff have frequently asserted that debarment is not punishment, yet the TDHCA Board and staff discussed the permanent ramifications on the record of someone debarred in the March 2025 Board meeting (TDHCA Governing Board Meeting Transcript, March 6, 2025), which reads as follows:

> **Sascha Stremler (1:36:18):**
> So once … the period that's outlined in the order ends, they're effectively able to move forward with applying for funding or…getting additional program funding through the Department. There's no…review period after that, although…all applications…go through prior participation review. So that information is, will be included, but they are no longer debarred."
>
> **Cindy Conroy (1:36:42):**
> Does that disclose that they were debarred previously?

Sascha Stremler (1:36:46):
That … should be in… their information that's reviewed.

Leo Vasquez III (1:36:51):
How's the…prior participation review…impact the scoring?

Bobby Wilkinson (1:37:05):
No, it's like, go, no go. It's…not scoring. Like, if you fail your previous participation review, you don't get awarded whatever we're awarding. (emphasis added)

At this March 2025 meeting, the Board discussed the potential of a "letter of reprimand" or "middle ground" that "would not be posted on the on the website." "It is a letter that would ostensibly be available through an open records request. But it is just a letter from the executive director."[5]

In the present case involving Melissa, the penalty of debarment is discretionary and imposing such a penalty is not required in the event of a finding that a quarterly report filed in good faith, without knowledge, intent or negligence, and with no possibility of causing loss of affordable housing units, loss of funding, financial reporting errors, compliance reporting errors, or any other targeted bad behavior referenced in the statutes.

BASIS FOR DEBARMENT RECOMMENDATION

Q3 2024 Quarterly Report Upload Clerical Error

As previously communicated to TDHCA, there was no intent to include an obviously altered inspection report in Q3 2024 reporting on Legacy Riverside. Bill Fisher does not typically submit construction status reports (CSR), so he added the first inspection report he found to the draft CSR in Rise's project folder and emailed it to TDHCA asset management in order to meet the filing deadline.

Mr. Fisher immediately found and sent the original report without markings and edits to TDHCA staff as soon as they inquired about the obvious edits in the report. Upon being notified of the edited reports having been filed, Melissa immediately implemented tighter control procedures at Rise to limit access to files containing original inspection reports that are filed with TDHCA to prevent this type of improper filing from occurring again and, she has continued to evaluate how this happened and implement controls to prevent future occurrences.

TDHCA staff clearly did not rely on the edited report submitted in error because the Department's staff contacted Mr. Fisher to ask about obvious changes to the report before any action was taken in reliance on the report.

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[5] TDHCA Governing Board Meeting Transcript, March 6, 2025, discussion in lines 2021-2097

There is no financial incentive to Melissa or Mr. Fisher to file an edited report because the quarterly third-party inspector reports received from the lender do not impact the construction projects.

There were no losses of financing or affordable housing units to TDHCA. There was no failure to manage the property to benefit the intended residents.

Therefore, this filing error is not the type of error for which debarment is an appropriate response or a statutory response. Taking 10 TAC §2.401(a)(5) out of its proper context and applying it to an obvious filing error that caused no losses or harm is highly inappropriate and harsh, suggesting TDHCA staff holds personal biases that are intruding into what should be a neutral assessment and response.

TDHCA will always see various filing errors from developers due to the unavoidable volume of required filings and paperwork. TDHCA staff and Board have previously accepted that filing errors happen and have not debarred the filers.

Q1 2024 and Q2 2024 Inspection Report Changes Previously Unknown to Melissa

TDHCA staff members have thus far rejected Melissa's response to the debarment recommendation, and it appears they have pursued making additional filings in order to impeach her character and representation. At the time of filing the Q1 and Q2 2024 quarterly reports, Melissa did not know the Q1 and Q2 2024 inspection reports had been edited by an employee at in a nonobvious way, therefore, she could not possibly have knowingly or intentionally filed the misleading or false reports.

She also was not negligent in the processes and procedures established by Rise. Based on the processes, procedures, and non-reliance on the inspection report below discussed, she could not foresee that an employee would make nonobvious changes to an inspection report at some unknown time. Yes, Melissa had a duty to protect against *foreseeable* actions that would result in conduct that violates a statute or regulation and, in that instance, a failure to do so would be negligent. If an event involving wrongful conduct is not foreseeable, however, there can be no negligence. Further, quarterly reports to TDHCA include up to date construction progress percentages, the methodology for which differs from the third-party site inspection percentages, and, therefore, it is not foreseeable that an inspection report would be edited in a nonobvious manner by an unauthorized employee.

No Incentive to Edit Inspection Reports

Melissa had no reason to suspect she had uploaded reports for Q1 and Q2 of 2024 that were secretly and purposely edited when such a known instance of misconduct had never taken place before, to her knowledge. Inspection reports are ordered by lenders, not by Melissa or Rise.

The reports are delivered to the lenders by the inspectors, so there is no incentive for a developer like Rise to edit a report that the lender has already seen. If there are errors in the reports that appear problematic from the lender's perspective, Melissa must discuss the questioned reports with the lender who hires the inspection company. The lender is keenly interested in seeing projects advancing properly and would be the most interested in the inspection report which they receive directly from the inspector they hired, and the lender for the subject property has no problem in accepting Melissa's and Rise's explanations for why the filing of the wrongly edited reports has not harmed it in any way, and the filing under the undisputed factual circumstances was neither intentional nor negligent.

The developer reports the current construction progress in the quarterly report on the cover page. The percentage reflected on the cover page is the percentage billed against the contract amount in the most recent G703 detail. Certain line items included in that amount such as General Conditions, Insurance, Software, will not be identifiable on site, thus the percentage will not match the inspector's percentage completion, and will most likely be lower. The G702 draw-based percentage is almost always different from an inspection report. By the time the quarterly reports are submitted to TDHCA, the inspection report is frequently out of date which makes the quantifiable data contained in the inspection report not relevant in the reporting process.

This lack of incentive to change the inspection report findings means it is not foreseeable that a Rise employee would be motivated to change it. In fact, supervisors and project managers are incentivized on what they can control on a project, meaning that they are not penalized if factors beyond their control affect the project timing and cost. Based on this, Melissa could not know that an employee with access to the report would make nonobvious edits to make himself look better. She investigated and found that a former employee acknowledged making the edits because he disagreed with the report and believed it could hurt his compensation potential.

Melissa had no reason to foresee that a Rise employee would change a report in a nonobvious way. She does not rely on the third-party inspection report because she sees the total and the actual progress on a multifamily project based on all of the invoices and what she learned from the many personnel who go to the site on an ongoing basis. Melissa speaks with the Project Managers in their monthly meeting on the third Thursday of each month. The report is discussed with the bank if necessary to clarify any questions or inaccuracies.

Thus, many experienced development and construction professionals review the inspection report, and the internal progress reports, and discuss their findings. Given all the key ongoing documentation that is reported and relied upon by all interested parties in a multifamily project being built, there should be no incentive to hide or misrepresent something going on with a project by editing a few lines in a third-party inspection report commissioned by a lender. Additionally, Rise has internal controls over the invoice payment and draw processes, so progress at a site cannot be hidden or misrepresented by editing a third-party inspection report prepared for and sent to a lender.

Additionally, the CA Partners reports are informational reports only when provided to TDHCA. TDHCA did not hire CA Partners to perform inspections on its behalf, so TDHCA must send its own inspectors to a job site if it has any concerns or internal obligations it must meet. TDHCA is not in a contractual relationship with CA Partners because the lender retained CA Partners for its lender-specific purposes, not to meet TDHCA's unique and separate needs and uses. This negates the idea that TDHCA must be relying on the CA Partners inspection report and therefore was harmed by receiving the edited report.

Internal Control Processes and Procedures Affecting Quarterly Reporting

Internal controls include separation of duties for preparing draw requests. Superintendents, Project Managers, and Project Coordinators generate the draws. Invoices come in from subcontractors, the Superintendent and Project Manager both approve them as appropriate, and the Project Coordinator responsible for draws includes those in the draw at the end of the month. The Project Coordinator prepares the G702/G703 at the corporate office based upon approved invoices. The Project Manager approves Forms G702/G703 then the Project Coordinator sends that document to Melissa via DocuSign. The G702 then goes to the architect via DocuSign to review and sign. This thorough process ensures that only accurate information is used and relied upon by all parties with an interest in the project moving forward to a successful conclusion.

For the quarterly report, the most recent G702/G703, the most recent third-party inspection report, the minority owned business report, and sometimes current site photos (if the inspection report is outdated) are all combined into one PDF file which Melissa uploads to TDHCA.

This process means multiple people from the project site and the corporate office review the actual progress of the project. The inspection report is generated independently, and does not impact the processes to construct the property, pay invoices, or prepare the G702 draw-based percentage. Importantly, third-party inspection reports have no impact on Rise's accounting procedures, and they are not relied upon for the compliance audits of completed construction jobs, therefore, the altered reports could not interfere with or distort financial reporting and completed construction audits.

Upon the discovery of Q1 and Q2 2024 reports being altered, Melissa inspected all reports dating back to Q1 2023 for Riverside, and found no edits. She also inspected a sampling of another project's inspection reports and found the same. This supports that nonobvious report changes are not pervasive and are not foreseeable. Because the edits were not foreseeable, Melissa was not negligent when she uploaded them with the current completion percentage cover sheet in the quarterly report to TDHCA.

Debarment Should be Limited to TDHCA Financial Losses, Affordable Housing Unit Losses Through Foreclosure, Failure to Manage Operating Properties in Compliance with Affordable Housing Requirements, and Health and Safety Risks

The stated goal of the initial debarment letter is to give Melissa's organization time to "allow Responsible Parties to focus on their current responsibilities and maintaining [sic] them in a compliant manner before taking on further obligations."

This recommended debarment is completely disconnected from the development of affordable housing units.

The issues with the submitted edited reports have NOTHING to do with the construction of affordable housing units. The percentage of completion and the inspector's commentary about Rise in the uploaded edited reports do NOT change the timing of work being done at the project site or the cost to get the work done. They do not change which subcontractors are used or how materials are sourced. They do not change the weather that may slow the project. They do not change the COVID delays. They do not change the financing gaps that accompany inflation and substantially higher interest rates.

To the extent CA Partners commented about project delays, it was not a value-adding observation. As anyone familiar with the development and construction industry can attest, most large projects fall behind schedule. In fact, the National Multifamily Housing Council's published statistics for March 2022 through December 2024 show significant construction delays in response to their question, "In jurisdictions where you operate, are you experiencing construction delays?"[6]

	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec 2023	Mar 2024	Jun 2024	Sep 2024	Dec 2024
Yes	89%	97%	90%	84%	79%	90%	88%	84%	81%	70%	52%	78%
No	8%	3%	7%	13%	16%	10%	9%	16%	15%	30%	45%	19%
N/A	3%	0%	3%	2%	5%	0%	3%	0%	4%	0%	3%	4%

Developers are still reporting significant delays into 2025.[7]

	Jun 2024	Sep 2024	Dec 2024	Mar 2025
Yes	70%	52%	78%	58%
No	30%	45%	19%	36%
N/A	0%	3%	4%	5%

These statistics further support the fact that it was not foreseeable that an employee would change an inspection report when the entire industry is experiencing similar challenges.

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[6]https://www.nmhc.org/research-insight/nmhc-construction-survey/2024/quarterly-survey-of-apartment-construction-development-activity-december-2024/

[7]https://www.nmhc.org/research-insight/nmhc-construction-survey/2025/quarterly-survey-of-apartment-construction-development-activity-march-2025/

Combining these multifamily development industry delay statistics, the fact that performance incentive measures exclude factors beyond an employee's control, the regular and frequent internal meetings about the project progress with experienced industry personnel, and the internal controls around invoice payment and draws, soundly demonstrates that Melissa could not possibly have foreseen that an employee would made nonobvious edits to an inspection report.

CONSEQUENCES OF DEBARMENT

Debarment for this Matter is a Draconian Measure

Debarment is an extremely serious punishment for submitting an edited inspection report along with the actual current project progress statistics and supporting draw requests.

The ramifications are broad and sweeping and effectively destroy a person's career in any kind of government-related work. The ramifications can harm an individual's ability to qualify for certain professional licenses, jobs, or even personal loans. Right or wrong, a debarment communicates to the world that a person has committed a crime against the state. That is a draconian punishment for this limited instance of unknowing, unintentional, immaterial, nonnegligent quarterly filing on one project.

Disclosure is required in government applications at all levels, and the disclosure is not limited to the period of debarment. The is no end date to disclosure.

Debarment is effectively a taking because it must be disclosed in ongoing projects with HUD which can deprive Melissa of her current property interest in existing contracts.

Debarment for this Matter Sets a Bad Precedent that Conflicts with TDHCA's Mission and Purpose

Many multifamily housing developers, general partners, consultants, and others necessary to deliver affordable housing may choose to stay out of projects involving TDHCA for fear a minor, incorrect filing will permanently destroy their careers if the Board sets this precedent with Melissa.

Another serious consequence is the loss of a capable proven professional who delivers affordable housing to the people who need help. A debarment for this quarterly reporting unknown, unintentional, immaterial, nonnegligent error is contrary to TDHCA's mission and purpose of delivering affordable housing. Melissa and her affiliates have delivered quality multifamily affordable housing for almost two decades as the following table shows.

Property	Location	Affordable Status	Opening Date	Affordable Units	Total units
Jackson Road Apartments	McAllen, TX	Yes – 51% ≤ 60% AMFI	Forecast Q1 2026	18	36
BCC Village SF BTR	Brownsville, TX	Yes – 51% ≤ 60% AMFI	Jan 2025	16	32
Sherwood Oaks Apartments	Baton Rouge, LA	Yes – Income restricted	Forecast Dec 2025	280	280
Villas at Lake Jackson	Lake Jackson, TX	Yes – 51% ≤ 60% AMFI	Forecast Nov 2025	118	232
Sienna Villas Apartments	Freeport, TX	Yes – 51% ≤ 60% AMFI	Completed Nov 2022	79	156
Villas at Cardinal Hills	Lakeway, TX	Yes – 100% ≤ 60% AMFI	Forecast Dec 2025	180	180
Austin Manor Apartments	Austin, TX (ETJ)	Yes – LMI	Forecast July 2025	280	280
The Curve Apartments	Moore, OK	Yes – Mixed-income	Completed Summer 2023	121	242
Austin Boyce Apartments	Austin, TX (ETJ)	Yes – LMI	Completed June 2023	280	280
Creekview Austin Apartments	Austin, TX	Yes – 100% ≤ 60% MFI	Completed March 2020	264	264
City Square Artist's Lofts *	Garland, TX	Yes – Mixed-income (9% HTC)	Completed Sept 2019	92	132
Villas at Indian Lake	Los Fresnos, TX	Yes – Mixed-income (9% HTC)	Completed March 2019	56	80
Austin Colorado Creek Apartments	Austin, TX	Yes – 100% ≤ 60% MFI	Completed Jan 2020	240	240
Bellfort Park Apartments	Houston, TX	Yes – 100% ≤ 60% MFI	Sold after 2017	66	66
Villas at Plano Gateway	Plano, TX	Yes – 80% ≤ 60% AMFI	Completed Feb 2017	234	292
Major Place Apartments	Greenville, TX	Yes – 20% Affordable (HOME)	Completed May 2018	35	176
Champion Homes on the Lake	Lake Dallas, TX	Yes – 20% Affordable (HOME)	Completed May 2015	28	140
Champion Homes at Tahoe Lakes	Midland, TX	Yes – 20% Affordable (HOME)	Completed May 2015	31	156
Grand Manor Apartments	Tyler, TX	Yes – HUD HAP Rehab	Completed Nov 2014	120	120
Mayorca Villas Family Housing	Brownsville, TX	9% HTC mixed-income	Aug 2014	48	120
Champion Homes at Canyon Creek	Brownsville, TX	9% HTC + BHA subsidy	Apr 2007	100	100
Marina Landing Apartments **	Galveston, TX	CDBG/Hurricane rehab	Post-2010	18	256
Seaport Village Apartments	Galveston, TX	CDBG/Hurricane rehab	Aug 2011	14	192
Brittany Place SF Homes	Port Arthur, TX	CDBG (expired)	Dec 2010	100	100
Brittany Place Townhomes	Port Arthur, TX	CDBG (expired)	Feb 2010	96	96
Candlewick Apartments	Brownsville, TX	9% HTC rehab	Apr 2010	132	132
Alta Vista Senior Towers	Weslaco, TX	9% HTC senior rehab	Dec 2008	100	100
Centerpointe Home Ownership	Weslaco, TX	Rental to ownership	Jun 2008	36	36
Tropical Gardens at Boca Chica	Brownsville, TX	9% HTC + PH	Apr 2007	158	158
Edinburg Senior Towers	Edinburg, TX	9% HTC senior rehab	Apr 2007	100	100
Quail Creek Family Housing	Denton, TX	Tax-exempt bond	Jun 2005	264	264
Rose Court at Thorntree	Dallas, TX	Tax-exempt bond	Jun 2005	280	280
Champion at Rush Creek	Arlington, TX	Tax-exempt bond	Oct 2005	248	248
Champion Town Homes on the Green	Houston, TX	Tax-exempt bond	Apr 2005	238	238
Champion at Marshall Meadows	San Antonio, TX	Mixed-income	Sep 2007	150	250
Champion at Port Royal	San Antonio, TX	Mixed-income	Apr 2006	150	250
Champion at Mission Del Rio	San Antonio, TX	Mixed-income	Jun 2009	144	240
Villas at Winkler Senior Housing	Houston, TX	Senior housing	Dec 2008	234	234
Champion Town Homes at Pecan Grove	Dallas, TX	Tax-exempt bond	Dec 2006	250	250
			Total	**5,398**	**7,028**

* The development won the Texas Affiliation of Local Housing Finance Corporation development of the year in 2019

** Sold to a nonprofit housing foundation which completed the development as financed.

Debarring Melissa for the few and limited quarterly reporting issues discussed above reduces the number of capable people who work with TDHCA to deliver affordable housing. The only losses to TDHCA if Melissa is debarred will be losing a strong committed professional who is passionate about providing affordable housing for the last two decades.

CONCLUSION AND RECOMMENDATIONS

The Board has discretion over this appeal and should skeptically scrutinize the staff's basis and motives for this debarment recommendation. It is inconsistent with past and present practices, inconsistent with the intent of the statutes regarding debarment, extraordinarily severe, and singles out this developer for an extremely limited instance of quarterly construction

progress reporting that did not cause or relate to any losses, health and safety risks, or reliance by TDHCA that helped Melissa in any way.

We recommend that the Board considers how TDHCA staff uses the quarterly reports and whether receiving the unedited inspection reports with the Q1 and Q2 2024 actual current construction percentages and draw progress would have changed anything at the job site.

This potential debarment being elevated to the Board for public airing is sufficient discipline for Melissa because there are no losses to TDHCA and no risk of harm to people. The Board's discussion of the staff's recommendation of debarment for a quarterly filing sends a message to all developers, similar to the message the Board sent to GPs via Cliff McDaniel's potential debarment. Melissa is now on notice, as will be all developers who watch, read, or hear about this meeting, to be alert to and implement controls to prevent this type of problem in the future.

Melissa has implemented a Corrective Action Plan and welcomes the Board's review and comments on the plan. This plan strengthens existing internal control, provides more checks and balances, and demonstrates Melissa's and Rise's full commitment to regulatory compliance and transparency with TDHCA.

1. Compliance Dept Submission: Rise's VP of compliance will submit the compliant package via CMTS.

2. Direct Submission: The third-party inspector will email the inspection report directly to the asset manager before the submission deadline.

3. Data File Access: Changed the policy for which employees are granted access to the "draw" folder where the original copies of inspection reports are saved.

Lastly, Melissa appreciates your granting an opportunity to fully and properly respond to the previously unknown quarterly filing irregularities and placing this matter on the agenda for the July 10, 2025, Board meeting.

Very truly yours,

John C. Shackelford

cc: Melissa Fisher *(via email)*
Bobby Wilkinson *(via email)*
Beau Eccles *(via email)*

ROBERT WOOD & ASSOCIATES
ATTORNEYS & COUNSELORS AT LAW
THREE ENERGY SQUARE
6688 N. CENTRAL EXPRESSWAY, SUITE 1000
DALLAS, TEXAS 75206
ROBERT WOOD **(214) 369-3209** **FACSIMILE (214) 363-1559**
rccwood@aol.com

June 16, 2025

VIA ELECTRONIC MAIL
TDHCA Governing Board
Attention: Ysella Kaseman
221 East 11th Street
Austin, Texas 78701

RE: Additional Information to the Notice Regarding Debarment Appeal Determination for James R. "Bill" Fisher

This firm represents James R. "Bill "Fisher and Sonoma Housing. Mr. Fisher is a principal of Sonoma Housing, and a long-time consultant to developers and finance companies in the affordable housing space here in Texas for over 25 years. Mr. Fisher is responsible for assisting in the development, construction and operations of over 60 affordable, housing communities, the vast majority here in Texas. Those communities are located in the cities of Dallas, Denton, Houston, Plano, Austin, San Antonio and nearly 1,000 units in Region 11 along the border with Mexico. This includes Carmeron and Hidalgo County some of the poorest areas of the State.

The total amount of units is +/- 10,000 serving approximately 30,000 residents and seniors here in Texas. These communities are the backbone of affordable housing in many of these areas throughout the state of Texas. Not one prior material issue(s) with these projects was ever an issue with Bill Fisher's own compliance with TDHCA regulations. No consideration was given for this strong track record going back 25 years due to this Dallas City Hall scandal involving the FBI putting various politicians and developers in jail due to Bill Fisher's assistance. This created an environment at the staff of the TDHCA where there were persistent rumors bandied around about Bill being a bad actor, or was a bad actor, is pure nonsense.

This first-time issue does not apply to the TAC provisions as intended for repeat offenders and those who have caused harm to the States affordable housing or financing. Any suggestion otherwise, by Senior staff members at TDHCA is factually inaccurate, and those claiming it internally at TDHCA have made no effort to verify their claims. Our executive director can verify this for the board. We are not claiming bias on his part but on the part of his senior staff. The Senior Staff members who were allowed to participate in this enforcement action, may have misinformed bias. Or, they may have believed the untrue rumors with no verifiable evidence.

We assert the following:

a) This is the first time Mr. Fisher has ever uploaded\emailed a construction status report we are aware of. Failing to give him an opportunity to agree to a corrective action plan for this first issue without such dramatic and severe punishment is additional proof of Senior Staff bias.
b) We would also assert that as a 70-year-old man (69 in October of 2024), Mr. Fisher should be given maximum consideration of his lack of sophisticated computer skills leading to the e-mail of the wrong report. No one could argue the red highlighted report was represented as original work product of CA Partners. It was the wrong report, one used and intended for internal purposes by the General contractor. We assert the actions of the TDHCA may be in violations of federal and state age discrimination laws.
c) We further assert that this e-mail of the wrong report is common with TDHCA and has not resulted in any such sanctions. The idea that the wrong report could not have been interpreted as an attempt to deceive TDHCA; by filing a redline marked up report and error is not sustainable on any objective review. The reason it is selective enforcement is because it is extremely rare in the history of the TDHCA to request the debarment for somebody for a simple mistake. There was no evidence of financial negative consequences to the filing of that wrong report. There was no evidence of any intent to deceive. There was no evidence of anyone relying on that report to be the correct report. The report on its face, whether redlined or not, DOES not allow anyone but the lender and investor to rely upon it. So it fails the test under the TAC and is simply, No harm, no foul.

Age Discrimination

We believe that recommending debarment for a simple error, which was clearly not intended to deceive, or could even have deceived anyone should not be the punishment inflicted onto a 25+ year member of the Texas affordable housing development community. Mr. Fisher is 70 years of age, we would assert that there is age discrimination against him. The fact that a 70 year old man, for the very first time ever in trying to upload a construction status report, in a system he was not familiar with using, was a simple error.

This was not an error of judgment, but a mere an error of choosing the wrong report, in a complicated system that he was totally unfamiliar with using. How many people over the age of 55 make computer errors without the intention to deceive? It is my understanding that he was not given a chance to remedy that error with an agreed corrective action plan as called for in the TAC as many other people who have done routinely. They jumped on Mr. Fisher's mistake to try and tar him with a brush that supported their slanderous contention he was, and or is, a bad actor in State housing programs. He has never been afforded the opportunity to confront these staff members with their claims nor the opportunity to rebut the factually inaccurate claims.

Bias Based on False Information and Rumor

Mr. Fisher's "bad actor" label, in the eyes of some Senior staff members of the TDHCA, involves his cooperation with law enforcement in the largest Dallas City Hall corruption case in decades. The facts are clear, if they choose to look, regarding his working in FBI in building airtight cases against 17 people who were convicted or plead guilty. Not a single person charged in the City Hall corruption case avoided justice.

Mr. Fisher reported the criminal activity to the FBI and was a victim of the criminal conspiracy involving support and funding for tax credit developments in Dallas. As a victim he did what he believes all the board members would do and report the crime to law enforcement. When asked by USA and FBI to voluntarily assist the FBI in their investigation. He agreed as most victim would to right the wrong and stop it from continuing. The Dallas City Hall case involved the Mayor Pro Temp and planning commissioner to name just two. The conspirators were operating an extortion and bribery scheme out of City Hall. All this is clear on the record of multiple trials. He never had nor needed an immunity agreement. He was never charged nor threatened with charges by the authorities. Apparently, these bias staff members believe something different. Something that is simply false and slanderous.

Mr. Fisher's voluntarily helped the FBI with its investigation, including wire taps, recording calls and meetings with suspected participants in the schemes. He wore recording equipment to meetings which inherently put him at potential risk of harm. He delivered payments required by the conspirators using funds provided by the FBI and US Attorney's office. He has been asked to provide help with understanding issues with housing tax credit cases in the Northern District as recently as 2021 to the FBI and US Attorney's office.

Ultimately, approximately seventeen people (everyone indicted were either tried and convicted or plead guilty including Mayor Pro Tem Don Hill and his planning commissioner DeAngelo Lee, local developers Brian and Cheryl plus State Representative Terry Hodge. They had labeled Mr. Fisher a bad actor for almost 20 years for doing the right thing. It is the root of Staff bias and completely inappropriate.

Unfortunately, the incorrect, but widely held claim by some senior TDHCA staff was that Mr. Fisher helped the FBI in exchange for immunity. For years after those events, Mr. Fisher's attorneys wrote letters explaining to government agencies in affordable housing (including out-of-state) that Mr. Fisher was not one of the bad actors performing illegal activities. Many of those including those provided to TDHCA are attached hereto. John Shackelford was directly involved and can confirm these facts with the board, if necessary. Attached are some of Bill's letters from that era.

TDHCA staff accuses and attempts debarment of Mr. Fisher of intentionally trying to deceive TDHCA by uploading the wrong report. That argument is specious. However, TDHCA's view on this single matter, is tainted by the false rumors that still seem to surround Bill Fisher's volunteering helping the FBI and US Attorney to end corruption in Dallas in the early 2000's.

He saw some things that were clearly illegal, refused to participate and suffered the consequences as a victim of their corruption scheme. He talked to his lawyers about it, and they confirmed the need to report the criminal activity and went to the FBI. He responded to their requests to voluntarily and without coercion to help them get rid of these people from City Hall. These were the actual bad actors who conspired against him, his employer and the community, in a clear plan to deceive the TDHCA, lenders, the citizens of Dallas and their decisions.

All of this went to final trial, in multiple trials on a multiple of individuals, and they were found guilty by jury of their peers. Mr. Fisher and his employer were victims in the Dallas City Hall case

who cooperated with the FBI and DOJ voluntarily. I have attached multiple letters including notices from the VNS, Victims notification system, operated by the DOJ along with restitution checks sent to Mr. Fisher from the convicted participants in the Dallas City Hall corruption case. Note one or more suggest there was a procedure in place the US Attorney to assure people processing funding applications to confirm Mr. Fisher cooperation was voluntary without immunity of any kind. Bad actors and co conspirators are not ever considered victim nor eligible for restitution from criminals convicted in the Federal System. Attached are documents where Bill Fisher was a Victim of Crime related to the FBI actions of the early 2000's. Please note restitution checks directed to Mr. Fisher and the company he worked for at that time.

Selective Enforcement

If this bias was not true, then why is the TDHCA having Bill Fisher being singled out for a debarment when there was clearly no "intent to deceive" as required. No one who looked at the report, sent in error by Bill, could possibly assume it was the correct report, or was intended to be viewed as the correct report. It had relines showing edits, no deception is possible. It was his 1st attempt ever at uploading a construction report in at least 15+ years.

If there were no bias against Bill Fisher, then why would he be selectively chosen to be recommended for debarment on such a minor matter that clearly was only a mistake. It is my understanding that on Thursday, June 12, 2025, there was an incident involving 15 people uploading the wrong reports that was discussed in the boards hearing on June 12. It is also my understanding that in both December 12, 2024, and the March 6, 2025 TDHCA board meetings that individuals and organizations, who committed much more grievous errors, we're not subjected by the board to debarment. None of those people were sanctioned, none of those people were debarred, none of those people were punished with penalties. They were all given an opportunity to correct their errors.

Failure to Provide of Due Process

TDHCA staff who recommended debarment of Ms. Fisher to this board, includes one or more employees who worked for TDHCA at the time of the FBI investigation above discussed. It is likely that their incorrect understanding of the facts led them to discuss, with other TDHCA staff, their views that Mr. Fisher is the kind of person who would attempt to deceive TDHCA.

TDHCA staff decided that the clerical error, which was obvious and promptly corrected, is the same as providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department under 10 TAG §2.401(a)(5). However, consideration for debarment pursuant to 10 TAG §2.401(a)(5) requires intent, knowledge, or negligence. None of that is evident here, as regards Bill Fisher.

The TDHCA Board is likely unaware of the ill-informed and biased views held by some of the TDHCA staff. The TDHCA Board meeting process is not designed to fully explore fact patterns and the Board process does not allow the Board members to interview the TDHCA staff making debarment recommendations. If the Board does not fully explore TDHCA staff knowledge and

views in an adjudicative environment, then it does not know its neutrality is compromised and cannot balance that against all of the evidence, especially when evidence and testimony is limited in the Board meeting processes. This results in the TDHCA Board denying Mr. Fisher his constitutional right to due process and potentially his livelihood if the Board upholds the TDHCA staff debarment recommendation.

Because "debarment" is such a loaded word, that affects the individuals and the companies, not just for the time they are, "sitting on the bench", as the TDHCA has suggested in their letter. It affects them forever. Federal programs, state programs, even industry related job applications ask, are you now or have you ever been debarred from a state, federal, or local program? It clearly affects people forever. The ability to confront those persons at the TDHCA directly, via a deposition, or other forms of normal discovery, being denied to Mr. Fisher, when confronted with a financial and career ending death penalty, is unconstitutional, under both state and federal law.

Other Forms of Corrective Measures Available

Debarment is for when you have significant, material and repeated compliance issues. Including refusal TDHCA recommended or approved remediation plans. Most of the provisions deal with not responding to the Department when you are out of compliance or from the loss of financial resources provided by TDHCA, foreclosure which lead to the loss of the LURA where affordable units were lost to the State of Texas. In the most recent cases life safety issues where the sponsors did not make code required repairs after being given repeated opportunities to effect repair. This life safety debarment was 24 months with the ability to seek reinstatement in one year. The original staff recommendation for uploading the wrong report was 12 months. Loss of affordable housing and NOT providing decent, safe, and affordable housing, that's one thing, but none of those misdeeds are evident here.

I would respectfully request that this department look at their debarment considerations and maybe even create a different category. Maybe it's called "suspension," or an “abatement”, maybe it's called something else, so that you do not significantly impact the, the business life of all of these owners, managers, consultants and developers. Especially when they have some of these situations occur for the very 1st time out of nearly 30 years of service to the communities and individuals who need this help.

No Corrective Action Recommended nor Allowed to avoid a recommendation of debarment.

It seems like because of all the facts recited above, that some form of corrective action, falling far short of a debarment, should have been recommended by the staff. I say this because that’s what they do with almost everyone else, who were making small mistakes for the first time, without any intention to deceive or having any negative consequences resulting immediately from that act.

We believe that this would be the proper solution here. Mr. Fisher voluntarily agrees to not submit a status report again for RISE. He has only done it once in the last 15+ years. The only reason he did it, this one time, was because he was refused a 24-hour extension by the TDHCA and if he failed to get the report uploaded on that day they would incur a $2,500 fine. There was no consideration, given to the fact that the people responsible for doing those things were not at the

office, because they were in Austin in meetings with the TDHCA. Mr. Fisher suggests a simple corrective action that he will not submit construction monitoring reports in the future for RISE without prior approval from TDHCA Staff including Asset Management.

Mr. Fisher is clearly not a bad actor and never was as suggested, claimed or gossiped by several senior staff members that required a meeting with his attorney and the Executive Director early in the ED's role at TDHCA. The ED can verify this bad actor contention of staff members which is impossible for them to substantiate. Substantiate against a person who has been active without penalty in housing programs at the Department since 1997. Mr. Fisher has had 27+ years of solid compliance without penalty screams that debarment is not an appropriate penalty for what is a clerical mistake. It is really an attempt by these same staff members to prove their false claims are somehow correct 20 years after Mr. Fisher work for the US Attorney and the FBI in the Dallas City Hall case.

Can the board imagine themselves in this kind of a position? Here they are doing the right thing and bringing an end to corruption in the processing of Affordable Housing program requirements with the City of Dallas. Could any board member imagine that this could lead to punishment instead of honor. Federal District Judge Lynn stated on the record at the conclusion of the sentencing in the cases the courage shown by Mr. Fisher to do the right thing. This sentiment was echoed on the record by the US Attorney's office.

Finally, as a matter of law TDHCA has no basis to rely on the CA Partners reports since on their face only the lender and investor may do so. So whatever is or is not in their report falls outside the TAC and rules as it is not usable by the Department. Bill Fisher received an email on December 5, 2024 from Rosalio Banuelos, at the Department asking about the construction inspection report submitted October 10, 2024 by Mr. Fisher. Mr. Fisher confirmed that he emailed the incorrect document used for internal comments to the status report and promptly emailed the correct report.

Respectfully,

/s/Robert Wood
Robert Wood

SHACKELFORD
MELTON & MCKINLEY
ATTORNEYS & COUNSELORS

John C. Shackelford
Also Admitted in Florida and Georgia
jshack@shacklaw.net

July 25, 2005

VIA E-MAIL & FACSIMILE

Remberto Arteaga, Executive Director
Brownsville Housing Authority

Re: Odyssey Residential Housing/Bill Fisher/Saleem Jafar; Our File No.: 50331.4

Dear Mr. Arteaga:

This law firm represents Odyssey Residential Housing, Bill Fisher and Saleem Jafar, and pursuant to a request made during a recent teleconference, I agreed to advise you and members of the Brownsville Housing Authority ("BHA") of the limited involvement of Mr. Fisher in the FBI's investigation of certain members of the Dallas City Council and others. Mr. Jafar is not involved in any way with the investigation.

I must remind you, however, that this is an on-going investigation, and Mr. Fisher has been specifically instructed not to provide any details of his cooperation with anyone because it could jeopardize the investigation and/or potential convictions at trial. Mr. Fisher does possess some information that he cannot disclose to you or anyone else at this time. To do so could potentially subject him to charges by the U.S. Attorney's office of obstruction of justice and/or interfering with a federal investigation.

With that caveat said, I am able to state that to my knowledge Mr. Fisher is not "target" or a "subject" of the investigation. Mr. Fisher, as a concerned citizen, has cooperated with the FBI in its investigation. If and when indictments are issued, unsealed and become public information, Mr. Fisher and I will be able to say more to you, and at that time my clients will be seen as victims of alleged criminal conduct by others and as the "good guys." It is important to remember that the FBI conducted searches of certain persons' offices, residences and automobiles. None of those searches involved any of my clients. There is a reason for that and it should be obvious to you.

10100 North Central Expressway
Suite 600
Dallas, Texas 75231
Phone 972.490.1400 Fax 972.490.1685
www.shacklaw.net

Other than advising you that it is my opinion or judgment that my clients are not negatively involved in the investigation, I am unfortunately limited in what I can say. It is true Mr. Fisher is involved in the investigation from the stand point of cooperating with the FBI, but not from the stand point of either being a "target" or "subject" of the investigation. It is also extremely important for you to know that Mr. Fisher's cooperation with the FBI was not due to duress, coercion, or threat of criminal charges being brought against him or anyone else employed by Odyssey Residential Housing. Mr. Fisher did not "make a deal" with the FBI in order to avoid federal prosecution. I point this out to you because I have had some people express to me that it is their opinion that if Mr. Fisher has cooperated with the FBI that he must have done so to save himself. I can categorically and unequivocably say that is not the case. I am fully aware of the circumstances surrounding Mr. Fisher's cooperation with the FBI and he did so of his own volition.

Thank you for your assistance in this matter, and I am confident that Mr. Fisher's constructive involvement in the investigation will not impact the proposed housing projects, Mr. Fisher's ability to perform his obligations, or cause BHA to come under the scrutiny of the FBI or any other governmental authorities by entering into agreements with Odyssey Residential Housing, its affiliates and Mr. Fisher.

Very truly yours,

John C. Shackelford

JCS/sd

cc: Bill Fisher (*via e-mail*)
Saleem A. Jafar (*via e-mail*)
Annabell Alegria (*via e-mail*)

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SHACKELFORD
MELTON & MCKINLEY
ATTORNEYS & COUNSELORS

John C. Shackelford
Also Admitted in Florida and Georgia
jshackelford@shackelaw.net

August 4, 2005

VIA E-MAIL

Sam Ganeshan, Managing Director
Orlando Alfaro, Vice President
Hudson Housing Capital
630 Fifth Avenue, Suite 2300, New York, NY 10111

Re: Odyssey Residential Housing/Bill Fisher/Saleem A. Jafar; Our File No.: 50331.4

Gentlemen:

This law firm represents Odyssey Residential Housing, Bill Fisher and Saleem Jafar, and pursuant to your request last week, I agreed to advise you of the limited involvement of Mr. Fisher in the FBI's investigation of certain members of the Dallas City Council and others. Mr. Jafar is not involved in any way with the investigation.

I must remind you, however, that this is an on-going investigation, and Mr. Fisher has been specifically instructed not to provide any details of his cooperation with anyone because it could jeopardize the investigation and/or potential convictions at trial. Mr. Fisher does possess some information that he cannot disclose to you or anyone else at this time. To do so could potentially subject him to charges by the U.S. Attorney's office of obstruction of justice and/or interfering with a federal investigation.

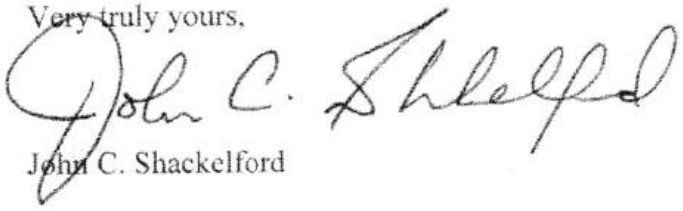
With that caveat said, I am able to state that to my knowledge Mr. Fisher is not "target" or a "subject" of the investigation. Mr. Fisher, as a concerned citizen, has cooperated with the FBI in its investigation. If and when indictments are issued, unsealed and become public information, Mr. Fisher and I will be able to say more to you, and at that time my clients will be seen as victims of alleged criminal conduct by others and as the "good guys." It is important to remember that the FBI conducted searches of certain persons' offices, residences and automobiles. None of those searches involved any of my clients. There is a reason for that and it should be obvious to you.

[illegible] North Central Expressway
Suite [illegible]
Dallas, Texas 75231
Phone 972.[illegible] Fax 972.[illegible]
www.shacklaw.net

Other than advising you that it is my opinion or judgment that my clients are not negatively involved in the investigation, I am unfortunately limited in what I can say. It is true Mr. Fisher is involved in the investigation from the stand point of cooperating with the FBI, but not from the stand point of either being a "target" or "subject" of the investigation. It is also extremely important for you to know that Mr. Fisher's cooperation with the FBI was not due to duress, coercion, or threat of criminal charges being brought against him or anyone else employed by Odyssey Residential Housing. Mr. Fisher did not "make a deal" with the FBI in order to avoid federal prosecution. I point this out to you because I have had some people express to me that it is their opinion that if Mr. Fisher has cooperated with the FBI that he must have done so to save himself. I can categorically and unequivocably say that is not the case. I am fully aware of the circumstances surrounding Mr. Fisher's cooperation with the FBI and he did so of his own volition.

I am confident that Mr. Fisher's constructive involvement in the investigation will not impact Mr. Fisher's ability to perform his obligations or cause Hudson Housing Capital to come under the scrutiny of the FBI or any other governmental authorities by entering into agreements with Odyssey Residential Housing, its affiliates or Mr. Fisher

Very truly yours,



John C. Shackelford

JCS/sd

cc: Bill Fisher (*via e-mail*)
Saleem A. Jafar (*via e-mail*)

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SHACKELFORD MELTON & McKINLEY
ATTORNEYS & COUNSELORS

John C. Shackelford
Also Admitted in Florida and Georgia
Direct 214.780.1414
jshack@shacklaw.net

January 31, 2006

VIA E-MAIL & FACSIMILE

M.R. Conic Foundation
c/o Helen Bennett
4305 O'Bannon Drive
Jackson, Mississippi 39213

Re: Odyssey Residential Housing/Bill Fisher/Saleem Jafar; Our File No.: 50331.4

Dear Ms. Bennett:

This law firm represents Odyssey Residential Housing, Bill Fisher and Saleem Jafar, and I have been requested by Mr. Fisher to advise you and members of the M.R. Conic Foundation (the "Foundation") of the limited involvement of Mr. Fisher in the FBI's investigation of certain members of the Dallas City Council and others. Mr. Jafar is not involved in any way with the investigation.

I must remind you, however, that this is an on-going investigation, and Mr. Fisher has been specifically instructed not to provide any details of his cooperation with anyone because it could jeopardize the investigation and/or potential convictions at trial. Mr. Fisher does possess some information that he cannot disclose to you or anyone else at this time. To do so could potentially subject him to charges by the U.S. Attorney's office of obstruction of justice and/or interfering with a federal investigation.

With that caveat said, I am able to state that to my knowledge Mr. Fisher is not "target" or a "subject" of the investigation. Mr. Fisher, as a concerned citizen, has cooperated with the FBI in its investigation. If and when indictments are issued, unsealed and become public information, Mr. Fisher and I will be able to say more to you, and at that time my clients will be seen as victims of alleged criminal conduct by others and as the "good guys." It is important to remember that the FBI conducted searches of certain persons' offices, residences and automobiles. None of those searches involved any of my clients. There is a reason for that and it should be obvious to you.

3333 Lee Parkway
Tenth Floor
Dallas, Texas 75219
Phone 214.780.1400
Fax 214.780.1401
www.shacklaw.net

Other than advising you that it is my opinion or judgment that my clients are not negatively involved in the investigation, I am unfortunately limited in what I can say. It is true Mr. Fisher is involved in the investigation from the stand point of cooperating with the FBI, but not from the stand point of either being a "target" or "subject" of the investigation. It is also extremely important for you to know that Mr. Fisher's cooperation with the FBI was not due to duress, coercion, or threat of criminal charges being brought against him or anyone else employed by Odyssey Residential Housing. Mr. Fisher did not "make a deal" with the FBI in order to avoid federal prosecution. I point this out to you because I have had some people express to me that it is their opinion that if Mr. Fisher has cooperated with the FBI that he must have done so to save himself. I can categorically and unequivocably say that is not the case. I am fully aware of the circumstances surrounding Mr. Fisher's cooperation with the FBI and he did so of his own volition.

Thank you for your assistance in this matter, and I am confident that Mr. Fisher's constructive involvement in the investigation will not impact the proposed housing projects, Mr. Fisher's ability to perform his obligations, or cause the Foundation to come under the scrutiny of the FBI or any other governmental authorities by entering into agreements with Odyssey Residential Housing, its affiliates and Mr. Fisher.

Very truly yours,

John C. Shackelford

JCS/sd

cc: Bill Fisher (*via e-mail*)
Saleem A. Jafar (*via e-mail*)

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SHACKELFORD MELTON & McKINLEY
ATTORNEYS & COUNSELORS

John C. Shackelford
Also Admitted in Florida and Georgia
Direct 214.780.1414
jshack@shacklaw.net

March 20, 2006

VIA E-MAIL

Tim Ford, Esq.
Mississippi Home Corporation
401 E. Capital Street
Suite 200
Jackson, Mississippi 39201

Re: Odyssey Residential Housing/Bill Fisher/Saleem Jafar; Our File No.: 50331.4

Dear Mr. Ford:

After sending you my letter dated March 15, 2006, I realized there are some other points that I failed to state that I think are important and need to be brought to your attention. If you have any questions regarding the U.S. Attorney's and FBI's investigation and the limited cooperation provided by Mr. Fisher, there is a procedure in place with the U.S. Attorney's office in Dallas for you to speak to someone about this matter. The U.S. Attorney's office is aware that some persons may come to the wrong conclusion about Mr. Fisher based upon media accounts of the investigation and willing to assist Mr. Fisher by explaining his involvement. The U.S. Attorney's office is also concerned about Mr. Fisher's involvement in its investigation being used against him and any projects he may be contemplating. In this regard, it is scrutinizing how Mr. Fisher is treated by others.

If you would like the name and phone number of someone in the U.S. Attorney's ofice that you can contact about this matter, please advise and I will get it for you.

Very truly yours,

John C. Shackelford, Esq.

JCS/sd

cc: Bill Fisher (*via e-mail*)
Saleem A. Jafar (*via e-mail*)

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3333 Lee Parkway
Tenth Floor
Dallas, Texas 75219
Phone 214.780.1400
Fax 214.780.1401
www.shacklaw.net

U.S. Department of Justice
United States Attorney's Office
Northern District of Texas
1100 Commerce St.
3rd Floor
Dallas, TX 75242-1699
Phone: (800) 496-8341
Fax: (214) 659-8815

March 17, 2010

Mr. Bill Fisher
Odyssey Residential Holdings
5420 LBJ Freeway, Ste 1235
Two Line Centre
Dallas, TX 75240

Re: United States v. Allen J. McGill, Gladys E. Hodge
Case Number 2004R01986 and Court Docket Number: 07-CR-00289

Dear Mr. Fisher:

The United States Department of Justice believes it is important to keep victims of federal crime informed of court proceedings. This notice provides information about the above-referenced criminal case.

The sentencing hearing for defendant(s), Allen J. McGill, has been set for April 2, 2010, 01:30 PM at US Courthouse, Courtroom 1570, 1100 Commerce St., Dallas, TX, 75242-1310 before Judge Barbara M. Lynn. You are welcome to attend this proceeding; however, unless you have received a subpoena, your attendance is not required by the Court. If you plan on attending, please check with the VNS Call Center to verify the sentencing date and time. Should you wish to speak at the sentencing or want to check for the most current information on the date/time of this event please call our office a day or two before the scheduled hearing.

The sentencing hearing for defendant(s), Gladys E. Hodge, has been set for April 27, 2010, 01:30 PM at US Courthouse, Courtroom 1570, 1100 Commerce St., Dallas, TX, 75242-1310 before Judge Barbara M. Lynn. You are welcome to attend this proceeding; however, unless you have received a subpoena, your attendance is not required by the Court. If you plan on attending, please check with the VNS Call Center to verify the sentencing date and time. Should you wish to speak at the sentencing or want to check for the most current information on the date/time of this event please call our office a day or two before the scheduled hearing.

A United States Probation Officer prepares a report for the Court and may contact you to discuss the impact the crime had on you financially, physically, and/or emotionally. If you are contacted, please make every effort to provide accurate and detailed information.

The Victim Notification System (VNS) is designed to provide you with information regarding the case as it proceeds through the criminal justice system. You may obtain current information about this case on the VNS web site at WWW.Notify.USDOJ.GOV or from the VNS Call Center at 1-866-DOJ-4YOU (1-866-365-4968) (TDD/TTY: 1-866-228-4619) (International: 1-502-213-2767). In addition, you may use the Call Center or Internet to update your contact information and/or change your decision about participation in the notification program. If you update your contact information to include a current email address, VNS will send information to that email address. In order to continue to receive notifications, it is your responsibility to keep your contact information current.

You will use your Victim Identification Number (VIN) '**2747516**' and Personal Identification Number (PIN) '**4994**' anytime you contact the Call Center and the first time you log on to the VNS web site. In addition, the first time you access the VNS Internet site, you will be prompted to enter your last name (or business name) as currently contained in VNS. The name you should enter is Odyssey Residential Holdings.

Remember, VNS is an automated system and cannot answer questions. If you have other questions which involve this matter, please contact this office at the number listed above.

Sincerely,

JAMES T. JACKS
United States Attorney

Lisa Shedden
Victim Witness Coordinator

U.S. Department of Justice
United States Attorney's Office
Northern District of Texas
1100 Commerce St.
3rd Floor
Dallas, TX 75242-1699
Phone: (800) 496-8341
Fax: (214) 659-8815

July 15, 2010

Mr. Bill Fisher
Odyssey Residential Holdings
5420 LBJ Freeway, Ste 1235
Two Line Centre
Dallas, TX 75240

Re: United States v. Ronald W. Slovacek
Case Number 2004R01986 and Court Docket Number: 07-CR-00289

Dear Mr. Fisher:

The United States Department of Justice believes it is important to keep victims of federal crime informed of court proceedings. This notice provides information about the above-referenced criminal case.

A trial is scheduled before Judge Barbara Lynn on November 1, 2010, 08:30 AM at US Courthouse, Courtroom 1570, 1100 Commerce St., Dallas, TX, 75242-1310 for the case which involves defendant(s) Ronald W. Slovacek.

Please be aware that many criminal cases are resolved by a plea agreement between the United States Attorney's Office and the defendant. You should also know that it is not unusual for a defendant to seek to negotiate a plea agreement shortly before a trial is scheduled to begin. Plea agreements can be made at any time and as late as the morning of trial, leaving little or no opportunity to provide notice to you of the date and time of the plea hearing. If the court schedules a plea hearing in this case, we will use our best efforts to notify you of available information as soon as practicable. If you want to inform the prosecutor of your views regarding potential plea agreements, or any other aspect of the case, please contact the prosecutor assigned to this case or me.

Because of the Court's schedule, hearing dates could change on very short notice. If you plan on attending, you may want to call the VNS Call Center or check the web site to confirm the date and time. Please note, there is a 24-hour delay in information transfer to the web site.

The Victim Notification System (VNS) is designed to provide you with information regarding the case as it proceeds through the criminal justice system. You may obtain current information about this case on the VNS web site at WWW.Notify.USDOJ.GOV or from the VNS Call Center at 1-866-DOJ-4YOU (1-866-365-4968) (TDD/TTY: 1-866-228-4619) (International: 1-502-213-2767). In addition, you may use the Call Center or Internet to update your contact information and/or change your decision about participation in the notification program. If you update your contact information to include a current email address, VNS will send information to that email address. In order to continue to receive notifications, it is your responsibility to keep your contact information current.

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Remember, VNS is an automated system and cannot answer questions. If you have other questions which involve this matter, please contact this office at the number listed above.

Sincerely,

JAMES T. JACKS
United States Attorney

Lisa Shedden
Victim Witness Coordinator

SHACKELFORD MELTON & McKINLEY

ATTORNEYS & COUNSELORS

John C. Shackelford
Also Admitted in Florida and Georgia
Direct 214.780.1414
jshack@shacklaw.net

August 20, 2010

Via Email: MHaynes@firststerling.com
Michael Haynes, Esq.
First Sterling Financial, Inc.
1155 Northern Blvd.
Manhasset, NY 11030

RE: Bill Fisher/Saleem Jafar/Odyssey Residential Housing ("ORH");
Our File No. 50331.4

Dear Mr. Haynes:

As you know, this law firm represents Mr. Fisher, Mr. Jafar and ORH. I have been requested by Mr. Fisher to write you regarding certain statements or communications made by one or more individuals about Mr. Fisher's participation with the United States Department of Justice ("DOJ") and Federal Bureau of Investigation ("FBI") investigation into corruption by members of the Dallas City Council, City Plan Commission of the City of Dallas and others.

At all times prior to the institution of the investigation by DOJ and FBI, I represented Mr. Fisher, Mr. Jafar and ORH and I am intimately aware of the facts and circumstances surrounding the genesis of the investigation and the events preceding the investigation.

In the late summer and fall of 2004, I represented these parties in connection with obtaining approval from the City of Dallas to obtain affordable housing tax credits for several projects. Mr. Fisher made me aware of certain emails that he had received from a member of the Dallas Plan Commission appointed by Don Hill, who was a member of the Dallas City Council, which clearly asked Mr. Fisher for financial benefits for Mr. Hill or persons known or affiliated by Mr. Hill.

Following action by the Dallas City Council, on the several requests by developers for resolutions approving their developments for affordable housing tax credits, Mr. Fisher, Mr. Jafar and Roy True of my office, two attorneys from another law firm in Dallas that I had engaged to assist me in this matter and myself, met at our offices to discuss the obvious bribery solicitation by Mr. Hill. Mr. Fisher at the meeting determined it was in the best interests of ORH, Mr. Jafar and himself to report Mr. Hill's conduct to the FBI. Following such meeting, Mr. Fisher met with the FBI and advised them of emails and conversations he had had with Mr. Hill and others on behalf of Mr. Hill.

Prior to the time that Mr. Fisher met with the FBI, no one from DOJ or the FBI ever contacted Mr. Fisher, Mr. Jafar, or any employee of ORH about wrongdoing or potential wrongdoing by any of the foregoing. At no time prior to Mr. Fisher meeting with the FBI did the FBI advise Mr. Fisher that he was the target of an investigation by the FBI or DOJ. As an officer of the Court, I swear to you that Mr. Fisher voluntarily and, at risk to himself and his family, initiated the meeting with the FBI and advised them of the bribery solicitation by Mr. Hill and others on behalf of Mr. Hill and that Mr. Fisher's decision to cooperate with the FBI in its investigation was completely done so voluntarily without a scintilla of coercion or threat of investigation or prosecution against him by the FBI or DOJ.

It is my understanding that one individual is making contrary assertions about Mr. Fisher, and I am aware that the person is a licensed attorney. It disturbs me that a member of the legal profession who is also an officer of the Court is making slanderous statements about Mr. Fisher and his participation with the FBI and DOJ. Any statements made by anyone contrary to what I am advising to you in this letter are patently false, or recklessly made and I question the motives of the person making those statements. To me, it clearly exposes the person to be, at a minimum, without knowledge of the facts, who is foolishly spreading gossip and innuendo or, at worst, it exposes the person as having ill-will and bad intent against Mr. Fisher. Regardless, the statements are false and slanderous.

Throughout the entire investigation by the FBI and DOJ into the criminal activities of Mr. Hill and others, I worked closely with Mr. Fisher in closing several affordable housing tax credit transactions and was present when he was recording telephone conversations with the perpetrators. I have personal knowledge of the facts in this letter and it is for this reason I can make the statements I am with utmost confidence of their voracity.

As you know, at the conclusion of several trials, there have been in excess of ten convictions, including that of Mr. Hill. Those convictions, in my opinion, would not have occurred without the brave work of Mr. Fisher. It was determined by the Court that Mr. Fisher, Mr. Jafar and ORH were victims of the criminal behavior of Mr. Hill and others and the Court ordered several of the convicted persons to make restitution to them.

I am hopeful this letter is helpful to you for your purposes. Again, I can categorically and unequivocally say to you that Mr. Fisher did not cooperate with the FBI and DOJ because he "made a deal" with the FBI in order to avoid federal prosecution and at no time was Mr. Fisher ever a "target" or "subject of an investigation."

If you have any further questions, or if I can be of further assistance to you in this matter, please feel free to contact me.

Very truly yours,

John C. Shackelford

John C. Shackelford

Shackelford
Melton
McKinley
A LIMITED LIABILITY PARTNERSHIP
ATTORNEYS & COUNSELORS

3333 Lee Parkway, Tenth Floor
Dallas, Texas 75219
Telephone 214.780.1400
Facsimile 214.780.1401
www.shacklaw.net

John C. Shackelford
Also Admitted in Florida and Georgia
Direct 214.780.1414
jshack@shacklaw.net

April 25, 2011

VIA E-MAIL
Michael Haynes, Esq.
42 Equity Partners, LLC
1140 Avenue of the Americas, Suite 935
New York, NY 10036

RE: Bill Fisher/Saleem Jafar/Odyssey Residential Housing ("ORH");
Our File No. 50331.4

Dear Mr. Haynes:

As you know, this law firm represents Mr. Fisher, Mr. Jafar and ORH. I have been requested by Mr. Fisher to write you regarding certain statements or communications made by one or more individuals about Mr. Fisher's participation with the United States Department of Justice ("DOJ") and Federal Bureau of Investigation ("FBI") investigation into corruption by members of the Dallas City Council, City Plan Commission of the City of Dallas and others.

At all times prior to the institution of the investigation by DOJ and FBI, I represented Mr. Fisher, Mr. Jafar and ORH and I am intimately aware of the facts and circumstances surrounding the genesis of the investigation and the events preceding the investigation.

In the late summer and fall of 2004, I represented these parties in connection with obtaining approval from the City of Dallas to obtain affordable housing tax credits for several projects. Mr. Fisher made me aware of certain emails that he had received from a member of the Dallas Plan Commission appointed by Don Hill, who was a member of the Dallas City Council, which clearly asked Mr. Fisher for financial benefits for Mr. Hill or persons known or affiliated with Mr. Hill.

Following action by the Dallas City Council on several requests by developers for resolutions approving their developments for affordable housing tax credits, Mr. Fisher, Mr. Jafar, Roy True of my office, and two attorneys from another law firm in Dallas I engaged to assist me in this matter and myself, met at our offices to discuss the obvious bribery solicitation by Mr. Hill. Mr. Fisher at the meeting determined it was in the best interests of ORH, Mr. Jafar and himself to report Mr. Hill's conduct to the FBI. Following such meeting, Mr. Fisher met with the FBI and advised them of emails and conversations he had had with Mr. Hill and others on behalf of Mr. Hill.

Prior to the time that Mr. Fisher met with the FBI, no one from DOJ or the FBI ever contacted Mr. Fisher, Mr. Jafar, or any employee of ORH about wrongdoing or potential wrongdoing by any of the foregoing. At no time prior to Mr. Fisher meeting with the FBI did the FBI advise Mr. Fisher that he was the target of an investigation by the FBI or DOJ. As an officer of the Court, I swear to you that Mr. Fisher voluntarily and, at risk to himself and his family, initiated the meeting with the FBI and advised them of the bribery solicitation by Mr. Hill and others on behalf of Mr. Hill and that Mr. Fisher's decision to cooperate with the FBI in its investigation was completely done so voluntarily without a scintilla of coercion or threat of investigation or prosecution against him by the FBI or DOJ.

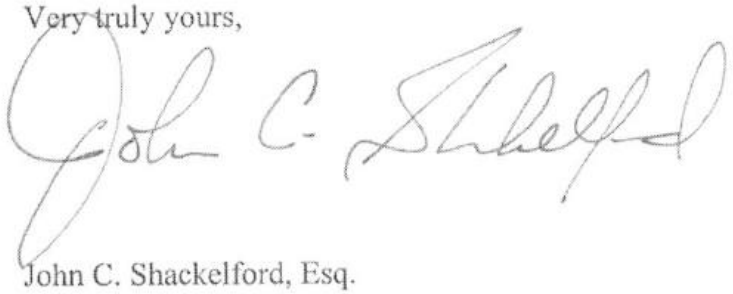
Throughout the entire investigation by the FBI and DOJ into the criminal activities of Mr. Hill and others, I worked closely with Mr. Fisher in closing several affordable housing tax credit transactions and was present when he was recording telephone conversations with the perpetrators. I have personal knowledge of the facts in this letter and it is for this reason I can make the statements I am with utmost confidence of their veracity.

As you know, at the conclusion of several trials, there have been in excess of ten convictions, including that of Mr. Hill. Those convictions, in my opinion, would not have occurred without the brave work of Mr. Fisher. It was determined by the Court that Mr. Fisher, Mr. Jafar and ORH were victims of the criminal behavior of Mr. Hill and others and the Court ordered several of the convicted persons to make restitution to them.

I am hopeful this letter is helpful to you for your purposes. Again, I can categorically and unequivocally say to you that Mr. Fisher did not cooperate with the FBI and DOJ because he "made a deal" with the FBI in order to avoid federal prosecution and at no time was Mr. Fisher ever a "target" or "subject of an investigation."

If you have any further questions, or if I can be of further assistance to you in this matter, please feel free to contact me.

Very truly yours,



John C. Shackelford, Esq.

JCS/sd

cc: Bill Fisher *(via e-mail)*
Saleem Jafar *(via e-mail)*

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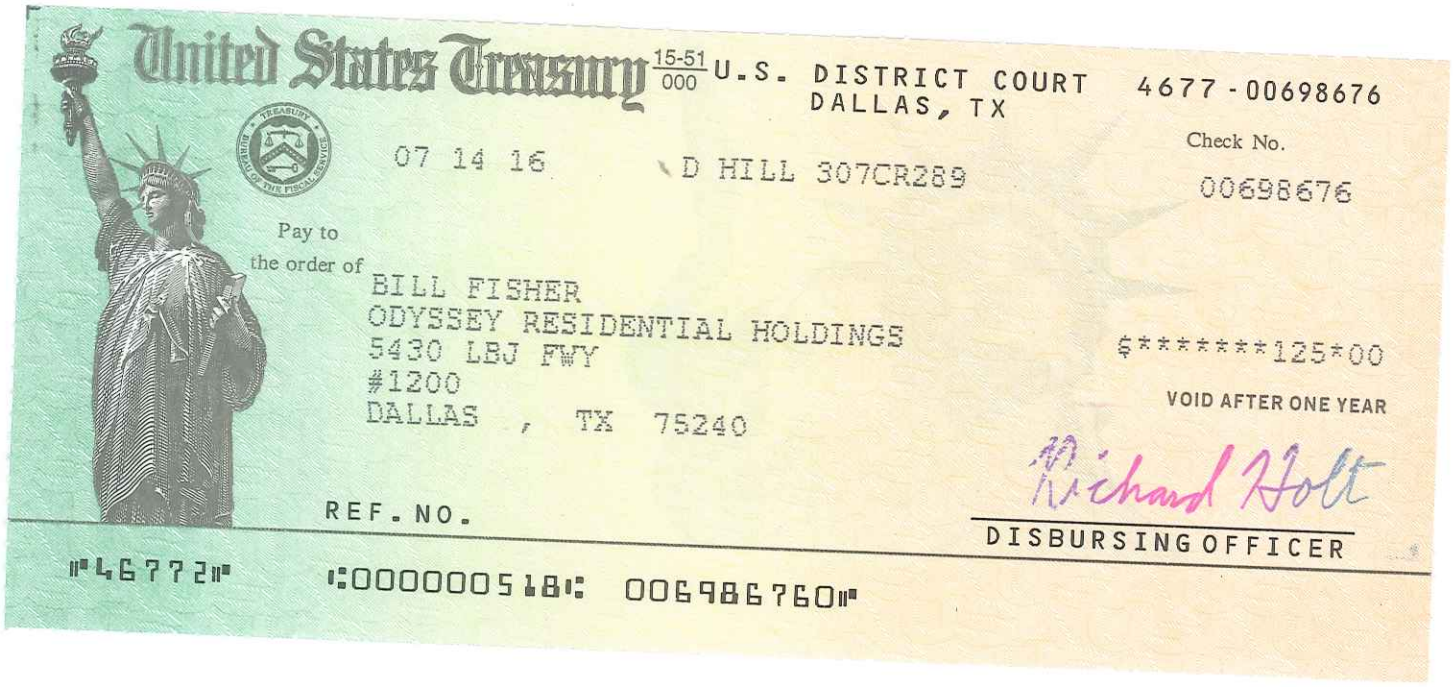


United States Treasury 15-51/000 U.S. DISTRICT COURT DALLAS, TX 4677-00698676

07 14 16 D HILL 307CR289

Check No. 00698676

Pay to the order of

BILL FISHER
ODYSSEY RESIDENTIAL HOLDINGS
5430 LBJ FWY
#1200
DALLAS , TX 75240

$*******125*00

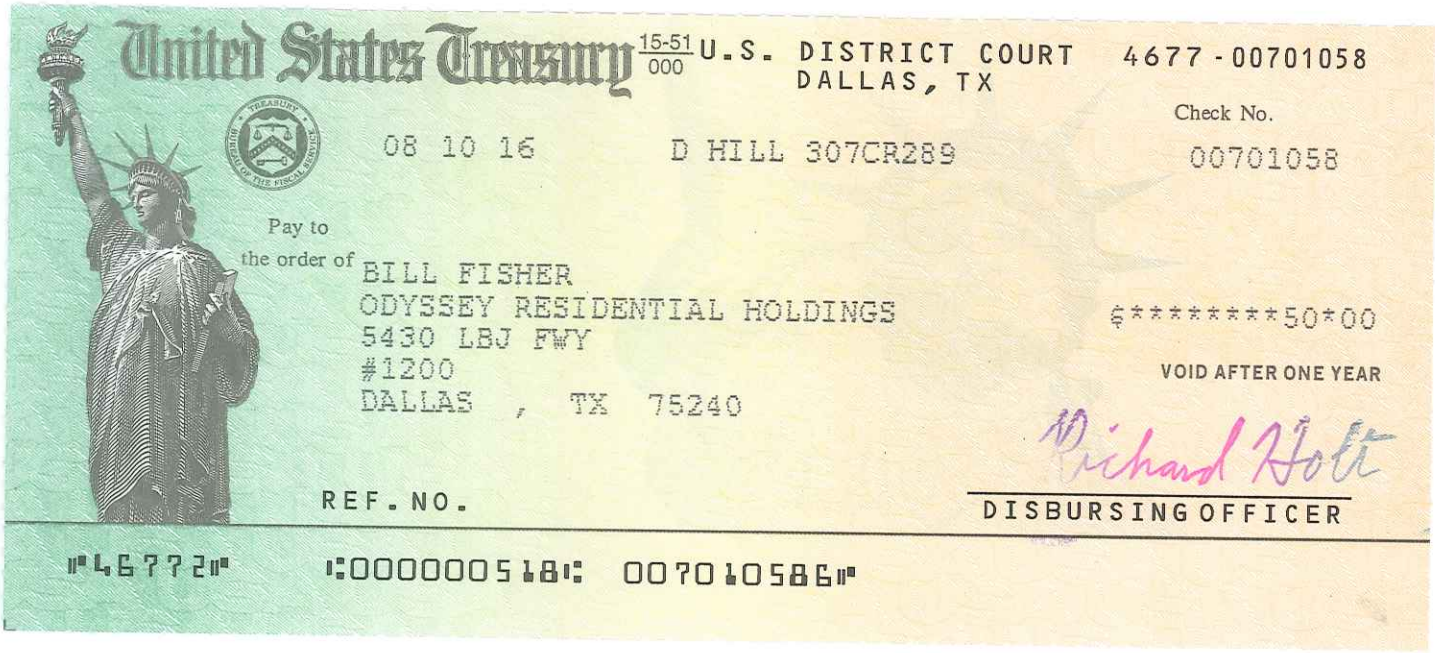
VOID AFTER ONE YEAR

Richard Holt

DISBURSING OFFICER

REF. NO.

"46772" :000000518: 00698676"



United States Treasury 15-51/000 U.S. DISTRICT COURT DALLAS, TX 4677-00701058

08 10 16 D HILL 307CR289

Check No. 00701058

Pay to the order of

BILL FISHER
ODYSSEY RESIDENTIAL HOLDINGS
5430 LBJ FWY
#1200
DALLAS , TX 75240

$********50*00

VOID AFTER ONE YEAR

Richard Holt

DISBURSING OFFICER

REF. NO.

"46772" :000000518: 00701058"

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1124 **Agenda Date:** 9/4/2025 **Agenda #:** 22.

Presentation, discussion, and possible action on recommendation to adopt Agreed Final Orders assessing an administrative penalty relating to Villa de Reposo San Luis Asherton (HOME 539110 / CMTS 2730) and Villa de Reposo Encinal (HOME 530201 / CMTS 4002)

RECOMMENDED ACTION

WHEREAS, Community Services Agency of South Texas (Owner), controls two active TDHCA multifamily HOME developments, including Villa de Reposo San Luis Asherton (HOME 539110 / CMTS 2730) (Asherton) and Villa de Reposo Encinal (HOME 530201 / CMTS 4002) (Encinal);

WHEREAS, both developments had uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, TDHCA identified findings of noncompliance during its regularly scheduled 2024 file monitoring review at Asherton, and referred the noncompliance for an administrative penalty when it was not timely corrected;

WHEREAS, TDHCA identified findings of noncompliance during its regularly scheduled 2024 file monitoring review at Encinal, and referred the noncompliance for an administrative penalty when it was not timely corrected;

WHEREAS, the referred file monitoring noncompliance remains unresolved, including: one income recertification violation at Asherton, one income recertification violation at Encinal, and two initial household certification violations at Encinal;

WHEREAS, TDHCA identified findings of noncompliance during its regularly scheduled 2025 National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection at Asherton, and referred that noncompliance for an administrative penalty when it was not timely corrected;

WHEREAS, the referred NSPIRE noncompliance was fully resolved on June 16, 2025;

WHEREAS, an Enforcement Committee informal conference was held on June 17, 2025, and Owner agreed, subject to Board approval, to enter into Agreed Final Orders assessing an administrative penalty of $1,250.00 for Asherton and $2,250.00 for Encinal; and

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

NOW, therefore, it is hereby

RESOLVED, that Agreed Final Orders assessing an administrative penalty of $1,250.00 for Villa de Reposo San Luis Asherton (HOME 539110 / CMTS 2730) and $2,250.00 for Villa de Reposo Encinal (HOME 530201 / CMTS 4002), substantially in the form presented at this meeting, and

authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

PROPERTY INFORMATION: Villa de Reposo San Luis Asherton (HOME 539110 / CMTS 2730) (Asherton) received 1999 HOME funds to build and operate 16 units in Asherton, Dimmit County, under the HOME Program. There are eight buildings. Occupancy is limited to special needs households at or below 50% AMI. The HOME LURA was effective in 2000. The federal affordability period has ended, and the state affordability period ends on December 7, 2030.

Villa de Reposo Encinal (HOME 530201 / CMTS 4002) (Encinal) received 2002 HOME funds to build and operate 16 units in Encinal, La Salle County, under the HOME program. There are eight buildings. Occupancy is limited to elderly households at or below 50% AMI. The HOME LURA was effective in 2003. The federal affordability period ends this year, and the state affordability period ends on March 31, 2033.

OWNERSHIP AND PROPERTY MANAGEMENT: Both Asherton and Encinal are controlled by Community Services Agency of South Texas (Owner), a nonprofit corporation. It is the original owner. The nonprofit board of directors includes: Frank Ponce, Adaberto Bosquez, Sylvano Sanchez, Alicia Martinez, Dora Gonzalez, Azalia Garcia, Michael Camarrillo, Rosie Sauceda, and Rosario Morales. David Ojeda Jr. is the executive director, and has control authority. The properties are self-managed.

REFERRED VIOLATIONS SUBJECT TO ADMINISTRATIVE PENALTIES:

1. **Asherton - National Standards for the Physical Inspection of Real Estate (NSPIRE).** TDHCA conducted a physical inspection on March 4, 2025, and the Compliance Division set a corrective action deadline of July 10, 2025. Owner failed to respond, and all identified noncompliance was referred to the Enforcement Committee (the Committee). Complete corrective documentation was submitted on June 16, 2025, after intervention by the Committee, resolving all noncompliance. A complete list of referred noncompliance is attached to the Agreed Final Order.

2. **Asherton - File Monitoring.** TDHCA conducted a file monitoring review on November 20, 2024, and the Compliance Division set a corrective action deadline of March 19, 2025. Owner timely submitted corrective documentation, but it was incomplete. The Compliance Division provided a 10-day grace period expiring May 12, 2025. One violation was not resolved before the deadline, and was referred for an administrative penalty: failure to provide tenant income certification documentation for unit 8A when the annual recertification came due. The noncompliance remains unresolved.

3. **Encinal - File Monitoring.** TDHCA conducted a file monitoring review on November 20, 2024, and the Compliance Division set a corrective action deadline of March 20, 2025. Owner timely submitted corrective documentation, but it was incomplete. The Compliance

Division provided a 10-day grace period expiring May 16, 2025. Three violations were not resolved before the deadline, and were referred for an administrative penalty: failure to provide tenant income certification documentation for unit 202 when the annual tenant self -certification came due; failure to certify the household in unit 300 at initial occupancy; and failure to certify the household in unit 400 at initial occupancy. All three units are now vacant, and the violations will remain unresolved until the Owner occupies the units with new qualified households and submits complete tenant files to the Department.

FACTORS CONSIDERED TO DETERMINE ADMINISTRATIVE PENALTY: The Committee analyzed the required statutory factors for determining an appropriate administrative penalty as follows:

1. **The seriousness, extent, and gravity of the violations, and whether a hazard is posed to the health, safety, or economic welfare of the public:** For the NSPIRE noncompliance at Asherton, the inspection scored 85.8 out of 100, which is a decent score. The violation list attached to the Agreed Final Order is short, and most items are of minimal seriousness, except the exposed electrical wiring in one unit. All NSPIRE noncompliance has been resolved.

   For file monitoring noncompliance, failure to screen households at initial occupancy at Encinal is serious, however, it is unlikely that the households were above the income limit since Owner self-limits occupancy to Section 8 households. The recertification noncompliance at both Asherton and Encinal is less serious since those households did qualify at initial occupancy. Prior Agreed Final Orders for Owner have cited the same types of noncompliance, with owner regularly failing to perform screen households at initial occupancy or at recertification.

2. **History of previous violations:** Owner has a history of file monitoring noncompliance, and previously signed Agreed Final Orders in 2016, 2019, and 2023. Repeated findings of noncompliance include failure to screen households at initial occupancy and failure to perform recertifications.

   a. Encinal: Agreed Final Order signed in 2016, agreeing to pay a $1,000.00 administrative penalty, which was to be fully forgivable if Respondent submitted timely corrective documentation. Respondent violated the Agreed Final Order and paid the full $1000.00 administrative penalty as required. All identified noncompliance was ultimately resolved.

   b. Encinal: Agreed Final Order signed in 2019, agreeing to pay a $5,000.00 administrative penalty, of which $1,000.00 was paid at signing, and the remainder was forgiven when Respondent attended HOME Compliance Training. All identified noncompliance was resolved.

   c. Asherton: Agreed Final Order signed in 2023, agreeing to pay a $7,500.00 administrative penalty, of which $3,500.00 was paid at signing, and the reminder was forgiven when complete corrections were submitted as required by the Agreed

Final Order. All identified noncompliance was resolved.

3. **Efforts made to correct the violations:** Efforts to correct have been minimal. Owner submitted timely file monitoring corrections, but there is no quality control, so the submissions are of poor quality and incomplete. Owner routinely fails to collect required documentation to screen households and verify income and assets at initial occupancy, and at recertification. Owner failed to respond to the NSPIRE inspection until after it was referred for an administrative penalty. Owner regularly misses deadlines. Owner states that its staff is willing to attend training, however, Owner has already attended training on multiple occasions, and has received extensive technical support from TDHCA staff. Despite that, Owner continues to struggle with basic tenant file requirements, stating that TDHCA requirements are too complicated.

4. **Any other matters that justice may require:** Both properties are located in rural areas; they serve a very low-income population, and occupancy is limited to the elderly and disabled. Both properties are self-managed, and there is insufficient cash flow to hire a professional management company. Occupancy and finances at Asherton are stable, but 13 out of 16 units at Encinal are vacant, which has caused significant negative net cash flow. High vacancy rates have been a persistent problem at Encinal. Owner stated during the informal conference that market factors have contributed to the high vacancy rate, because Encinal is a very small town and has no nearby medical facilities to attract elderly residents. Owner wants TDHCA to materially amend the LURA to remove the elderly occupancy restriction, and increase income limits so that it can collect higher rents, however, it has provided no support for such request. Owner also indicated that it charges maximum TDHCA rents, and that occupancy delays for the 13 vacant units at Encinal are partly because it sends all applicants to the Cotulla Housing Authority to apply for Section 8 vouchers, a process that can take months. All three households currently residing at Encinal are Section 8 voucher-holders, but the property does not have project-based Section 8 funding, so vouchers are not guaranteed. TDHCA's posted income and rent limits are maximum limits, and a persistent 81% vacancy rate suggests that Owner is charging rents that are too high for the local market area in Encinal. The long length of vacancies also suggests that Owner's strategy of waiting for the Cotulla Housing Authority to issue Section 8 vouchers so that Owner can maximize rent collection is not realistic. Accordingly, the Enforcement Committee suggested during the informal conference that Owner should perform a financial analysis to determine the appropriate lower rent amount for Encinal, and then advertise those new rent amounts for new move-ins. Decreasing rents will likely improve occupancy rates, and therefore help the property to cash flow appropriately.

5. **Amount necessary to deter future violations:** The maximum administrative penalty is low due to the small size of these properties, and because the NSPIRE list of deficiencies was minimal. The Committee acknowledged an element of futility, with Owner's attitude and management style unlikely to change. Meanwhile, the Committee was not satisfied with Owner's explanations for the 81% vacancy rate at Encinal. Owner seems content with the 81% vacancy rate and there was no sense of urgency to implement a market study or make any changes, other than to continually insist - without any supporting evidence - that

TDHCA needs to remove the elderly requirement and increase the income limit because there is not adequate market interest.

In light of the above factors, the Committee recommends Agreed Final Orders assessing the maximum administrative penalties of (1) $1,250.00 for Asherton, with full correction and payment due within 30 days of Board approval and (2) $2,250.00 for Encinal. There is no recommended forgivable or probated portion for either property, however, staff recommends the following structure for the Encinal Agreed Final Order, prioritizing market studies and occupancy improvement at Encinal to better serve low-income households. Owner has repeatedly asked TDHCA to remove the elderly requirement and increase income limits at Encinal, but has not taken any reasonable steps to analyze rents, or submit any information to support the request. Owner is unlikely to provide supporting documentation without pressure and incentive.

a. A loan modification and associated LURA amendment are currently pending for Encinal. This loan modification will modify the delinquent loan amount to a single balloon payment due upon the earlier of sale, transfer, refinance, or maturity. At the same time, the LURA term will be amended to match the new loan maturity date of September 1, 2035, and to bifurcate the federal and state affordability periods. This modification cannot be finalized until the 20-year federal affordability period ends in October. Owner must sign, have recorded, and return the loan and LURA modification within 14 days of issuance by TDHCA staff.
b. Owner must submit the following by October 15, 2025, for review and comment by TDHCA staff. The Department may, but is not required, to provide comments and feedback.
    i. Traffic reports reflecting why prospective tenants are not moving into this property, including prospective applicant names, the date they expressed interest, and why they are not moving into the property.
    ii. Copies of market surveys of other properties in the area, and rental analysis in order to determine appropriate rent amounts.
    iii. Copies of proposed marketing materials, and details regarding how marketing will be conducted, including a copy of the property's Affirmative Marketing Plan.
    iv. Copy of the property's Written Policies and Procedures.
c. Owner will have until November 14, 2025, to implement the above referenced marketing and rent reductions for new move-ins in order to attract residents.
d. Owner must submit timely quarterly vacancy reports via CMTS on October 10, 2025, January 10, 2026, and April 10, 2026. It must also upload updated traffic reports and marketing summaries for each quarter.
e. If occupancy does not improve to 90% by April 10, 2026, Owner may submit a material LURA amendment request on or before June 1, 2026, including the following:
    i. The $2,500.00 application processing fee will be waived by TDHCA if all of the above items are submitted.
    ii. Current Unit Status Report.
    iii. Written material LURA amendment request following all instructions

from the Post Award Activities Guidance and Manual.

f. Owner must correct the file monitoring noncompliance at Encinal by July 1, 2026, by occupying the affected units with qualified households and submitting full tenant files to the Department.

g. Owner must pay the full $2,250.00 administrative penalty no later than July 1, 2026.

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ENFORCEMENT ACTION AGAINST	§	BEFORE THE
COMMUNITY SERVICES AGENCY OF SOUTH	§	TEXAS DEPARTMENT OF
TEXAS WITH RESPECT TO	§	HOUSING AND COMMUNITY
VILLA DE REPOSO SAN LUIS ASHERTON	§	AFFAIRS
(HOME 539110 / CMTS 2730)	§	

AGREED FINAL ORDER

General Remarks and official action taken:

On this 4th day of September, 2025, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **COMMUNITY SERVICES AGENCY OF SOUTH TEXAS,** a Texas nonprofit corporation (Respondent).

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

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

WAIVER

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

FINDINGS OF FACT (FOF)

Jurisdiction:

1. In 2000, Respondent received a HOME loan to build and operate Villa de Reposo San Luis Asherton (HOME 539110 / CMTS 2730) (the Property).

2. Respondent signed a Land Use Restriction Agreement (LURA) regarding the Property. The LURA was effective December 8, 2000, and filed of record on January 4, 2001 at

Volume 279, Page 377 of the Official Public Records of Real Property of Dimmit County, Texas.

3. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations[1]:

4. Respondent has a history of violations and previously signed three Agreed Final Orders:
    a. Regarding Villa de Reposo Encinal (HOME 530201 / CMTS 4002): Agreed Final Order signed on May 5, 2016, agreeing to pay a $1,000.00 administrative penalty, which was to be fully forgivable if Respondent submitted corrective documentation as required by the Order. Respondent violated the Agreed Final Order and paid the full $1000.00 administrative penalty as required.
    b. Regarding Villa de Reposo Encinal (HOME 530201 / CMTS 4002): Agreed Final Order signed on August 5, 2019, agreeing to pay a $5,000.00 administrative penalty, of which $1,000.00 was paid at signing, and the remainder was forgiven when Respondent attended HOME Compliance Training.
    c. Regarding Villa de Reposo San Luis Asherton (HOME 539110 / CMTS 2730): Agreed Final Order signed on February 9, 2023, agreeing to pay a $7,500.00 administrative penalty, of which $3,500.00 was paid at signing, and the reminder was forgiven when complete corrections were submitted as required by the Agreed Final Order.
5. The Department conducted an on-site file monitoring review on November 20, 2024, to determine whether Respondent complied with LURA requirements to lease units to low-income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. The Department issued a notification of noncompliance, setting a corrective action deadline of March 19, 2025. Respondent timely submitted corrective documentation, but it was incomplete. The Department provided a 10-day grace period expiring May 12, 2025. The following violation was not resolved before the deadline, and was referred for an administrative penalty:
    a. Respondent failed to provide tenant income certification documentation for unit 8A when the annual recertification came due on July 1, 2024, a violation of 10 TAC §10.612(c) (Tenant File Requirements). 10 TAC §10.612(c) requires HOME Developments to complete a recertification with verifications of each HOME assisted unit every sixth year of the Development's affordability period. In the intervening years, the Development must annually collect a self-certification of the household composition, income, and assets using the Department's Income

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

Certification form. Respondent did not collect the sixth year full recertification for 2024. This is a repeated violation type for the Property, with violations of the same type previously included in the Agreed Final Order from 2023.

6. The Department conducted a National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection on March 4, 2025. The inspection report showed numerous property condition violations, a violation of 10 TAC § 10.621 (Property Condition Standards). The Department issued a notification of noncompliance setting a corrective action deadline of July 10, 2025. Respondent failed to respond, and the violations outlined at Exhibit 2 were referred for an administrative penalty. Complete corrective documentation was received on June 16, 2025, after intervention by the TDHCA Enforcement Committee.

7. The following violations remain outstanding at the time of this order:

    a. Tenant income certification violation described in FOF #5.a.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC Chapter 2.

2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).

3. The Department is required to monitor for compliance with all program requirements pursuant to Tex. Gov't Code §2306.185.

4. Pursuant to 10 TAC §10.621(a), TDHCA has adopted HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) as the standard for its physical inspections.

5. Respondent violated 10 TAC §10.612 in 2024 by failing to provide tenant income certification documentation for unit 8A at annual recertification.

6. Respondent violated 10 TAC § 10.621 in 2025, by failing to comply with NSPIRE when major violations were discovered and not timely corrected.

7. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and §2306.267.

8. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

9. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.

10. An administrative penalty of $1,250.00 is an appropriate penalty in accordance with 10 TAC Chapter 2.

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

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of $1,250.00.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay the $1,250.00 administrative penalty by check payable to the Texas Department of Housing and Community Affairs on or before October 6, 2025, to the following address:

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

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the exhibits and submit full documentation of the corrections to TDHCA on or before October 6, 2025.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC §10.406, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

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

Approved by the Governing Board of TDHCA on _____, 2025.

By: _____
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared _____, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF _____§

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

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

RESPONDENT:

COMMUNITY SERVICES AGENCY OF SOUTH TEXAS,
a Texas nonprofit corporation

By: _____

Name: David Ojeda, Jr.

Title: Executive Director

Given under my hand and seal of office this _____ day of _____, 2025.

_____
Signature of Notary Public

_____
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires:_____

Exhibit 1

File Monitoring Violation Instructions

Tenant income certification violation for unit 8A. To correct, either:

1. Submit income and asset verifications to support the previously submitted income certification and application that were dated effective 7/1/2024. The income and asset verifications must be dated within 120 days of 7/1/2024, but must not be backdated.

   - OR -

2. If the above income and asset verifications are not available, recertify the household under current circumstances and submit all of the following. All documents must be dated within 120 days of the date that the income certification is signed.
   a. New application(s);
   b. New income certification; and
   c. Verifications of all sources of income and assets. See annual recertification technical support section below.

Technical Support regarding income certification requirements:

Training:

- Watch TDHCA's Multifamily Direct Loan Training (MFDL) Webinar at this link, which includes information regarding income and rent limits, eligibility, and recertifications https://www.youtube.com/watch?v=ekacmp79f64&feature=youtu.be
- The associated training handout is at: https://www.tdhca.texas.gov/sites/default/files/multifamily/docs/20-MFDL-Training.pdf
- Other trainings are available at: https://www.tdhca.texas.gov/compliance-program-training-presentations

Must certify households at initial occupancy. A complete tenant file at initial occupancy will include:

1. Intake Application
2. Verifications:
   a. Verify all sources of income and assets, using third party or first-hand documentation
   b. Verify student status
   c. Special Needs Certification (required for Villa de Reposo Asherton)

   d. Elderly Verification
3. Income Certification form
4. Lease and lease addenda, including required TDHCA language
5. Tenant Rights and Resources Guide Acknowledgment

Remember that items 1 through 3 above must all be dated within 120 days of one another.
See page 6 of this technical support guide for more information about each item listed above.

Must collect annual certifications. Due by the anniversary of the household's move-in date. Can begin the process up to 120 days before the due date.

- Full recertification is required every 6th year of the affordability period. A full recertification must include an application, verifications of all sources of income and assets using two months' worth of third party or first-hand documentation, and an income certification form. All components must be dated within 120 days of one another.
- Intervening year self-certifications: In the intervening years, households must complete the TDHCA income certification form, but full recertification is not required unless the household discloses income that is now above the 80% limit.
- Alternatively, you may choose to collect full recertifications annually.

6th year period for Villa de Reposo San Luis Asherton CMTS 2730:

HOME/TCAP RF/NHTF			
6th Year Recertifications			
What is the effective date of the Regulatory Agreement?			12/8/2000
What is the term/affordability period?			30
Year	**Start of Year**	**thru**	**End of Year**
1	12/08/00	thru	12/07/01
6	12/08/05	thru	12/07/06
12	12/08/11	thru	12/07/12
18	12/08/17	thru	12/07/18
24	12/08/23	thru	12/07/24
30	12/08/29	thru	12/07/30

Exhibit 2

NSPIRE Inspection Report

1: Unit 1B

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Fix By
Entire Unit	No Issues/Violations	Inspected - No Issues Were Found			03/04/25 21:56			

1: Unit 1B Unit NSPIRE Totals

Life Threatening: 0/0 Severe: 0/0 Moderate: 0/0 Low: 0/0

2: Unit 2A

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Fix By
Entire Unit	No Issues/Violations	Inspected - No Issues Were Found			03/04/25 21:58			

2: Unit 2A Unit NSPIRE Totals

Life Threatening: 0/0 Severe: 0/0 Moderate: 0/0 Low: 0/0

4: Unit 4B

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Fix By
Entire Unit	No Issues/Violations	Inspected - No Issues Were Found			03/04/25 22:04			

4: Unit 4B Unit NSPIRE Totals

Life Threatening: 0/0 Severe: 0/0 Moderate: 0/0 Low: 0/0

6: Unit 6A

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Fix By
Bedroom 1	Conductors, Outlets, Switches	Exposed electrical conductor	Missing knockouts in electrical box	1	03/04/25 15:59 DC		LT	24H
Kitchen	Refrigerator	Refrigerator door seal is damaged	The gasket on the refrigerator is damaged.	2	03/04/25 15:59 DC		Mod	30D

6: Unit 6A Unit NSPIRE Totals

Life Threatening: 1/12 Severe: 0/0 Moderate: 1/1.1 Low: 0/0

8: Unit 8A

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Fix By
Bathroom 1	Toilet	Toilet is not secured at base/loose	The base of the toilet is not secured to the floor properly.	3	03/04/25 16:00 DC		Mod	30D

8: Unit 8A Unit NSPIRE Totals

Life Threatening: 0/0 Severe: 0/0 Moderate: 1/1.1 Low: 0/0

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
COMMUNITY SERVICES AGENCY OF SOUTH	§	TEXAS DEPARTMENT OF
TEXAS WITH RESPECT TO	§	HOUSING AND COMMUNITY
VILLA DE REPOSO ENCINAL	§	AFFAIRS
(HOME 530201 / CMTS 4002)	§	

AGREED FINAL ORDER

General Remarks and official action taken:

On this 4th day of September, 2025, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **COMMUNITY SERVICES AGENCY OF SOUTH TEXAS,** a Texas nonprofit corporation (Respondent).

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

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

WAIVER

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

FINDINGS OF FACT (FOF)

Jurisdiction:

1. During 2002, Respondent received a HOME loan to build and operate Villa de Reposo Encinal (HOME 530201 / CMTS 4002) (the Property).

2. Respondent signed a Land Use Restriction Agreement (LURA) regarding the Property. The LURA was effective March 31, 2003, and filed of record at Volume 433, Page 24 of

the Official Public Records of Real Property of LaSalle County, Texas (Records), thereafter re-recorded to correct the legal description at Volume 434, Page 150 of the Records; as amended by a First Amendment executed on May 30, 2007, and filed in the Records at Volume 463, Page 423 of the Records; as amended by a Second Amendment effective as of December 5, 2011, and filed in the Records at Document Number 94655 of the Records.

3. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations[1]:

4. Respondent has a history of violations and previously signed three Agreed Final Orders:
    a. Regarding Villa de Reposo Encinal (HOME 530201 / CMTS 4002): Agreed Final Order signed on May 5, 2016, agreeing to pay a $1,000.00 administrative penalty, which was to be fully forgivable if Respondent submitted corrective documentation as required by the Order. Respondent violated the Agreed Final Order and paid the full $1000.00 administrative penalty as required.
    b. Regarding Villa de Reposo Encinal (HOME 530201 / CMTS 4002): Agreed Final Order signed on August 5, 2019, agreeing to pay a $5,000.00 administrative penalty, of which $1,000.00 was paid at signing, and the remainder was forgiven when Respondent attended HOME Compliance Training.
    c. Regarding Villa de Reposo San Luis Asherton (HOME 539110 / CMTS 2730): Agreed Final Order signed on February 9, 2023, agreeing to pay a $7,500.00 administrative penalty, of which $3,500.00 was paid at signing, and the reminder was forgiven when complete corrections were submitted as required by the Agreed Final Order.
5. The Department conducted an on-site file monitoring review on November 20, 2024, to determine whether Respondent complied with LURA requirements to lease units to low-income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. The Department issued a notification of noncompliance setting a corrective action deadline of March 20, 2025. Respondent timely submitted corrective documentation, but it was incomplete. The Department provided a 10-day grace period expiring May 16, 2025. The following violations were not resolved before the deadline, and were referred for an administrative penalty:
    a. Respondent failed to provide tenant income certification documentation for unit 202 when the annual tenant self-certification came due on December 15, 2022, a violation of 10 TAC §10.612(c) (Tenant File Requirements). 10 TAC §10.612(c)

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

requires HOME Developments to complete a recertification with verifications of each HOME assisted unit every sixth year of the Development's affordability period. In the intervening years, the Development must annually collect a self-certification of the household composition, income, and assets using the Department's Income Certification form. Respondent did not collect the intervening year self-certification for 2022. The household moved out June 30, 2023, and the unit remains vacant to date. This is a repeated violation type for Respondent, with violations of the same type previously included in the Agreed Final Order from 2023.

b. Respondent failed to certify the household in unit 300 at initial occupancy, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 2.4 of the LURA, which require screening of tenants to ensure qualification for the program. The household file did not include an application, verifications, or an executed income certification. The household moved out January 1, 2019, and the unit remains vacant to date.

c. Respondent failed to certify the household in unit 400 at initial occupancy, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 2.4 of the LURA, which require screening of tenants to ensure qualification for the program. The household file did not include an application, verifications, or an executed income certification. The household moved out January 8, 2025, and the unit remains vacant to date.

6. The following violations remain outstanding at the time of this order:

   a. Tenant income certification violation described in FOF #5.a;

   b. And household income certification violations described in FOF # 5.b and 5.c.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC Chapter 2.

2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).

3. The Department is required to monitor for compliance with all program requirements pursuant to Tex. Gov't Code §2306.185.

4. Respondent violated 10 TAC §10.612, by failing to provide a tenant self-certification for unit 202.

5. Respondent violated 10 TAC §10.611, by failing to certify the households in units 300 and 400 at initial occupancy.

6. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and §2306.267.

7. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

8. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.

9. An administrative penalty of $2,250.00 is an appropriate penalty in accordance with 10 TAC Chapter 2.

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

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of $2,250.00.

IT IS FURTHER ORDERED that the Department shall issue a previously negotiated loan modification and the associated LURA amendment to Respondent in October 2025, which Respondent shall sign, have recorded in the Records, and return to TDHCA within fourteen days of issuance by TDHCA staff.

IT IS FURTHER ORDERED that Respondent shall submit the following documents for review by TDHCA staff on or before October 15, 2025. The Department may, but is not required, to provide comments and feedback.

1. Traffic reports reflecting why prospective tenants are not moving into this property. Include names of the prospective applicants, the date they expressed interest, and why they are not moving into the property.
2. Copies of market surveys of other properties in the area, and rental analysis regarding the Property in order to determine appropriate rent amounts.
3. Copies of proposed marketing materials, and details regarding how marketing will be conducted. Include a copy of the property's Affirmative Marketing Plan. For details regarding how to prepare the Affirmative Marketing Plan, see the Fair Housing Presentations section of https://www.tdhca.texas.gov/programs/fair-housing-program

for training webinars, and use the https://www.tdhca.texas.gov/MF-Affirmative-Marketing-Tool.

4. Copy of the property's Written Policies and Procedures. For details regarding how to prepare these policies, see 10 TAC §10.802 and the "TDHCA Written Policies and Procedures / Tenant Selection Criteria Checklist" under "TDHCA Fair Housing Forms and Tools" at https://www.tdhca.texas.gov/fair-housing-toolkits-sample-forms-and-downloads.

IT IS FURTHER ORDERED that Respondent shall implement the above-referenced marketing campaign and rent reductions on or before November 14, 2025, in order to attract new qualified households.

IT IS FURTHER ORDERED that Respondent shall submit quarterly vacancy reports via CMTS on October 10, 2025, January 10, 2026, and April 10, 2026.

IT IS FURTHER ORDERED that Respondent shall submit updated traffic reports and marketing summaries for each quarter via CMTS upload, due on October 10, 2025, January 10, 2026, and April 10, 2026.

IT IS FURTHER ORDERED that if occupancy does not improve to 90% by April 10, 2026, Respondent may submit a written material LURA amendment request on or before June 1, 2026, asking the Department to consider removal of restrictions limiting occupancy to elderly households. Said written material LURA amendment request, if submitted, must include a current Unit Status Report, and all material LURA amendment request requirements listed in the Post Award Activities Guidance and Manual at https://www.tdhca.texas.gov/post-award-activities-manual.

IT IS FURTHER ORDERED that the standard $2,500.00 processing fee associated with material LURA amendment requests per 10 TAC §11.901(10), shall be waived if Respondent complies with the above requirements under this Agreed Final Order.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay the $2,250.00 administrative penalty by check payable to the Texas Department of Housing and Community Affairs on or before July 1, 2026, to the following address:

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

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the exhibits and submit full documentation of the corrections to TDHCA on or before July 1, 2026.

IT IS FURTHER ORDERED that Respondent shall be considered to be in violation of the terms of this Agreed Final Order if it fails to timely pay the $2,250.00 administrative penalty and/or fails to submit complete and timely corrective documentation as indicated in the exhibits on or before July 1, 2026.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC §10.406, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

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

[remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on _____, 2025.

By: _____
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared _____, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF _____§

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

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

RESPONDENT:

COMMUNITY SERVICES AGENCY OF SOUTH TEXAS,
a Texas nonprofit corporation

By: _____

Name: David Ojeda, Jr.

Title: Executive Director

Given under my hand and seal of office this _____ day of _____, 2025.

_____
Signature of Notary Public

_____
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires:_____

Exhibit 1

File Monitoring Violation Instructions

To correct the noncompliance for vacant units 202, 300, and 400, occupy the units with qualified households and submit complete tenant files.

A complete tenant file at initial occupancy will include all of the following components:

1. Intake Application
2. Verifications:
    a. Verify all sources of income and assets, using third party or first-hand documentation
    b. Verify student status
    c. Special Needs Certification (if applicable)
    d. Elderly Verification (no specific form, but must verify age qualification)
3. Income Certification form
4. Lease and lease addenda, including required TDHCA language
5. Tenant Rights and Resources Guide Acknowledgment

Remember that items 1 through 3 above must all be dated within 120 days of one another. See page 6 of this technical support guide for more information about each item listed above.

Technical Support regarding income certification requirements:

Training:

- Watch TDHCA's Multifamily Direct Loan Training (MFDL) Webinar at this link, which includes information regarding income and rent limits, eligibility, and recertifications https://www.youtube.com/watch?v=ekacmp79f64&feature=youtu.be
- The associated training handout is at: https://www.tdhca.texas.gov/sites/default/files/multifamily/docs/20-MFDL-Training.pdf
- Other trainings are available at: https://www.tdhca.texas.gov/compliance-program-training-presentations

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1125 **Agenda Date:** 9/4/2025 **Agenda #:** 23.

Presentation, discussion, and possible action on recommendation to adopt an Agreed Final Order assessing an administrative penalty relating to Accessible Housing Austin (NSP 77090000101, CMTS 5169) and AHA! At Briarcliff (TCAP-RF 13160017511, NHTF 82600017511, CMTS 5170)

RECOMMENDED ACTION

WHEREAS, Accessible Housing Austin (NSP # 77090000101, CMTS #5169) and AHA! At Briarcliff (TCAP-RF #13160017511, NHTF # 82600017511, CMTS #5170), owned by Accessible Housing Austin!, have uncorrected compliance findings relating to the applicable land use restriction agreements and the associated statutory and rule requirements;

WHEREAS, TDHCA identified findings of noncompliance during its regularly scheduled 2024 Section 811 file monitoring review at CMTS 5170, and referred the noncompliance for an administrative penalty when it was not timely corrected;

WHEREAS, unresolved Section 811 noncompliance includes failure to conduct annual recertifications for two units, and failure to properly calculate the resident portion of rent for the same two units;

WHEREAS, TDHCA identified findings of noncompliance during its regularly scheduled 2025 National Standards for the Physical Inspection of Real Estate (NSPIRE) inspections at CMTS 5169 and CMTS 5170, and referred the noncompliance for an administrative penalty when it was not timely corrected;

WHEREAS, the referred NSPIRE noncompliance for CMTS 5169 and CMTS 5170 was resolved on July 30, 2025, and August 7, 2025, respectively;

WHEREAS, an Enforcement Committee informal conference was held on June 17, 2025, and Owner agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of $1,000.00 for CMTS 5169 and $2,000.00 for CMTS 5170, to be fully forgivable if complete corrections are timely submitted as required by the Agreed Final Order;

WHEREAS, the $1,000.00 administrative penalty portion associated with CMTS 5169 is already fully forgiven due to the completed corrections, but it remains appropriate to include this noncompliance in the Agreed Final Order; and

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

NOW, therefore, it is hereby

RESOLVED, that an Agreed Final Order assessing an administrative penalty of $2,000.00 for noncompliance at CMTS 5169 and CMTS 5170, substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the

order of this Board.

BACKGROUND

PROPERTY INFORMATION: The prior owner for Accessible Housing Austin (NSP 77090000101, CMTS 5169) received 2008 Neighborhood Stabilization Program (NSP) funds to acquire and operate three scattered-site single-family homes located at 7009 Thannas Way, 7624 Cayenne Lane, and 3705 Tamil, and two scattered-site duplexes located at 9215 Kempler Drive and 9407 Kempler Drive, all located in Austin, Travis County, Texas. Each unit is restricted at 80% AMI. Respondent purchased the properties in 2016, and remains subject to the NSP LURAs that became effective earlier that year. The affordability period ends on August 25, 2031.

AHA! At Briarcliff (TCAP-RF #13160017511, NHTF 82600017511, CMTS 5170) received National Housing Trust Fund (NHTF) and Tax Credit Assistance Program Repayment Funds (TCAP-RF) in 2016 and 2018, respectively, to build and operate 27 units in Austin, Travis County. Nine units are restricted at 30% AMI. Both LURAs will expire on July 31, 2049.

OWNERSHIP AND PROPERTY MANAGEMENT: CMTS 5169 and CMTS 5170 are both owned by Accessible Housing Austin!, a nonprofit corporation (AHA!). CMTS lists the executive director, Trey Nichols, as the primary contact for the owner. AHA! self manages the properties.

REFERRED VIOLATIONS SUBJECT TO ADMINISTRATIVE PENALTIES:

1. **CMTS 5169:** TDHCA conducted an NSPIRE inspection on February 4, 2025, and the Compliance Division set a corrective action deadline of May 6, 2025. AHA! failed to respond, and the noncompliance was referred to the Enforcement Committee (the Committee) on May 7, 2025. AHA! submitted partial corrective documentation on May 29, 2025, after intervention by the Committee, addressing all issues of noncompliance except for cosmetic damage to a damaged entry door for which repairs were under contract. Complete corrective documentation was received on July 30, 2025. A list of referred noncompliance is at Exhibit 1 to the Agreed Final Order.

2. **CMTS 5170:** TDHCA conducted a Section 811 file monitoring review on June 22, 2024, and the Compliance Division set a corrective action deadline of October 24, 2024, which was extended through May 17, 2025. AHA! submitted partial corrective documentation, but failed to submit annual income recertifications for two units, and failed to submit evidence of properly calculated resident portions of the rent for the same two units. The noncompliance was referred for an administrative penalty on June 9, 2025. This noncompliance remains unresolved, but AHA! indicates they are nearly ready to submit corrections.

   TDHCA also conducted an NSPIRE inspection on February 5, 2025, and the Compliance Division set a corrective action deadline of May 6, 2025. AHA! failed to respond, and the noncompliance was referred to the Enforcement Committee (the Committee) on May 7, 2025. AHA! submitted partial corrective documentation on May 29, 2025, after intervention

by the Committee, addressing all issues of noncompliance except for unwrapped kitchen sink supply lines in two accessible units for which repairs were under contract. Complete corrective documentation was received on August 7, 2025. A list of referred noncompliance is at Exhibit 2 to the Agreed Final Order.

FACTORS CONSIDERED TO DETERMINE ADMINISTRATIVE PENALTY: The Committee analyzed the required statutory factors for determining an appropriate administrative penalty as follows:

1. **The seriousness, extent, and gravity of the violations, and whether a hazard is posed to the health, safety, or economic welfare of the public:** Noncompliance for smoke alarms and fire extinguishers for both CMTS 5169 and CMTS 5170 is serious, however, many of the missing smoke alarms are likely due to a code change, and this is a common finding with NSPIRE as a result. Likewise, water heater pressure relief pipe noncompliance for CMTS 5170 is serious, but is also due to a code change, and is therefore also a common finding with NSPIRE. CMTS 5170 had serious and extensive noncompliance for units 233 and 235, however, both were vacant, mitigating the seriousness. Furthermore, AHA! indicated that both units had required extensive renovation and remediation due to oversized air conditioning units that had caused a mold issue in the units. AHA! filed a lawsuit against the HVAC contractor and received an insurance settlement; the repairs were then completed in May 2025. AHA! should have requested a good-cause deadline extension for this noncompliance given the unusual circumstances. For the Section 811 noncompliance at CMTS 5170, there is potential for gross rent overcharges, however, that is unlikely; the problem is because a required form was not completed, and the presented tenant files were incomplete. The Enforcement Committee also noted that AHA! has third-party assistance for the Section 811 program.

2. **History of previous violations:** AHA! has not been subject to any prior Agreed Final Orders to pay an administrative penalty. However, it has been referred for file monitoring noncompliance previously, primarily relating to executive turnover, a serious health matter, and lack of experience and training. Prior referrals were closed informally with full corrections received, and AHA! was warned in 2024 that any further referrals would result in a mandatory informal conference for administrative penalty consideration due to a pattern of repeated referrals.

3. **Efforts made to correct the violations:** AHA! did not submit any NSPIRE corrective documentation within the corrective action period set by the Compliance Division for either CMTS 5169 or CMTS 5170, but submitted corrections for all but three deficiencies in response to the penalty referral, along with evidence that the remaining items were contracted for completion. Actual repair dates are noted in the inspection reports at Exhibits 1 and 2 of the Agreed Final Order, ranging from February 20, 2025 through July 3, 2025. At the time of the informal conference, three NSPIRE deficiencies remained unresolved: cosmetic damage to an entry door for one unit at CMTS 5169, and unwrapped kitchen sink supply lines for two accessible units at CMTS 5170. All NSPIRE deficiencies are now resolved. AHA! submitted partial timely corrections to the Compliance Division in response to the Section 811 noncompliance at CMTS 5170, but did not correct the four

deficiencies noted above, all of which remain unresolved. AHA! indicates that they are nearly ready to submit the file corrections.

4. **Any other matters that justice may require:** Mr. Nichols has regularly contacted TDHCA staff with compliance questions for the past few years. AHA! restructured in 2024, and new employees, confusion, lack of training, and poor deadline tracking are the primary problems causing these referrals. The Section 811 program is complex, and it is unfortunately highly likely that file monitoring noncompliance will continue because this is a small and inexperienced nonprofit without a professional management company. It does not have sufficient funds to hire an outside property management company, but it does have an outside provider that works on Section 811 requirements, demonstrating that AHA! acknowledges the program's complexity, however, it is the Enforcement Committee's understanding that this consultant was already in place prior to this penalty referral. The NSPIRE penalty referrals occurred after failing to submit any corrections to the Compliance Division. An extension likely would have been granted for the NSPIRE noncompliance, but AHA! failed to request an extension. AHA!'s executive director acknowledged a communication breakdown; he has now implemented weekly worklogs and tracking, along with a monthly calendar. He is holding weekly meetings with his staff to review both components, and has committed to staff trainings, both with their Section 811 provider and TDHCA.

5. **Amount necessary to deter future violations:** Repeated future administrative penalty referrals are likely, however, AHA! is a small nonprofit and there is negative net cash flow due to the mold remediation problem noted above, so a smaller fully forgivable administrative penalty is appropriate. Signing the Agreed Final Order should be sufficient to get the attention of the nonprofit and keep them moving in the right direction. In light of the above factors, the Committee recommended an Agreed Final Order assessing administrative penalties of $1,000.00 for CMTS 5169 and $2,000.00 for CMTS 5170, both to be fully forgiven if all noncompliance is corrected as required by the Agreed Final Order. The referred noncompliance for CMTS 5169 was fully resolved on July 30, 2025, so the $1,000.00 administrative penalty associated with that property is therefore excluded from the Agreed Final Order.

RECOMMENDATION: Accordingly, after consideration of all appropriate factors, the Enforcement Committee and Executive Director recommend an Agreed Final Order for an administrative penalty in the amount of $2,000.00 against Accessible Housing Austin!.

ENFORCEMENT ACTION AGAINST ACCESSIBLE HOUSING AUSTIN! WITH RESPECT TO ACCESSIBLE HOUSING AUSTIN (NSP # 77090000101, CMTS #5169) AND AHA! AT BRIARCLIFF (TCAP-RF #13160017511, NHTF # 82600017511, CMTS #5170)	§ § § § § § § § §	BEFORE THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 4th day of September, 2025, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **ACCESSIBLE HOUSING AUSTIN!,** a Texas nonprofit corporation (Respondent).

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

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

WAIVER

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

FINDINGS OF FACT (FOF)

Jurisdiction:

1. During 2008, Texas State Affordable Housing Corporation, a Texas public nonprofit corporation (Prior Owner), was awarded Neighborhood Stabilization Program (NSP) funds to acquire and operate three scattered-site single-family homes located at 7009 Thannas Way, 7624 Cayenne Lane, and 3705 Tamil, and two scattered-site duplexes located at 9215 Kempler Drive and 9407 Kempler Drive, all located in Austin, Travis County, Texas, and collectively known as Accessible Housing Austin (NSP # 77090000101, CMTS # 5169).

2. During 2016 and 2018, Respondent was awarded National Housing Trust Fund (NHTF) and Tax Credit Assistance Program Repayment Funds (TCAP-RF) funds to build and operate AHA! at Briarcliff (TCAP-RF #13160017511, NHTF # 82600017511, CMTS #5170), a twenty-sevenunit development located at 1915 Briarcliff Boulevard, in Austin, Travis County, Texas.

3. Respondent is subject to the following land use restriction agreements (LURAs):

    a. NSP # 77090000101 collectively includes the following land use restriction agreements signed by Prior Owner for each of the following NSP properties:

        i. 7009 Thannas Way: Texas Land Use Restriction Agreement effective August 26, 2016, and filed of record on August 29, 2016, at Document Number 2016142197 of the Official Records of Real Property of Travis County, Texas (the Records).

        ii. 7624 Cayenne Lane: Land Use Restriction Agreement effective August 26, 2016, and filed of record on August 29, 2016, at Document Number 2016142180 of the Records.

        iii. 3705 Tamil: Land Use Restriction Agreement effective August 26, 2016, and filed of record on August 29, 2016, at Document Number 2016142209 of the Records.

        iv. 9215 Kempler Drive: Land Use Restriction Agreement effective August 26, 2016, and filed of record on August 29, 2016, at Document Number 2016142219 of the Records.

        v. 9407 Kempler Drive: Land Use Restriction Agreement effective August 26, 2016, and filed of record on August 29, 2016, at Document Number 2016142220 of the Records.

    Prior Owner transferred its interests in the five above NSP properties to Respondent on September 2, 2016, via General Warranty Deeds effective September 2, 2016, and filed of record at Document Numbers 2016148317, 2016149263, 2016148118, 2016148233, and 2016148169, respectively. The

above LURAs remained in place in accordance with Section 7.7 of each LURA, thereby binding Respondent to the terms of each agreement.

b. TCAP RF #13160017511: Respondent signed this Land Use Restriction Agreement effective August 1, 2019, and filed of record on August 14, 2019, at Document Number 2019122612 of the Official Records of Real Property of Travis County, Texas (the Records).

c. NHTF # 82600017511: Respondent signed this Land Use Restriction Agreement effective August 1, 2019, and filed of record on August 14, 2019, at Document Number 2019122614 of the Records.

4. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations[1]:

5. The Department conducted a National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection on February 4, 2025 for CMTS 5169. The inspection report at Exhibit 1 showed numerous property condition violations, a violation of 10 TAC § 10.621 (Property Condition Standards). The Department issued a notification of noncompliance setting a corrective action deadline of May 6, 2025, but Respondent failed to respond, and the TDHCA Compliance Division referred all identified noncompliance for an administrative penalty. Partial corrective documentation was received on May 29, 2025, after intervention by the Enforcement Committee, addressing all issues of noncompliance except for a damaged entry door. Complete corrective documentation was received on July 30, 2025.

6. The Department conducted a National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection on February 5, 2025 for CMTS 5170. The inspection report at Exhibit 2 showed numerous property condition violations, a violation of 10 TAC § 10.621 (Property Condition Standards). The Department issued a notification of noncompliance setting a corrective action deadline of May 6, 2025, but Respondent failed to respond, and the TDHCA Compliance Division referred all identified noncompliance for an administrative penalty. Partial corrective documentation was received on May 29, 2025, after intervention by the Enforcement Committee, addressing all issues of noncompliance except for unwrapped kitchen sink supply lines in two accessible units. Complete corrective documentation was received on August 7, 2025.

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

7. The Department conducted a Section 811 file monitoring review on July 22, 2024, to determine whether Respondent was in compliance with LURA requirements to lease units to low-income households and maintain records demonstrating eligibility for CMTS 5170. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and an October 24, 2024, corrective action deadline was set, then extended through May 17, 2025. The following violations were not resolved before the extended corrective action deadline, and were referred for an administrative penalty:
    a. Respondent failed to conduct the HUD-50059 annual income recertification with supporting documentation for units 112 and 132, a violation of 10 TAC §10.624 (Compliance Requirements for Developments with 811 PRA Units); and
    b. Respondent failed to properly calculate resident portion of rent for units 112 and 132, a violation of 10 TAC §10.624 (Compliance Requirements for Developments with 811 PRA Units).
8. The following violations remain outstanding at the time of this order:
    a. Annual income recertification violations described in FOF #7a; and
    b. Rent calculation violations described in FOF #7b.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC Chapter 2.

2. Respondent is a housing sponsor as that term is defined in Tex. Gov't Code §2306.004(14).

3. The Department is required to monitor for compliance with all program requirements pursuant to Tex. Gov't Code §2306.185.

4. Pursuant to 10 TAC §10.621(a), TDHCA has adopted HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) as the standard for its physical inspections;

5. Respondent violated 10 TAC § 10.621 in 2025, by failing to comply with NSPIRE when major violations were discovered and not timely corrected.

6. Respondent violated 10 TAC §10.624 in 2024, by failing to conduct the HUD-50059 annual income recertification with supporting documentation for units 112 and 132.

7. Respondent violated 10 TAC §10.624 in 2024, by failing to properly calculate resident portion of rent for units 112 and 132.

8. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and Tex. Gov't Code §2306.267.

9. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

10. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.

11. An administrative penalty of $2,000.00 is an appropriate penalty in accordance with 10 TAC Chapter 2.

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

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of $2,000.00, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated at Exhibit 3, and submit full documentation of the corrections to TDHCA on or before October 4, 2025.

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

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, or the property is sold before the terms and conditions of this Agreed Final Order have been fully satisfied, then the full administrative penalty in the amount of $2,000.00 shall be immediately due and payable to the Department. Such payment shall be made by check payable to the Texas Department of Housing and Community Affairs upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold before the terms and conditions of this Agreed Final Order have been fully satisfied.

IT IS FURTHER ORDERED that corrective documentation must be uploaded to the Compliance Monitoring and Tracking System (CMTS) by following the instructions at this link:

https://www.tdhca.texas.gov/sites/default/files/pmcdocs/CMTSUserGuide-AttachingDocs.pdf. After the upload is complete, an email must be sent to Ysella Kaseman at ysella.kaseman@tdhca.texas.gov to inform her that the documentation is ready for review. If it comes due and payable, the penalty payment must be submitted to the following address:

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

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC §10.406, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

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

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on _____, 2025.

By: _____
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared _____, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF _____§

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

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

RESPONDENT:

ACCESSIBLE HOUSING AUSTIN!, a Texas nonprofit corporation

By: _____

Name: Trey Nichols

Title: Executive Director

Given under my hand and seal of office this _____ day of _____, 2025.

_____
Signature of Notary Public

_____
Printed Name of Notary Public

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

Exhibit 1

NSPIRE Report for CMTS 5169

Bldg	Apt	Location	Item	Result	Notes	Severity Level	Date Completed	Completed By
1	9407 B	Bathroom 1	Infestation	Evidence of cockroaches (Live, Dead, or Other Evidence)	Master bathroom	Mod	4/28/2025	ABC Pest Control
1	9407 B	Bedroom 1	Smoke Alarms	Smoke alarm does not produce an audio or visual alarm when tested		LT	4/16/2025	AHA Maintenance-Chris Bryant
1	9407 B	Bedroom 2	Smoke Alarms	Smoke alarm not installed in a sleeping room		LT	4/16/2025	AHA Maintenance-Chris Bryant
1	9407 B	Bedroom 3	Smoke Alarms	Smoke alarm not installed in a sleeping room		LT	4/16/2025	AHA Maintenance-Chris Bryant
1	9407 B	Hallways & Corridors	Smoke Alarms	Smoke alarm not installed outside a sleeping room		LT	4/16/2025	AHA Maintenance-Chris Bryant
1	9407 B	Kitchen	Water Heater	Hot water does not dispense from a faucet or other fixture		Severe	4/16/2025	AHA Maintenance-Chris Bryant
1	9407A	Bedroom 2	Door – General	A passage door component is damaged/missing/inoperable		Low	4/16/2025	AHA Maintenance-Chris Bryant
1	9407A	Bedroom 2	Smoke Alarms	Smoke alarm not installed in a sleeping room		LT	4/16/2025	AHA Maintenance-Chris Bryant
2	3705	Hallways & Corridors	Smoke Alarms	Smoke alarm not installed outside a sleeping room		LT	4/16/2025	AHA Maintenance-Chris Bryant
5	9215 A	Bathroom 1	Sink	Sink is clogged/not draining		Mod	4/16/2025	AHA Maintenance-Chris Bryant
5	9215 A	Bedroom 1	Smoke Alarms	Smoke alarm not installed in a sleeping room		LT	4/16/2025	AHA Maintenance-Chris Bryant
5	9215 A	Hallways & Corridors	Smoke Alarms	Smoke alarm not installed outside a sleeping room		LT	4/16/2025	AHA Maintenance-Chris Bryant
5	9215 B	Alternate Location -	Foundation	Crack is present with a width of 1/4-inch or greater and a length of 12in. or greater	Stress cracks throughout	Mod	5/23/2025	Quality Foundation Repair
5	9215 B	Kitchen	Fire Extinguisher	The fire extinguisher tag is missing or illegible		LT	4/16/2025	AHA Maintenance-Chris Bryant
5	9215 B	Rear Entry	Door Hardware - Entry (non-fire)	Entry door component is damaged, inoperable, or missing (does not affect privacy or security)	Back door	Low	6/6/2025	AHA Maintenance-Chris Bryant

Exhibit 2
NSPIRE Report for CMTS 5170

Bldg	Apt	Location	Item	Result	Notes	Severity Level	Date Completed	Completed By
		Sink Pipe Wrap	ADA 606.4, 5	All hot/cold water supply lines, sharp or abrasive surfaces and flange where sink meets bowl must be wrapped; if doors present still needs to be wrapped	Kitchen plumbing exposed in several units		7/3/25	Belfor Restoration
1	121	Kitchen	Infestation	Evidence of cockroaches (Live, Dead, or Other Evidence)		Mod	4/23/25	ABC Pest Control
1	122	Alternate Location -	Door – General	A passage door component is damaged/missing/inoperable	Entry door doesn't latch but deadbolts work	Low	5/28/25	Accessible Housing Austin Maintenance
1	122	Mechanical/ Utility Room	Water Heater	Pressure relief valve discharge piping is damaged, capped, has an upward slope, or is constructed of unsuitable material	PVC	Severe	5/29/25	Radiant Plumbing
1	122	Mechanical/ Utility Room	Water Heater	Pressure relief valve terminates higher than 6in. or less than 2in. from the waste receptor flood level		Mod	5/29/25	Radiant Plumbing
1	133	Bathroom 1	Ceiling Covering and Finishes	Ceiling has a hole 2in. or more in diameter		Mod	2/20/25	Shepperd Construction
1	133	Hallways & Corridors	Ceiling Covering and Finishes	Ceiling component(s) is not functionally adequate	Sheetrock removed for mold remediation	Severe	2/20/25	Shepperd Construction
1	133	Hallways & Corridors	Smoke Alarms	Smoke alarm not installed outside a sleeping room		LT	2/20/25	Shepperd Construction
2	223	Main Entry	Door – Fire Labeled	A fire-labeled door has inoperable self-closing hardware	Entry door	Severe	5/30/25	Shepperd Construction
2	225	Bathroom 1	Bathtub/Shower	Bath/shower pan or basin damaged, missing, or inoperable		Mod	5/5/25	Shepperd Construction
2	225	Bathroom 1	Floor Covering and Finishes	Floor component(s) is not functionally adequate	Subfloor is missing	Mod	5/5/25	Shepperd Construction
2	225	Bathroom 1	Toilet	Toilet is missing (only toilet in unit)		LT	5/5/25	Shepperd Construction
2	225	Bathroom 1	Wall Covering and Finish – Interior	Wall has a loose or detached surface covering		Mod	5/5/25	Shepperd Construction
2	225	Hallways & Corridors	Floor Covering and Finishes	10% or more of the floor substrate area is exposed in any room		Mod	5/5/25	Shepperd Construction
2	225	Hallways & Corridors	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.	Wall between hall and bathroom	Mod	5/5/25	Shepperd Construction
2	225	Kitchen	Cooking Appliance	Primary cooking appliance is missing	No stove	Severe	5/5/25	Shepperd Construction
2	225	Kitchen	Floor Covering and Finishes	10% or more of the floor substrate area is exposed in any room		Mod	5/5/25	Shepperd Construction
2	225	Kitchen	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		Mod	5/5/25	Shepperd Construction
2	233	Bedroom 1	Smoke Alarms	Smoke alarm not installed in a sleeping room		LT	5/30/25	Shepperd Construction
2	233	Bedroom 2	Smoke Alarms	Smoke alarm not installed in a sleeping room		LT	5/30/25	Shepperd Construction
2	233	Hallways & Corridors	Smoke Alarms	Smoke alarm not installed outside a sleeping room		LT	5/30/25	Shepperd Construction
2	235	Alternate Location -	Ceiling Covering and Finishes	Ceiling component(s) is not functionally adequate	Entire unit	Severe	5/5/25	Shepperd Construction
2	235	Alternate Location -	Ceiling Covering and Finishes	Ceiling has a hole that opens directly to outside environment	Entire unit	Mod	5/5/25	Shepperd Construction
2	235	Alternate Location -	Door – General	A passage door component is damaged/missing/inoperable	No bedroom or bathroom doors	Low	5/5/25	Shepperd Construction
2	235	Alternate Location -	Floor Covering and Finishes	10% or more of the floor substrate area is exposed in any room	Subfloor in entire unit exposed	Mod	5/5/25	Shepperd Construction
2	235	Alternate Location -	Light Fixtures (Interior)	Insufficient illumination in kitchen or bathroom	No light fixtures in unit	Mod	5/5/25	Shepperd Construction
2	235	Alternate Location -	Wall Covering and Finish – Interior	Interior wall component(s) is not functionally adequate	No drywall in entire unit	Mod	5/5/25	Shepperd Construction

2	235	Bathroom 1	Bathtub/Shower	Bath/shower component is damaged, missing, or inoperable	No shower head or facucet	Mod	5/5/25	Shepperd Construction
2	235	Bathroom 1	Bathtub/Shower	Bath/shower pan or basin damaged, missing, or inoperable		Mod	5/5/25	Shepperd Construction
2	235	Bathroom 1	Cabinets/Vanity	50%+ of vanity components are missing/damaged/inoperable in a bathroom or laundry	No cabinets	Mod	5/5/25	Shepperd Construction
2	235	Bathroom 1	Exhaust System	Bathroom ventilation system is inoperable		Mod	5/5/25	Shepperd Construction
2	235	Bathroom 1	Sink	Sink component is damaged or missing impacting functionality	No sink	Mod	5/5/25	Shepperd Construction
2	235	Bathroom 1	Toilet	Toilet is missing (only toilet in unit)		LT	5/5/25	Shepperd Construction
2	235	Bedroom 1	Smoke Alarms	Smoke alarm not installed in a sleeping room		LT	5/5/25	Shepperd Construction
2	235	Hallways & Corridors	HVAC Equipment	Air conditioning system is not operational	HVAC condenser and air handler missing.	Mod	5/5/25	Shepperd Construction
2	235	Hallways & Corridors	Smoke Alarms	Smoke alarm not installed outside a sleeping room		LT	5/5/25	Shepperd Construction
2	235	Kitchen	Cabinetry	50% or more of cabinet components are missing, damaged, or inoperable	No cabinets	Mod	5/5/25	Shepperd Construction
2	235	Kitchen	Conductors, Outlets, Switches	Exposed electrical conductor	Outlets and switches all missing covers	LT	5/5/25	Shepperd Construction
2	235	Kitchen	Cooking Appliance	Cooking range, cooktop, or oven component is damaged or missing	No stove or microwave	Mod	5/5/25	Shepperd Construction
2	235	Kitchen	Cooking Appliance	Primary cooking appliance is missing	No stove or microwave	Severe	5/5/25	Shepperd Construction
2	235	Kitchen	Countertop	The entire kitchen countertop is not adequate (in either size or function)	No countertop	Mod	5/5/25	Shepperd Construction
2	235	Kitchen	Kitchen Sink	Sink is missing or not installed within the primary kitchen	No kitchen sink	Mod	5/5/25	Shepperd Construction
2	235	Kitchen	Light Fixtures (Interior)	A kitchen or bathroom is missing a permanently installed light fixture	No light fixtures in unit	Mod	5/5/25	Shepperd Construction
2	235	Kitchen	Refrigerator	Refrigerator is missing		Mod	5/5/25	Shepperd Construction

Exhibit 3

Section 811 File Monitoring Violation Resources and Instructions for CMTS 5170

Resources: Training regarding the Section 811 program is available in the "811 PRA" section of https://www.tdhca.texas.gov/compliance-program-training-presentations.

Instructions: Upload all of the following documentation to the TDHCA 811 Serv-U HTTP System, in the subfolder Corrective Action, within the folder 5170_AHA at Briarcliff_2024. This is the same system used to exchange previous documents with the Department's Section 811 program staff. Do not upload Section 811 documentation to CMTS.

UNIT FINDINGS

Unit # 112 **Bldg. #** 1 **BIN #** BUILDING 1

Finding Failure to conduct annual income recertification (Section 811 PRA only.)

Noncompliance Date 02/01/2024 **Current Status** Uncorrected - Not Reportable to IRS **Correction Date**

Reason A HUD-50059 and documentation supporting the certification for the Annual Recertification due on February 1, 2024 were not found, but was required per Par. 7-5 of the current HUD Handbook 4350.3. By failing to conduct the recertification, the Owner failed to document tenant on-going eligibility for the 811 PRA program.

Corrective Action Submit through Serv-U 1) an executed HUD-50059 for the Annual Recertification due on February 1, 2024, 2) documentation screening the family for household composition, student eligibility, income, assets, and eligible deductions, reflecting the circumstances as of February 1, 2024, and 3) necessary verifications and clarifications regarding composition, student eligibility, income, assets, and eligible deductions, reflecting the circumstances as of February 1, 2024. Please note: additional findings of noncompliance may be cited upon review.

Unit # 112 **Bldg. #** 1 **BIN #** BUILDING 1

Finding Failure to document, calculate, or collect income and/or rent as required

Noncompliance Date 12/01/2023 **Current Status** Uncorrected - Not Reportable to IRS **Correction Date**

Reason A HUD-50059-A for the gross rent change on December 1, 2023 was not found, but was required per Para. 7-17 and 7-18 of the current HUD Handbook 4350.3. A tenant file and tenant ledger were not found. Without conducting a gross rent change, the property failed to calculate the Tenant Rent, which resulted in unsupportable Tenant Rent charged during this time period.

Corrective Action Submit through Serv-U a HUD-50059-A for the gross rent change on December 1, 2023. If the total Tenant Rent charged between December 1, 2023 and January 31, 2024 does not reflect the required Tenant Rent on the HUD-50059-A, submit also: 1) a current tenant ledger with any necessary adjustments, 2) a letter notifying the tenant that during this time period a) the Tenant Rent and b) they are not either owed a refund for any overcharges (in the form of a check or a credit to their ledger per their election) if they overpaid, or are not responsible for any undercharges, and 3) if necessary, documentation to evidence the tenant was refunded as elected.

Unit # 112 **Bldg. #** 1 **BIN #** BUILDING 1

Finding Failure to document, calculate, or collect income and/or rent as required

Noncompliance Date 02/01/2024 **Current Status** Uncorrected - Not Reportable to IRS **Correction Date**

Reason A HUD-50059 for the Annual Recertification due on February 1, 2024 was not found, but was required per Par. 7-5 of the current HUD Handbook 4350.3. A tenant file and ledger were not found. Without conducting a recertification, the property failed to calculate the Tenant Rent, which resulted in unsupportable Tenant Rent charged during this time period.

Corrective Action Submit through Serv-U a HUD-50059 for the Annual Recertification due February 1, 2024. If the total Tenant Rent charged between February 1, 2024 and June 30, 2024 does not reflect the required Tenant Rent on the HUD-50059, submit also: 1) a current tenant ledger with any necessary adjustments, 2) a letter notifying the tenant that during this time period a) the Tenant Rent and b) they are not either owed a refund for any overcharges (in the form of a check or a credit to their ledger per their election) if they overpaid, or are not responsible for any undercharges, and 3) if necessary, documentation to evidence the tenant was refunded as elected.

Unit # 132 **Bldg. #** 1 **BIN #** BUILDING 1

Finding Failure to conduct annual income recertification (Section 811 PRA only.)

Noncompliance Date 07/01/2023 **Current Status** Uncorrected - Not Reportable to IRS **Correction Date**

Reason A HUD-50059 and documentation supporting the certification for the Annual Recertification due on July 1, 2023 were not found, but was required per Par. 7-5 of the current HUD Handbook 4350.3. By failing to conduct the recertification, the Owner failed to document tenant on-going eligibility for the 811 PRA program.

Corrective Action Submit through Serv-U 1) an executed HUD-50059 for the Annual Recertification due on July 1, 2023, 2) documentation screening the family for household composition, student eligibility, income, assets, and eligible deductions, reflecting the circumstances as of July 1, 2023, and 3) necessary verifications and clarifications regarding composition, student eligibility, income, assets, and eligible deductions, reflecting the circumstances as of July 1, 2023. Please note: additional findings of noncompliance may be cited upon review.

Unit # 132 **Bldg. #** 1 **BIN #** BUILDING 1

Finding Failure to document, calculate, or collect income and/or rent as required

Noncompliance Date 12/01/2023 **Current Status** Uncorrected - Not Reportable to IRS **Correction Date**

Reason A HUD-50059-A for the gross rent change on December 1, 2023 was not found, but was required per Para. 7-17 and 7-18 of the current HUD Handbook 4350.3. A tenant file and tenant ledger were not found. Without conducting a gross rent change, the property failed to calculate the Tenant Rent, which resulted in unsupportable Tenant Rent charged during this time period.

Corrective Action Submit through Serv-U a HUD-50059-A for the gross rent change on December 1, 2023. If the total Tenant Rent charged between December 1, 2023 and June 30, 2024 does not reflect the required Tenant Rent on the HUD-50059-A, submit also: 1) a current tenant ledger with any necessary adjustments, 2) a letter notifying the tenant that during this time period a) the Tenant Rent and b) they are not either owed a refund for any overcharges (in the form of a check or a credit to their ledger per their election) if they overpaid, or are not responsible for any undercharges, and 3) if necessary, documentation to evidence the tenant was refunded as elected.

Unit # 132 **Bldg. #** 1 **BIN #** BUILDING 1

Finding Failure to document, calculate, or collect income and/or rent as required

Noncompliance Date 07/01/2023 **Current Status** Uncorrected - Not Reportable to IRS **Correction Date**

Reason A HUD-50059 for the Annual Recertification due on July 1, 2023 was not found, but was required per Par. 7-5 of the current HUD Handbook 4350.3. A tenant file and ledger were not found. Without conducting a recertification, the property failed to calculate the Tenant Rent, which resulted in unsupportable Tenant Rent charged during this time period.

Corrective Action Submit through Serv-U a HUD-50059 for the Annual Recertification due July 1, 2023. If the total Tenant Rent charged between July 1, 2023 and November 30, 2023 does not reflect the required Tenant Rent on the HUD-50059, submit also: 1) a current tenant ledger with any necessary adjustments, 2) a letter notifying the tenant that during this time period a) the Tenant Rent and b) they are not either owed a refund for any overcharges (in the form of a check or a credit to their ledger per their election) if they overpaid, or are not responsible for any undercharges, and 3) if necessary, documentation to evidence the tenant was refunded as elected.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1145 **Agenda Date:** 9/4/2025 **Agenda #:** 24.

Presentation, discussion, and possible action regarding authorization to release a Notice of Funding Availability for 2026 Community Services Block Grant Discretionary funds for education and employment initiatives for Native American and migrant and seasonal farm worker populations

RECOMMENDED ACTION

WHEREAS, Community Services Block Grant (CSBG) funds are awarded annually to the Texas Department of Housing and Community Affairs (the Department) by the U.S. Department of Health and Human Services (USHHS);

WHEREAS, the Department reserves 90% of the allotment for CSBG eligible entities to provide services/assistance to the low-income population in all 254 counties; up to 5% for state administration expenses; and the remaining amount for state discretionary use;

WHEREAS, at the Board meeting of June 12, 2025, the Department established a set aside of $1,850,000 for 2026 and 2027 CSBG Discretionary (CSBG-D) activities in the 2026-2027 CSBG State Plan, including $300,000 per year for Native American and migrant and seasonal farm worker population education and employment initiatives; and

WHEREAS, CSBG-D funds for Native American and migrant and seasonal farm worker population education and employment initiatives will be made available to eligible applicants to carry out the purpose of the CSBG pursuant to 42 U.S. Code Chapter 106;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director be granted the authority to release a Notice of Funding Availability (NOFA) for 2026 CSBG-D funds for Native American and migrant and seasonal farm worker population education and employment initiatives;

FURTHER RESOLVED, that to the extent that subsequent revisions to the NOFA or iterations for a future NOFA with these funds are required in order to facilitate the use of the funds by the applicants, the Board also authorizes staff to make such revisions in accordance with, and to the extent limited by the CSBG federal and state regulations;

FURTHER RESOLVED, that the 2026 budget for USHHS has not yet been passed by Congress and the Department reserves the right to cancel this NOFA at its sole discretion if insufficient 2026 CSBG funding is received; and

FURTHER RESOLVED, that staff is authorized, empowered, and directed, for and on behalf of

the Department to execute such documents, instruments and writings and perform such other acts as may be necessary to effectuate the foregoing.

BACKGROUND

Each year the Department sets aside 5% (approximately $1,850,000 for 2026 and 2027) of its annual CSBG allocation for state discretionary use. Each year funds from CSBG-D are used for specific identified activities that the Department supports and other ongoing initiatives such as employment and education programs for Native American and migrant and seasonal farm workers. For 2026, $300,000 has been targeted for Native American and migrant and seasonal farm worker populations for employment and education programs for which the Department is issuing this NOFA. This amount is unchanged from the amounts programmed for this activity last year. The Department will release funds competitively. The 2026 budget for USHHS has not yet been passed by Congress, and the Department reserves the right to cancel this NOFA at its sole discretion if insufficient 2026 CSBG funding is received.

In the event that the Department does not have sufficient eligible applications to fund this activity, the Department may, at the discretion of the Executive Director, reprogram the funds from this activity into another eligible discretionary activity specified in the 2026-2027 CSBG State Plan.

The Department's anticipated Contract Term for Program Year 2026 CSBG-D Native American and migrant and seasonal farm worker education and employment initiatives is February 1, 2026, through January 31, 2027.

The NOFA and Scoring Attachment B are attached for review and approval as part of this item. The other attachments referenced in the NOFA, Attachments A and Attachments C through I, are submission forms of required information or certifications, and are not included within this Board Action Request.

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Notice of Funding Availability (NOFA) for 2026 Community Services Block Grant (CSBG) Discretionary Funds for Education and Employment Services to Native American and Migrant and Seasonal Farm Worker (MSFW) Populations

The Texas Department of Housing and Community Affairs (the Department) is pleased to announce a NOFA for 2026 CSBG Discretionary funds for education and employment services to Native American and MSFW populations. The Department is seeking organizations interested in administering projects focused on employment and education in Native American and MSFW populations.

Interested applicants must meet the requirements set forth in the application and must submit a complete application through the established system described in the NOFA on or before **Friday, October 3, 2025, 5:00 p.m. Central time**.

The NOFA is available on the Department's web site at https://www.tdhca.texas.gov/notices-funding-availability-nofas and the application forms referenced in this packet and submission instructions are available on the Department's web site at https://www.tdhca.texas.gov/community-affairs-notices-funding-availability-nofa. The Department looks forward to receiving your completed application. Should you have any related questions, please contact Rita Gonzales-Garza at (512) 475-3905 or rita.garza@tdhca.texas.gov.

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I. Application Instructions

A. Application Deadline:

All applications must be submitted on or before **October 3, 2025, 5:00 p.m. Central time.**

B. Electronic Submission:

All applications must be submitted electronically to be considered eligible applications. Applications must be submitted through the Wufoo system using the following link:

https://tdhca.wufoo.com/forms/NativeAm_and_MSFW_NOFA

C. Application Questions

Application questions may be submitted via electronic mail to rita.garza@tdhca.texas.gov. Answers will be provided in the order in which they are received. Please do not submit the same question twice as you await a response.

The deadline to submit questions related to the content of the NOFA and Application is October 1, 2025, by 5:00 p.m. Central time. Questions related to the content of the NOFA submitted after this deadline may not be answered.

II. Proposed Timeline for NOFA and Application

Date	Action
September 8, 2025	The application will be available through the TDHCA Website: https://www.tdhca.texas.gov/notices-funding-availability-nofas
October 1, 2025 5:00 p.m. CST	Deadline to submit questions regarding the NOFA and application prior to application submission
October 3, 2025 5:00 p.m. CST	Deadline for Applicants to submit applications in response to this NOFA
December 11, 2025	Anticipated date for the Department to present funding recommendations to Board of Directors
February 1, 2026	Anticipated Contract Start Date*
January 31, 2027	Anticipated Contract End Date*

*Any Appeal may delay the Contract Start and End Date

III. General Information

A. Background

The Department has been designated as the state agency to administer the CSBG Program. On an annual basis, the Department receives CSBG funds from the U.S. Department of Health and Human Services (USHHS) to ameliorate the causes of poverty within communities.

The Department is permitted to reserve up to 5% of CSBG funds for state discretionary use for which the Department's Board has determined specific uses. This NOFA releases the portion of these 2026 CSBG Discretionary (CSBG-D) funds aimed at education and employment services for Native Americans and MSFWs.

Capitalized words in this NOFA, unless otherwise defined herein, have the meaning outlined in Chapter 2306 of the Texas Government Code or in Title 10 Texas Administrative Code (TAC), Chapters 1, 2, or 6, as applicable.

B. CSBG-D Subrecipient Performance Requirements:

This NOFA is for services to Native American and MSFW populations. The NOFA will provide funding to organizations to provide new or existing projects that provide education and/or employment assistance and services focusing on the direct needs of individuals and families within the MSFW population or the Native American population. The successful applicant must ensure that participants receive case management along with employment and/or education assistance and services.

This activity must be completed throughout the 12-month Contract Term. The Contract Term is anticipated to be February 1, 2026, through January 31, 2027.

Subrecipient must complete activities that have the following results:

- For employment projects, an increase in employment skills or increase in persons assisted in obtaining jobs; and/or
- For education projects, an increase in education and or skills that are expected to lead to an increase in income.

Persons eligible for direct assistance must have an annual income at or below 125% of the Federal Poverty Income Guidelines issued annually by HHS.

C. Funds Available and Award Amounts

In this NOFA, the Department makes available $300,000 of 2026 non-formula CSBG funds to be utilized for the following discretionary projects:

Category 1: Migrant and Seasonal Farm Worker Education and/or Employment Assistance and Services Projects (Two projects at $100,000 each)	$200,000
Category 2: Native American Education and/or Employment Assistance and Services Projects	$100,000

An applicant must apply for $100,000 per application and an applicant (or Affiliate as defined in 10 TAC §6.2(b)(1)) is limited to receiving an award in only one category (unless no other eligible applications under either Category are recommended). If applying in both categories, the applicant must indicate in the application on Attachment A which award it will accept if the score results in a recommendation for both. If applying for more than one category of award (i.e., applying for both MSFW and NA), the applicant must fill out a separate application for each.

If sufficient eligible applications are received that meet threshold criteria it is anticipated that three awards of $100,000 each will be made by the Department's Board of Directors (Board). The Department intends to fund the two highest scoring applications for assistance to the MSFW population, and the one highest scoring application for assistance to the Native American population. However, if sufficient eligible applications are not received to accomplish that, then the next highest scoring application meeting threshold and scoring criteria in either category will be recommended. If no other applications in either category remain, except from an applicant (or Affiliate) that has already been recommended for an award, the Department may recommend a second award to the next highest scoring application. In the event that the Department does not receive sufficient eligible applications in response to this NOFA to exhaust available funding, the Department reserves the right to reprogram the funds.

The availability of 2026 CSBG-D funds for subrecipient organizations is dependent on the Department's receipt and availability of funds from USHHS. Access to funds may be limited to the amount of 2026 CSBG-D funds available to the Department from USHHS and is subject to Board decisions regarding its use.

D. Eligible Applicant Organizations

Organizations eligible to apply for CSBG-D NOFA funds are: Private Nonprofit Organizations with 501(c) status, Public Housing Authorities, Local Mental Health Authorities, Units of General Local Government, and Regional Councils of Governments who are proposing an educational and/or employment project targeted to either MSFW populations or Native Americans.

E. Ineligible Applicant Organizations

Organizations ineligible to apply for the competitive 2026 CSBG-D funds are:

- Private Nonprofit Organizations that do not have a Certificate of Formation (or Articles of Incorporation);
- Private Nonprofit Organizations that the Texas Secretary of State's Office website does not state are authorized to do business in Texas;
- Organizations for which persons on the organization's governing body or employees are debarred or suspended by the Department or another governmental agency; and
- Organizations for which persons on the organization's governing body or employees are on the suspended or debarred listed for the System for Award Management in accordance with 2 CFR Part 180 and 2 CFR Part 376.

F. Private Nonprofit Organizations.

The Department is not requiring that an organization submit a Certificate of Formation or proof of eligible status. However, it is the applicant's responsibility to ensure that its information including its Certificate of Formation (formally known as Articles of Incorporation) with the Texas Secretary of State's Office is correct and complete at the time of application. The Department will confirm proof of active status directly with the Texas Secretary of State. The Secretary of State's website is https://direct.sos.state.tx.us/home/home-corp.asp (must have account to conduct a search). Failure to have proof of active status with the Texas Secretary of State will cause the application to be terminated without further review as further described in Section VI.A of the NOFA.

G. Registration Requirements

Prior to contract execution, the successful applicant must provide the Department with the organization's Unique Entity Identifier (UEI) (formerly known as Data Universal Numbering System (DUNS)) and proof of registration with the System for Award Management (SAM). If the organization is not registered, go to https://www.sam.gov to renew, update, or create a new registration.

H. Personal Responsibility and Work Opportunity Reconciliation Act of 1996

In response to President Trump's Executive Order 14218 (Ending Taxpayer Subsidization of Open Borders), USHHS issued guidance that CSBG is a federal public benefit and subject to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Under this guidance, CSBG-D funding for MSFW and Native American education and employment activities is also considered a federal public benefit and subject to PRWORA. Therefore, the Department must ensure that an individual receiving benefits under this NOFA is a U.S. Citizen, U.S. National, or Qualified Alien and is requiring that

any recipient of CSBG funding must also comply with PRWORA. Awardees under this NOFA (Administrators) are required to meet this requirement through options provided for in the Department's rule on this subject and in the Contract. The method the awardee uses must be identified at contract execution to ensure that a person receiving federal benefits is a U.S. Citizen, U.S. National, or Qualified Alien. Applicants will select their preferred option on Attachment H of the Application. Refer to 10 TAC §1.410 (https://texas-sos.appianportalsgov.com/rules-and-meetings?$locale=en_US&interface=VIEW_TAC_SUMMARY&queryAsDate=08%2F20%2F2025&recordId=220765) for more information.

IV. State and Federal Requirements

Subrecipient shall comply with all provisions of the Federal and State laws and regulations listed below and in Attachment G, including but not limited to:

Public Law 105-285, Title II - Community Services Block Grant Program, Subtitle B Community Services Block Grant Program of the Community Services Block Grant Act, Chapter 106 of the Community Services Block Grant Act (42 U.S.C. §9901 *et seq.*), as amended by the "Community Services Block Grant Amendments of 1994" (P.L. 103-252) and the Coats Human Services Reauthorization Act of 1998 (P.L. 105-285).

Subrecipient shall also comply with the Drug-Free Workplace Act of 1988, the Pro-Children Act of 1994, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794), the Americans with Disabilities Act of 1990 (ADA), as amended (42 U.S.C. 12101 et seq.).

Subrecipient shall practice non-discrimination and provide equal opportunity in compliance with federal law in keeping with the President's Executive Order 11246 of September 24, 1965, and ensure that a person shall not be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in the administration of or in connection with any program or activity funded in whole or in part with funds made available under this contract, on the grounds of race, color, religion, sex, national origin, age, disability, political affiliation or belief.

Subrecipient shall comply with political activity prohibitions and shall not utilize CSBG funds to influence the outcome of any election, or the passage or defeat of any legislative measure or to directly or indirectly hire employees or in any other way fund or support candidates for the legislative, executive, or judicial branches of government of subrecipients, the State of Texas, or the government of the United States. Subrecipient shall comply with 45 CFR §87.2 and ensure that CSBG funds are not to be used for sectarian or inherently religious activities such as worship, religious instruction or proselytization, and must be for the benefit of persons regardless of religious affiliation.

Subrecipient shall comply with Chapter 2264 of the Texas Government Code and will not knowingly employ an undocumented worker, where "undocumented worker" means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.

Subrecipient is not permitted to award any funds provided by this contract to any party that is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549. The Subrecipient will be required to agree that prior to entering into any agreement with a potential subcontractor that the verification process to comply with this requirement will be accomplished by checking SAM.gov | Duns - Sam UEI.

Chapter 2306 of the Texas Government Code;

Title 10 Texas Administrative Code, Part 1, Chapters 1 and 2;

Title 10 Texas Administrative Code, Part 1, Chapter 6, Subchapters A and B;

2 CFR Part 200, as applicable;

Executive Order 14218 (Ending Taxpayer Subsidization of Open Borders), February 19, 2025;

Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA);

and Texas Grant Management Standards, as applicable.

V. Application Content

Attachments A-H are Threshold Documents. Each Application must contain the items listed below in the following order:

- Attachment A – Applicant Information Form – Form must be placed on the top of the application.
- Attachment B – Application Questions Parts 1-4 and Scoring Summary – Complete the NOFA Application Questions document Parts 1-4. Any attachments related to questions within Attachment B should identify the question # and be numbered accordingly. Please use the following format to provide any information which is requested in response to questions if the space provided in the Excel worksheet is insufficient:
  - ✓ 11 font
  - ✓ Standard 8½" x 11" paper with 1" margins
  - ✓ Provide brief descriptions of requested information.
- Attachment C – Audit Information – All applications must include the following documents relating to fiscal accountability, even if this information has been previously submitted to the Department.
  A. An application must include a completed Audit Certification Form, found on the Department's website at https://www.tdhca.texas.gov/compliance-forms.
  B. An organization that is subject to the Federal Single Audit Act requirements must certify that the Single Audit for the latest fiscal year is available at the Federal Audit Clearinghouse and submit one copy of the organization's most recent Single Audit report. An Organization that is subject only to the State Single Audit Act must submit one copy of the organization's most recent Single Audit report.
  C. An organization not subject to either the Federal or the State Single Audit requirements must submit one copy of a third-party audit of financial statements prepared by a Certified Public Accountant, including any notes to the audit.
- Attachment D – Uniform Previous Participation Form for Single Family and Community Affairs. NOTE: When submitting the PPR FORM, please submit either the Excel spreadsheet or save the Excel spreadsheet as an Adobe PDF. We cannot use a scanned copy. In completing the PPR, be sure that if your response to question #3 is "No", place initials in the yellow highlighted box on the far-right side.
- Attachment E – Certifications Regarding Legal Actions, Debarment & Compliance with Laws.
- Attachment F – Private Nonprofit Organization's Tax-Exempt Status Documentation. Existing Internal Revenue Service (IRS) ruling – All private nonprofit organizations must provide documentation of their status as a tax-exempt entity under Section 501(c) of the Internal Revenue Code. The ruling should be on IRS letterhead which is legible and signed by the IRS District Director. Expired advanced rulings from the IRS are not acceptable. If an organization is a subsidiary of a

parent organization, documentation of the parent organization's IRS ruling and a copy of the page listing the affiliate organization in the documents filed with the IRS by the parent organization.

- Attachment G – Applicant Certifications
  The certification must be signed by the organization's Executive Director or equivalent title, with contractual signatory authority. If such cannot be attested, then attach a document explaining why.
- Attachment H – PRWORA Certification
  Applicants must select one of three options to ensure compliance with PRWORA. Applications without this certification will be sent a notice of elimination of their application from consideration and notified of their opportunity to appeal.
- Attachment I – CSBG Budget Worksheets
  A. The proposed budget for CSBG is to be submitted utilizing the Attachment I spreadsheet. There are several tabs within the spreadsheet to complete. Complete the budget based on the estimated funds available noted in Section III. C (i.e., $100,000).
  B. This NOFA does not have limitations on the amount of funds utilized for the provision of direct services or for the costs of staff assigned to provide the direct services, as long as the costs meet federal and state requirements.

VI. Application Review Process

A. Eligibility Review

The Department will review applications to determine if they meet the following eligibility criteria. If the Department determines that any of these criteria have not been satisfied, the application will not be reviewed and the applicant will be sent a notice of the elimination of their application from consideration, and notified of their opportunity to appeal. The eligibility criteria are:

- Application documents must be submitted electronically to be considered eligible applications. Applications are to be submitted through the Wufoo using the following link: https://tdhca.wufoo.com/forms/NativeAm_and_MSFW_NOFA
- An Applicant must meet all requirements as set forth in III. General Information, D. Eligible Applicant Organizations; and
- An Applicant must not be an ineligible applicant organization as set forth in III. General Information, E. Ineligible Applicant Organizations.

Any applicant not meeting these threshold criteria will be terminated. A notice of termination will be sent, and an applicant will have an opportunity to appeal the decision in accordance with 10 TAC §1.7, Staff Appeals Process.

B. Deficiency Notices

After the application receipt deadline, the Department will not consider any unsolicited information that an applicant may want to provide. If the Department identifies deficiencies within Attachments A-H, separate from the eligibility criteria listed above, it will issue a deficiency notice to request the deficiency be resolved and automatically deduct 10 points from the final score for each deficiency. For certain questions, the Department may choose to not issue a deficiency notice if applicant did not respond, fully answer a question(s), or provide requested documentation. The applicant will simply not receive points for those questions where information was not provided. For example, for Question 2.1, a deficiency notice will not be issued for failure to attach monitoring reports or an email/document from funding source explaining it has not been monitored. Points will simply be deducted for non-submission.

Deficiency notices will be e-mailed to the applicant's chief executive and the person specified as the "person to contact with application questions" in the applicant information form (Attachment A). If the applicant does not provide the requested information within three business days, the applicant will be sent a notice indicating termination of the application.

C. Scoring of Applications

Applications determined eligible for review will be scored by the Department. The Department will utilize a standard scoring instrument to evaluate, score, and rank each application. The scoring instrument will award points based on the applicant's response to the requested information in Attachment B. Questions within Attachment B that go unanswered will not receive any points. The Department reserves the right to reject applications with a score below 50% of the maximum eligible points. If all applicants score below the minimum point threshold, the Department reserves the right to review the top overall scoring entity and if, in the Department's judgment, they can appropriately administer the CSBG-D funds, may recommend an award to its Governing Board.

Upon completion of scoring each application, applicants will be provided a scoring notice with an opportunity to appeal.

The Department will consider and evaluate prior monitoring and/or audit issues during its application scoring. Additionally, other factors to be considered in the scoring of each application will include, but not be limited to:

- Experience assisting the Native American and MSFW populations with education and/or employment services;
- Capacity to effectively administer federal funds and to ensure compliance with regulations;
- Ability to demonstrate staff and organizational capacity to deliver the proposed services; and,
- Ability to demonstrate positive past performance with Department or other federally funded programs, including the results of Department monitoring reviews, timeliness of submission of reports, and other information deemed relevant to performance.

In the event of a tie, the following sections will be used to break the tie – Section 3.1 (highest score), followed by Section 1.2 + 1.3 (highest score), followed by Attachment B, Part 4 (highest score).

D. Awards

Applicants whose applications rank high enough will be reviewed by the Department's Previous Participation Review and Approval Process and subsequently brought to the Department's Governing Board for consideration of an award.

E. Appeals Process

An appeal of a staff determination must be submitted in writing and in accordance with the Texas Administrative Rule Title 10, Part 1, Chapter 1, Subchapter A, §1.7 which can be found at the Secretary of State's website at Home - Rules & Meetings

VII. Appendices

Federal and State Resources:

CSBG Act, COATES Human Services Reauthorization Act of 1998, available at https://www.acf.hhs.gov/ocs/resource/community-services-block-grant-statute

Texas Administrative Code - 10 TAC Chapter 1, Administration, available at

Home - Rules & Meetings

Texas Administrative Code - 10 TAC Chapter 2, Enforcement, available at

Home - Rules & Meetings

Texas Administrative Code - 10 TAC Chapter 6, Subchapter A, General Provisions, available at

Home - Rules & Meetings

Texas Administrative Code - 10 TAC Chapter 6, Subchapter B, Community Services Block Grant, available at Home - Rules & Meetings

VIII. List of Attachments

Attachments are posted separately on the TDHCA website as fillable MS Excel documents at: https://www.tdhca.texas.gov/community-affairs-notices-funding-availability-nofa

- Attachment A: Applicant Information Form
- Attachment B: Application Questions (and any documents requested therein) Parts 1-4 and Scoring Summary
- Attachment C: Audit Information
- Attachment D: Uniform Previous Participation Form
- Attachment E: Certifications Regarding Legal Actions, Debarment & Compliance with Laws
- Attachment F: Private Nonprofit Organization's Tax-Exempt Status Documentation
- Attachment G: Applicant Certifications
- Attachment H: PRWORA Certification
- Attachment I: CSBG Budget Worksheets

NOFA for 2026 CSBG Disrectionary Funds for Native American and MSFW Populations
Attachment B: Part 1 - Experience

Applicant Name:	#REF!

Instructions:

When responding to the questions in Attachment B - Part 1 - 4:

1. Attachments: Applicant must complete all areas highlighted in yellow and upload attachments according to the instructions found on the Wufoo submission page.

2. Responses: If the response is provided in a separate document, please ensure that the response is uploaded as the appropriate entry in the Wufoo submission. If the Department is unable to clearly determine which question the response pertains to, the applicant may not receive points for their response.

3. Years of Experience: When responding to years of experience, if the experience is 6 months or greater, round your response up to one year. If it is less than six months, do not. For example: 1 year 5 months would be 1 year and 1 year 6 months would be 2 years.

4. All applicants must complete all parts of the application questions.

Attachment B: Part 1 - Experience

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
1.1	The applicant's experience administering other state or federally funded programs subject to 2 CFR Part 200 or UGMS/TXGMS (currently administered directly by applicant) during the past **3 years**. Other grant funds from the Texas Department of Housing and Community Affairs (TDHCA), ***excluding the CSBG Discretionary grant for MSFW/NA*** , are to be included. If applicant received the grant for more than one fiscal year, list each year it was received.	State or federally funded grant programs administered: Note: A maximum of 50 points will be awarded. • 5 points for each state or federally funded program administered Note: points will not be given for TDHCA CSBG Discretionary grant for MSFW/NA.	**50**			

Table 1.1 In the table below, list all current state or federally funded grant programs administered directly by the applicant and the number of years administering the grant (indicate each grant source only once), including TDHCA funds. Add additional pages as necessary and identify the question the response pertains to.

Grant Name (for federal funds use the CFDA Code of Federal Regulations name)	Funding Entity Providing Award	Indicate F for Federal funds or S for State Funds

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
1.2	**Employment**: Provide the following information on the experience in delivering **employment skills or employment related assistance** for the population for which applicant is applying (i.e., either Native American or migrant seasonal farm worker). Explain the types of employment skills or employment related assistance and the number of year(s) that your organization provided employment skills or employment related assistance and which of the target populations were served and how many were served during the last 12 month contract period that you provided similar services. For example, if the applicant indicated they are applying for funds to assist Native American populations, they will only receive points for this question only if the experience relates to assisting Native Americans. **No points will be given if you do not specify whether the experience or persons served were MSFW or Native American.**	In assigning points, reviewer will consider the depth to which the nature of the experience in delivering **employment skills or employment related assistance** is described: a. A maximum of 30 points will be awarded, based on whether the population served includes the population for which the applicant is applying (i.e., either Native American or migrant seasonal farm worker), and the depth of relevant employment skills or employment related assistance experience with either Native Americans or migrant seasonal farm workers (as applicable). Number of points awarded will be dependent on the specificity of the description and experience related to direct employment skills or employment related assistance with the targeted population. b. A maximum of 10 points may be awarded, with 4 points for 2 years of experience, 8 points for 3-4 years, 10 points for 5+ years of providing direct employment skills or employment related assistance to the targeted population. c. Provide points for the number of unduplicated persons (MSFW or Native Americans) served with employment skills or employment related assistance for the most recently completed TDHCA CSBG Discretionary contract or any other funds that provided employment skills or employment related assistance to either MSFW and Native American populations. Points: 5-15 persons award 5 points; 16-29 persons award 10 points; 30-45 persons award 20 points 46-55 persons award 30 points 56+ persons award 40 points	**80**			

a. In the space below, provide a detailed description of relevant prior experience providing services related to employment skills or employment related assistance enabling persons to improve their employability or increase wages for the particular target population (MSFWs or Native Americans) for which the applicant is applying. Must indicate whether the experience was targeted to providing those services to either Native American or MSFW in order to receive points. If general population, explain such.

b. In the space below, in reference to what is described in a. above, provide information on the number of years (and include particular years i.e. 2020-2024) of relevant experience providing direct employment skills or employment related assistance to the population for which the applicant is applying (i.e., either Native Americans or migrant and seasonal farm workers).

c. In the space below, provide information on either the number of unduplicated Native Americans **or** the number of unduplicated migrant and seasonal farm workers assisted with employment skills or employment related assistance for the last completed 12 month contract period providing similar services. Report data for a 12 month period and indicate the time period and funding source. Specify: 1) the 12 month time period (if it is CSBG-D funding use a complete contract period that is closed) 2) fund source, and 3) the number of persons served by each targeted population. Note: If the services were not for one of the target populations and were not for employment skills or employment related, do not report it.

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
1.3	**Education**: Provide the following information on the experience in delivering **education related assistance** for the population for which applicant is applying (i.e., either Native American or migrant and seasonal farm worker). Explain the types of education related assistance and the number of year(s) that your organization provided education related assistance and which of the target populations were served and how many were served during the last 12 month contract period that you provided similar services. For example, if the applicant indicated they are applying for funds to assist Native American populations, they will only receive points for this question only if the experience relates to assisting Native Americans. **No points will be given if you do not specify whether the**	In assigning points, reviewer will consider the depth to which the nature of the experience in delivering **education related assistance** is described: a. A maximum of 30 points will be awarded, based on whether the population served includes the population for which the applicant is applying (i.e., either Native American or migrant seasonal farm worker), and the depth of relevant experience in providing direct education related assistance experience with either Native Americans or migrant seasonal farm workers (as applicable). Number of points awarded will be dependent on the specificity of the description and experience related to direct	**80**			

	experience or persons served were MSFW or Native American.	education related assistance with the targeted population. b. A maximum of 10 points may be awarded, with 4 points for 2 years of experience, 8 points for 3-4 years, 10 points for 5+ years of providing direct education related assistance to the targeted population. c. Provide points for the number of unduplicated persons served with education related assistance for the most recently completed TDHCA CSBG Discretionary contract or any other funds that provided education related assistance to either Native American or migrant seasonal farm workers: 5-15 persons award 5 points; 16-29 persons award 10 points; 30-45 persons award 20 points 46-55 persons award 30 points 56+ persons award 40 points				

a. In the space below, provide a detailed description of relevant prior experience providing services related to increasing individuals education aimed at improving their employability or increasing their wages (types of services, etc.) for the particular target population (MSFWs or Native Americans) for which the applicant is applying. Must indicate whether the experience was targeted to providing those services to either Native American or MSFW in order to receive points. If general population, explain such.

b. In the space below, in reference to what is described in a. above, provide information on the number of years (and include particular years i.e. 2020-2024) of relevant experience providing direct education related assistance to the population for which the applicant is applying (i.e., either Native Americans or migrant and seasonal farm workers).

c. In the space below, provide information on either the number of unduplicated Native Americans or the number of unduplicated migrant and seasonal farm workers assisted with **direct education related assistance** for the last completed 12 month contract period providing similar services. Report data for a 12 month period and indicate the time period and funding source. Specify: 1) the 12 month time period (if it is CSBG-D funding use a complete contract period that is closed) 2) fund source, and 3) the number of persons served by each targeted population. Note: If the services were not for one of the target populations and were not for direct education related assistance, do not report it.

210	**0**	**0**	**0**

NOFA for 2026 CSBG Disrectionary Funds for Native American and MSFW Populations
Attachment B: Part 2 - Prior Performance

Applicant Name: | **#REF!**

Attachment B: Part 2 - Prior Performance

Section	Question				Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
2.1	**Monitoring Reports**: In the table below, list all funded programs identified in 1.1 and if monitored in the **past 3 years**, **provide copies of the last monitoring report** issued by funding source in the last 3 years. **If** the grant has **not** been **monitored** in the past 3 years, **provide an email or letter** from funding agency stating that the grant has not been monitored in the last three years. Also, provide follow-up responses from your organization to the funding source and any follow-up letters from funding source to demonstrate resolution of monitoring findings/deficiencies. If follow-up response has not been issued, please explain. **NOTE**: Failure to provide the monitoring report or email or letter from funding source indicating it has not been monitored in the past 3 years, will result in point deductions. A deficiency notice will not be issued due to failure to attach monitoring report of email/document from funding source explaining it has not been monitored. Points will simply be deducted for non-submission.				For monitoring reports of the past 3 years, consider the number of concerns (or other comparable term), monitoring findings (or other comparable term), deficiencies, and disallowed costs identified in monitoring reviews of state and federally funded programs listed in question 1.1. For each monitoring report: (1) for each concern, deduct 2 points (2) for each finding which is not significant, deduct 4 points: (3) for each finding which is significant, deduct 8 points. Significant findings are those such as ones related to questioned costs or potentially ineligible costs related to client financial assistance to ineligible clients or cost allocation issues: (4) For each deficiency, deduct 10 points. (5) For each monitoring report of any State or federal funds which had disallowed costs from $1- $999, deduct 15 points, in addition to point deductions related to (2) and (3) above. (6) For each monitoring report of any State or Federal funds which had disallowed costs $1,000 and above, deduct 25 points, in addition to point deductions above. (7) Applicant shows history of not cooperating with or not submitting TDHCA requested monitoring documentation in the past 3 years: Deduct 20 points per fund source of non-cooperation. (8) Deduct 10 points per funded program for each monitoring report not submitted or if an email or letter was not provided explaining that it has not been monitored in last 3 years. Note: maximum point deduction -70 points total	**(points to be deducted based on review)**			

Table 2.1 (Instruction: Applicant must provide copies of the most recent monitoring report for each funding source. If a grant was monitored more than once in past 3 years, only provide the most recent one. *If the grant has* ***not*** *been monitored in the past 36 months, provide a document or email from the funding source to that effect with name of grant and name of federal or state agency.* If the monitoring report is not provided or a document or email from funding source explaining it has not been monitored in the past 36 months, point deductions will be taken. The Wufoo submission portal has several fields to upload documents related to monitoring (up to max 25 MB per question in Wufoo upload port). Please include a cover page labeled as "Documents in response to Question #2.1".)

Funding Source (name of awarding federal or state agency)	Name of Grant	Page # where report is found (clearly label attachment with question #2.1)	# of Deficiencies Identified (-10 points)	# of Significant Findings Identified (-8 points)	# of Non-Significant Findings Identified (-4 points)	# of Concerns Identified (-2 points)	Copy of Report attached or Letter/email if not monitored (Y/N)	Amount of Disallowed Costs
2.2 **Audit**:		Three Scoring Areas:	**(points to be deducted based on review)**					

	Submit the most recently completed Single Audit or third-party audit. Also include management letters and responses to management letters as applicable. Submit/upload with Attachment C. If the audit indicates that the findings/questioned costs, disallowed costs, or internal control deficiencies/ concerns, are the same as those raised in the monitoring reports already addressed in Section 2.1, the application will not lose points in both areas for those items. Section 2.1 will be scored first, and any additional point deductions will be applied here. An organization *not* subject to either the Federal or the State Single Audit requirements must submit one copy of a third-party audit of financial statements prepared by a Certified Public Accountant, including any notes to the audit. Submit/upload with Attachment C. Private Nonprofit Organizations that have expended less than $750,000 in Federal or State funds and who have received LIHEAP or CSBG funds from the Department in the last fiscal year are not required by federal or state law to have an audit and therefore are not required to submit a separate audit. For these organizations, Section 2.1 will suffice as the scoring tool to be used for prior performance.		1. Audit Findings for most recent audit period • Audit with no findings: -0 points • Audit with some findings (not significant): -5 points • Audit with significant findings (Note that significant findings/deficiencies may deem an application ineligible: -10 points 2. Disallowed Costs for current audit period • No disallowed costs: -0 points • Questioned costs: -3 points • Disallowed costs (significance based on other than minor administrative error): -10 points if disallowed costs are 10% or more of the related grant award. If below 10% of the related grant award, deduct -5 points. 3. Internal Control Deficiencies or Material Weakness for current audit period • No internal control deficiencies or material weakness or concerns: 0 points • Material weakness(es) identified: - 5 points • Significant Internal Control Deficiency(ies) identified: -10 points • Internal Control Deficiencies identified: -5 points 4. Single Audit has not been completed and is overdue (do not deduct points if an extension is allowed due to COVID-19): -20 5. If applicant does not meet threshold for completing a Single Audit and has not had a third-party audit of financial statements prepared by a Certified Public						
Section	**Question and Response**				**Scoring Mechanism**	**Maximum Points**	**Self-Score**	**Reviewer 1 (TDHCA use only)**	**Reviewer 2 (TDHCA use only)**
2.3	In the most recently funded and closed CSBG-D contract, determine if applicant failed to submit their monthly performance or monthly expenditure reports or final performance or final expenditure reports to the Department by the due date? **Response**: If yes and some were submitted late, list which type of report (fiscal or performance) below in highlighted area:				If Departmental records show late submissions of performance or expenditure reports during the last funded and closed CSBG-D contract: Deduct 2 points per late submission No late submissions = 0 points	**(points to be deducted based on review)**			
2.4	Has the applicant been placed on a modified cost reimbursement basis of payment for TDHCA Community Affairs funded programs during the past 3 years (a contract sanction whereby reimbursement of costs incurred by a Subrecipient is made only after the Department has reviewed and approved backup documentation provided by the Subrecipient to support such costs)? **Response:** Select Yes or No in the drop down menu of the cell below: Is the applicant currently on a modified cost reimbursement method of payment for TDHCA funded programs? **Response:** Select Yes or No in the drop down menu of the cell below:				Applicant's history of being on a modified cost reimbursement method of payment for TDHCA Community Affairs Division funded programs. • Yes, during the past 3 years: Deduct 20 points • Yes, currently on modified cost reimbursement: Deduct 50 points • No, not during the past 3 years: 0 point deduction	**(points to be deducted based on review)**			
2.5	In the yellow space provided below, provide the following information related to your organization's expenditure of CSBG Discretionary MSFW/NA funds for the most recently completed TDHCA CSBG Discretionary MSFW/NA contract. If no funding was received, leave blank.				Prior Performance - Expenditures: For each percentage point not spent in the last completed contract year, one point will be deducted. (i.e., 81.4% = 19 points deducted, 81.5% = 18 points deducted) Note: The Department will verify expenditures from our records.	**(points to be deducted based on review)**			
Year	**Contract Period**				**CSBG Discretionary Award Amount**	**Final Expenditure Amount**			**% of Funds Expended**
Section	**Question**				**Scoring Mechanism**	**Maximum Points**	**Self-Score**	**Reviewer 1 (TDHCA use only)**	**Reviewer 2 (TDHCA use only)**
2.6	Complete the table below. Provide the requested Performance				**Prior Performance Persons Served**	**(points to be**			

	Statement information for the most recently completed TDHCA CSBG Discretionary MSFW/NA contract.				• Deduct 3 points for every performance statement target for which 90% of the target that was not met. Deductions will not be taken for exceeding the target. **Note:** The Department will verify performance from our records.	**deducted based on review)**		

Contract Period Dates	Performance Statement #				Description of activity/service (per TDHCA contract) **Note:** include all performance statements in the contract	Number to Be Served (target)	# of Persons Reported in Final Performance Report	% of Target Achieved

TBD	0	0	0

NOFA for 2026 CSBG Disrectionary Funds for Native American and MSFW Populations
Attachment B: Part 3 - Efficiency

Applicant Name:	**#REF!**

Attachment B: Part 3 - Efficiency

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
3.1	Provide information on *Direct Client Assistance* costs. *Direct client assistance* costs relate to costs for direct assistance to clients such as education or employment related assistance (tuition, uniforms, books, etc.). The *Direct Client Assistance* costs must match the costs provided in **Attachment I CSBG Budget** (Tabs named "Summary Page 1" and "Direct Client Services B.6").	Award points based on % of budget spent on Direct Client Assistance. For example: 92% DCA = 92 points 74% DCA = 74 points 20% DCA = 20 points 0% DCA = 0 points	**100**			
			100	**0**	**0**	**0**

NOFA for 2026 CSBG Disrectionary Funds for Native American and MSFW Populations
Attachment B: Part 4 - Proposed Employment and Education Services/Activities

Applicant Name:	**#REF!**

Attachment B: Part 4 - Proposed Employment and Education Services/Activities

Section	Question	Scoring Mechanism	Maximum	Self-Score	Reviewer 1 (TDHCA	Reviewer 2
4.1	In the space below, briefly describe the employment and education initiative (identify staff and work titles, types of services and assistance to be provided, etc.).	In assigning points, reviewer will consider the depth to which the following items are described: Applicant provided information that demonstrates: a. Clear and detailed description of initiative: 10 point maximum b. Clear and detailed description of services and assistance to be provided: 10 point maximum c. Provided information on staffing (number and position titles) for initiative. 5 point maximum d. Description was not very detailed and plan not very comprehensive: -5 points	**25**			

Section 4.1 – Response

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
4.2	Provide targets for the total number of *unduplicated persons to be served* through the grant considering *both the* Education ***and*** Employment *components.* Also provide targets for the number of unduplicated persons to receive *case management* (a process whereby a case worker meets with client one on one in an ongoing basis to identify, develop, and implement a plan to meet short and long-term goals) considering *both the* Education *and* Employment *components.* Only count the individual once, even if they will receive both education and employment service/assistance and received assistance multiple times. (ONLY COUNT THE PRIMARY RECIPIENT, SUCH AS THE HEAD OF HOUSEHOLD, DO NOT COUNT THE ENTIRE HOUSEHOLD). NOTE: The Department will utilize these proposed targets in the contract and applicant will be evaluated in a future application cycle on their performance (i.e., points deducted for not meeting proposed targets from prior application). NOTE: If applicant doesn't provide the number to be served, a Deficiency Notice will not be issued nor points awarded.	Maximum points: **105** For **4.2a.** award points for the number of unduplicated persons to be served for both the Education and Employment components, award point as follows: 0-5 persons: 5 points 6-10 persons: 10 points 11-20 persons: 20 points 21-50 persons: 30 points 51-75 persons: 40 points 76+ persons: 50 points For **4.2 b.**, award points for the number of unduplicated persons that will receive *Case Management* services for both the Education and Employment components, award point as follows: 0-5 persons: 10 points 6-10 persons: 20 points 11-20 persons: 30 points 21-50 persons: 40 points 51-75 persons: 50 points 76+ persons: 55 points NOTE: Do not overestimate your target numbers because in a subsequent application for funds, you	**105**			

	Response to 4.2:	Target
a.	Unduplicated number of persons that will be served during the year (Max points = 50):	
b.	Unduplicated number of persons that will be served who will receive case management (Max points = 55):	

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
4.3	**Employment Initiative:**	**Award points as follows:**	**120**			

	Provide targets for the number of **unduplicated persons** (count individual receiving assistance one time per year) that you anticipate will achieve the stated goal or receive the stated service as a result of assistance provided through the **Employment** initiative. An individual can be counted as an unduplicated person receiving a service only once in each activity during the contract term (ONLY COUNT THE PRIMARY RECIPIENT, SUCH AS THE HEAD OF HOUSEHOLD, DO NOT COUNT THE ENTIRE HOUSEHOLD). NOTE: The Department will utilize these proposed targets in the contract and applicant will be evaluated in a future application cycle on their performance (i.e., points deducted for not meeting proposed targets from prior application). If applicant doesn't provide the number to be served, a Deficiency Notice will not be issued nor points awarded.	**For each response to parts a. thru c., award the points indicated for each response:** 0-5 persons: 1 point 6-10 persons: 5 points 11-20 persons: 10 points 21-50 persons: 20 points 51-100 persons: 60 points 101+: 80 points Maximum total points for 4.3 a.-c. is 80 points. For d. award 1 point for each person up to a max of 40 points. **NOTE**: Do not overestimate your target numbers because in the subsequent application for funds, you will be penalized for not meeting targets proposed in your application in Attachment B Part 2 Question 2.6.				

Table 4.3 - Employment Initiative		**Target**
a.	Number of unduplicated persons that were unemployed that will obtain employment to gain skills or income (CSBG Performance Report - Employment Indicators NPI 1 series 1.1a., 1.1b., 1.1e.)	
b.	Number of persons that will obtain an increase in income and or benefits or increased hours. (CSBG Performance Report - Employment Indicators NPI 1 series 1.1 h.1, 1.1 h.2, or 1.1 h.3)	
c.	Number of persons that will obtain work skills or experience (not related to job search, but actual work skills) to obtain employment or to obtain an increase in employment (a better job, better wages, etc.) through job/vocational or skills training and apprenticeships. (CSBG Performance Report - Employment Services 1.a.-1.f.) SRV 1.a. vocational training, SRV 1.b. On-the-Job and other Work Experience, SRV 1.c. Youth Summer Work Placements, SRV 1.d. Apprenticeship/Internship, SRV 1.e. Self-Employment Skills Training, SRV 1.f. Job Readiness Training)	
d.	Number of persons to be provided job search and readiness assistance (such as coaching, resume writing, interview skills training, pre-employment physicals, background checks, career counseling & workshops, etc.). (CSBG Performance Report - SRV 1.g.-o.)	

Section	**Question**	**Scoring Mechanism**	**Maximum Points**	**Self-Score**	**Reviewer 1 (TDHCA use only)**	**Reviewer 2 (TDHCA use only)**
4.4	**Education Initiative:** Provide targets for the number of unduplicated persons that you anticipate will achieve the stated goal or receive the stated service as a result of assistance provided through the Education initiative. An individual can be counted as an unduplicated person receiving a service only once in each activity during the contract term (ONLY COUNT THE PRIMARY RECIPIENT, SUCH AS THE HEAD OF HOUSEHOLD, DO NOT COUNT THE ENTIRE HOUSEHOLD). NOTE: The Department will utilize these proposed targets in the contract and applicant will be evaluated in a future application cycle on their performance (i.e., points deducted for not meeting proposed targets). If applicant doesn't provide the number to be served, a Deficiency Notice will not be issued nor points awarded.	**Award points as follows:** **For each response to a. thru e., award the points indicated for each response:** 1- 5 persons: 1 point 6-10 persons: 5 points 11-20 persons: 10 points 21-50 persons: 20 points 51-100 persons: 60 points 101+ persons: 80 points Maximum for 4.4 is 80 points. **NOTE**: Do not overestimate your target numbers because in the subsequent application for funds, you will be penalized for not meeting targets proposed in your application in Attachment B Part 2 Question 2.6.	**80**			

Table 4.5 - Education Initiative	**Target**

a.	Number of persons that will enroll and work towards obtaining a recognized credential, certificate, or degree related to the achievement of educational or vocational skills (a trade school or community college). (CSBG Performance Report - National Performance Indicator 1.h.)	
b.	Number of persons that will demonstrate improved basic education or receive adult literacy classes, ESL, basic education, or applied technology classes (excluding high school and GED). (CSBG Performance Report - SRVs 2.g., 2.r., 2.x.)	
c.	Number of persons that will enroll and work towards obtaining a high school diploma or GED.(CSBG Performance Report - National Performance Indicator 1.1 g.)	
d.	Number of persons that will enroll and work towards obtaining an Associate's degree. (CSBG Performance Report - National Performance Indicator 1.1 i.)	
e.	Number of persons that will enroll and work towards obtaining a Bachelor's degree.(CSBG Performance Report - National Performance Indicator 1.1 j.)	

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
4.5	**Unduplicated Persons:** Provide targets for the number of unduplicated persons that you anticipate will receive the following types of assistance through the Education **and** Employment initiative. An individual can be counted as an unduplicated person receiving a service only once in each activity during the contract term (ONLY COUNT THE PRIMARY RECIPIENT, SUCH AS THE HEAD OF HOUSEHOLD, DO NOT COUNT THE ENTIRE HOUSEHOLD). NOTE: The Department will utilize these proposed targets in the contract and applicant will be evaluated in a future application cycle on their performance (i.e., points deducted for not meeting proposed targets). If applicant doesn't provide the number to be served, a Deficiency Notice will not be issued nor points awarded.	**Award points as follows:** **For each response to a. thru c., award the points indicated for each response:** 0-5 persons: 1 point 6-10 persons: 5 points 11-20 persons: 10 points 21-50 persons: 15 points 51-100 persons: 20 points 101+: 25 points Maximum 75 points. **NOTE**: Do not overestimate your target numbers because in the subsequent application for funds, you will be penalized for not meeting targets proposed in your application in Attachment B Part 2 Question 2.6.	**75**			

Table 4.6 - Unduplicated Persons		Target
a.	Number of persons enrolled in the education or employment program who will receive assistance, either funded with the grant or other funding source, for rent, food, utilities, child care, or transportation. (CSBG Performance Report - SRVs 3.g., 4.c, 4.i., 4.k., 5.hh, 5.ii, 5.jj., 7.d., 7.e., 7.f.)	
b.	Number of persons to receive assistance with tools, uniforms, clothes, equipment, tuition aid, books, and supplies which enable them to obtain or retain a job or complete their education goals. (CSBG Performance Report - SRVs 1.q., 7.n., 2.aa., 2.zz.)	
c.	Number of persons to receive Financial Literacy Education or Counseling in order to achieve or maintain capacity to meet basic needs or reported improved financial well being. (CSBG Performance Report - SRVs 2.f.)	

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
4.6	Provide the following information in the yellow-highlighted area below: Describe the **coordination and outreach efforts** that will be conducted and how your organization will coordinate with other service providers in the service area to meet the varied client needs to enable them to further their education or obtain employment or increased wages.	In assigning points, reviewer will consider the depth to which items are described: Applicant provided information that demonstrates: a. Clear coordination and outreach efforts: 10 point maximum b. Variety of client needs addressed through coordination efforts: 10 point maximum c. Coordination efforts were not sufficiently demonstrated: -5 points	**20**			

4.6 Response

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
4.7	a. Explain how staff document that the applicant is a member of the particular target population, MSFWs or Native Americans, that will be served. b. If the individual is a MSFW, what definition is used for this population? c. What documentation is obtained to verify that they are either a MSFW or Native American?	In assigning points, reviewer will consider the depth to which items are described: Applicant provided information that was responsive to the request: - Clear detailed response: 5 points maximum for part a., b., and c. - Moderate response, not very detailed: 2 points maximum for each part a., b., and c. - Response was lacking detail, award 0 points for a., b., or c.	**15**			
4.7 Response						

440	**0**	**0**	**0**

NOFA for 2026 CSBG Disrectionary Funds for Native American and MSFW Populations

Attachment B: Scoring Summary

Applicant Name:		#REF!		
Checklist of Application Questions Requesting Attachments				
Question		**Attachment Item Requested**		
	2.1	Most recent monitoring report for each grant listed in 1.1 in the last 3 years		
Application Question Sections				
Scoring Section	**Maximum Points**	**Points Received**	**Reviewer 1**	**Reviewer 2**
Part 1: Experience	**210**	**0**	**0**	**0**
Part 2: Prior Performance	**Deductions To Be Determined**	**0**	**0**	**0**
Part 3: Efficiency	**100**	**0**	**0**	**0**
Part 4: Proposed Employment and Education Services/Activities	**440**	**0**	**0**	**0**
Maximum Points=750				
Final Score		**0**	**0**	**0**

**** The Self-Score column on Attachment B Parts 1-4 are to be completed by the Applicant; however, the Department does not base its scoring of the application on the Applicant's self-score. ****

*****The Department reserves the right to reject applications with a score below 50% of the maximum eligible points. See Section VI of the NOFA for further details.***

******TDHCA reserves the right to request further information related to the application for clarification purposes during the scoring review period.******

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1133 **Agenda Date:** 09/04/2025 **Agenda #: 25.**

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.410 Determination of Alien Status for Program Beneficiaries; an order proposing new 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.410 Determination of Alien Status for Program Beneficiaries; and directing their publication for public comment in the Texas Register

PULLED FROM THE AGENDA

File #: 1119 **Agenda Date:** 9/4/2025 **Agenda #:** 26.

Presentation, discussion, and possible action on a request for reasonable accommodation under the Section 8 Housing Choice Voucher Program

RECOMMENDED ACTION

WHEREAS, the Department administers the Section 8 Housing Choice Voucher (HCV) Program which is subject to the requirements of the Americans with Disabilities Act, Section 504 of the 1973 Rehabilitation Act (Section 504) and the Fair Housing Act;

WHEREAS, 10 TAC §1.1, related to Reasonable Accommodation Requests to the Department, outlines the Department's obligations and procedures for review and processing of Reasonable Accommodation requests submitted for the HCV Program;

WHEREAS, the Department originally received a Reasonable Accommodation request from a participant in the HCV Program in 2021 and granted their request; the Department then received an additional Reasonable Accommodation request from that same participant on April 9, 2025, seeking to amend their existing Reasonable Accommodation;

WHEREAS, the request was reviewed in accordance with 10 TAC §1.1, and staff determined that the requested accommodations were not reasonable and the new request was denied;

WHEREAS, 10 TAC §1.1(c)(4) permits the Requestor to ask that their request be placed on the Board agenda for a final Board determination, and the Requestor has asked for this action; and

WHEREAS, staff recommends denial of this new request, while maintaining the original Reasonable Accommodation granted for the tenant in 2021;

NOW, therefore, it is hereby

RESOLVED, the Board upholds the Executive Director's decision to deny the new Reasonable Accommodation request submitted by the tenant, and confirms the existing Reasonable Accommodation will continue for the foreseeable future.

BACKGROUND

The Department is required to administer its HCV Program in accordance with the requirements of the Americans with Disabilities Act, Section 504 of the 1973 Rehabilitation Act (Section 504) and the Fair Housing Act (collectively, Fair Housing Requirements). Tenants participating in the HCV Program may request a Reasonable Accommodation that modifies a

rule, policy, or procedure if the accommodation would allow a person with a Disability to participate fully in a program, take advantage of a service, live in a dwelling, and/or use and enjoy a dwelling. The Department has codified its procedures for receipt, review, and processing of Reasonable Accommodation requests made to the Department in 10 TAC §1.1.

On March 21, 2021, the Department granted a reasonable accommodation for one of our Section 8 Housing Choice Voucher holders. This tenant, who is a person with a Disability, is a single member of the household. In response to the request at the time, the tenant was granted a Reasonable Accommodation to increase their voucher size from a one-bedroom to a two-bedroom to obtain and maintain housing suitable for their disability, and which includes:

- ADA accessibility features, especially bathroom facilities, doorways, and walkways.
- Space for storage and use of medical equipment and tools for activities of daily living.
- Features to minimize lifting, carrying, and travelling, excessive exertion, and stress.
- Features to gain access to people, special supports, and helpers.
- Space to accommodate helpers on an as needed basis.
- A peaceful, quiet, solitary environment.

The tenant ultimately selected a four-bedroom single family home and has been residing in this unit with their two-bedroom voucher. Although the tenant's voucher is for a two-bedroom unit, the program allows households to select a larger unit size, with the understanding that they will be assisted as if they have rented a home in which the unit size does not exceed the voucher size and that the amount of the voucher will not be increased.

On April 9, 2025, the Department received a new Reasonable Accommodation request from this tenant. The tenant, still a single person household, requested that their voucher be increased from a two-bedroom to a four-bedroom in response to the home's owner increasing the rent a significant amount. To approve such a request, the request must be determined to be a reasonable and necessary accommodation for a disability related reason. The tenant responded, indicating that they needed the extra bedrooms for:

- Storing and accessing medical equipment and records,
- Perform physical therapies,
- Avoiding impediments to egress and ingress when accessing records, equipment, or doing therapies,
- Space to store furniture,
- Ability to lay down on demand, and
- Space for therapists or transportation services to bring whatever equipment in that they need.

An April 3, 2025, a letter from the tenant's medical provider indicated that they needed the following features:

- Private bathroom facilities "of size, layout, and features" that allow the tenant to

perform their physical therapies,

- Single floor home on a ground level,
- Attached parking,
- Larger than average individual rooms,
- Wide doors and halls,
- In unit laundry,
- Space for overnight helpers when necessary, and
- Space for storing medical equipment, medications, and records.

After staff requested clarification on the need for additional bedrooms specifically, the tenant stated that the additional bedrooms are needed for:

- Storage of medical equipment and medically necessary related supplies.
- Storage and utilization of medical records.
- Space to perform therapeutic procedures that require open space and privacy, and for overnight helpers as needed.

It should be noted that these needs are not materially different than the needs from the tenant's original 2021 Reasonable Accommodation request. The documentation from the medical provider did not state that additional bedrooms are required; all of the needs noted above for additional space are satisfied with the existing two-bedroom voucher. The ability to store medical records and equipment does not necessitate a bedroom. The tenant does not have a live-in aid, so permanent sleeping quarters for occasional assistance on as-needed basis does not require a dedicated sleeping room.

The household states that there are insufficient ADA accessible units in their area; however, they did not provide any documentation to support this assertion. TDHCA has 16 affordable properties in the county in which the tenant currently resides that contain accessible, affordable two-bedroom units.

The request was reviewed by staff and denied by the Executive Director. Notice of this denial was sent to the tenant, and they have requested that the Board make a final determination of the request in accordance with 10 TAC §1.1(c)(4)(C). Staff has conferred with the San Antonio HUD Field Office, and the Acting Division Director overseeing the Section 8 Program for HUD has confirmed that denial of this request does not conflict with HUD regulations. Staff recommends denial of the new Reasonable Accommodation request for a four-bedroom voucher as documentation received does not support a disability related reason for the single member household to receive a four-bedroom voucher or an exception payment standard for their existing two-bedroom voucher. It should be emphasized that the household would retain their existing Reasonable Accommodation allowing for their two-bedroom voucher utilizing the payment standard adopted for the HCV Program.

April 9, 2025

[redacted]

RE: [redacted] (client# [redacted]) request for voucher adjustment and Exception Payment Standard as a reasonable accommodation for a disabled person.

To: Texas Department of Housing and Community Affairs (TX901) 221 E. 11th Street | Austin, TX 78701
Attn:
Andre Adams
HCV Section 8 Manager
Andre.adams@tdhca.texas.gov

Mr. Adams,

I am writing to reiterate my previous requests more formally in order to help eliminate any further misunderstanding.

I request a reasonable accommodation under the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973, as it relates to my Housing Choice Voucher (HCV). My current 4 bedroom rental was built in 2015 to HUD specifications, under the CDBG disaster recovery program, to be fully ADA-compliant for the express purpose of mandating it be rented to low income disabled individuals.

I request my 2 bedroom voucher be adjusted to a 4 bedroom voucher so that I may continue in this home I have rented with HCV for the past 6+ years. The additional bedrooms, as well as other handicap features of the home, are necessary for medical purposes such as, but not limited to: extra space for storing, accessing, and utilizing medical equipment/tools/supplies/medication; allowing storage of and access to medical records, providing appropriate space to perform medical procedures and therapies necessary to managing my disability, and insuring my safety and mobility.

The availability of ADA-compliant and accessible housing that is available to me in the area is extremely limited, making it exceptionally difficult to find other housing that meets my medical, accessibility, and other disability management needs.

My landlord has notified both myself and TDHCA that they could not accept rent below actual market rate, and has provided the data that TDHCA requested to document what actual market rate is for the area.

Therefore, I kindly request an adjustment to my voucher size and/or a Payment Standard Exception under PIH 2024-34 to avoid unnecessary displacement from my current unit that is both ADA-compliant, and provides the features required to meet my disability-related needs.

Please confirm receipt of this request and let me know if any further documentation is required. I appreciate your prompt attention to this matter.

Thank you for your continued support in helping me obtain/maintain housing that is suitable for managing my complex disability.

Sincerely,

[redacted]

[redacted]

Email is my preferred communication method due to certain limitations of my complex disability.

April 3, 2025

To: Public Housing Authority, HUD, or other Housing Assistance Provider

Texas Department of Community Affairs (TX901)
PO Box 13941
Austin, Texas 78711
Fax: 512-856-9214
Tel: 512-475-3934

RE: [redacted]

I believe that [redacted] complex medical condition would be best managed by access to housing that contains features as would be present in an ADA accessible handicap designed dwelling.

Features such as, but not limited to:

Private bathroom facilities of size, layout, and features that allow [redacted] the ability to safely and efficiently perform the procedures and therapies necessary to managing her complex medical condition.

SFH, ground level, attached parking, larger than average individual rooms, 36" doors, wide hallways, in unit laundry, attached parking. Space for overnight helpers when necessary. Proximity to social supports. Quiet environment. Space for storage and utilization of necessary medical equipment, tools, supplies, medications, and medical records.

Gokhan Kilic, MD

UTMB Health [redacted] Clear Lake
250 Blossom Street, 3rd Floor
Webster TX 77568-4241
Dept: 832-632-7964
Dept Fax: 832-632-7965

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From: [redacted]
To: Andre Adams
Subject: More details RE: Addl details RE: [redacted] request for reasonable accommodation
Date: Tuesday, May 6, 2025 12:18:39 AM

SSA has deemed me disabled. This inherently demonstrates impairment of 1 or more body systems. My doctor's statement says I need ADA compliant home plus other specific features that make this particular home suitable for me. This illustrates both impairment type, and a reasonable solution.

- What each additional bedroom is needed for.

Bedroom #2-Storage of medical equipment and medically necessary related supplies.
Bedroom #3 storage and utilization of medical records.
Bedroom#4-space to perform therapeutic procedures that require open space and privacy. This space can also serve as sleeping quarters for overnight helpers when necessary.

Thanks for taking the time to entertain this option.

I understand if the rules won't allow any additional bedrooms with the information we have. It's Ok to just process my "exception payment standard" without it. I don't want to hold up that process and longer.

Blessings,
[redacted]

From: [redacted]
To: Andre Adams
Subject: Thanks RE: Addl details RE: [redacted]kins request for reasonable accommodation
Date: Monday, May 5, 2025 7:13:52 PM

Thanks for the additional guidance. I will get right on this.
Blessings,
[redacted]

Yahoo Mail: Search, Organize, Conquer

On Mon, May 5, 2025 at 3:43 PM, Andre Adams <Andre.Adams@tdhca.texas.gov> wrote:

> Ms. [redacted],
>
> Your request for a reasonable accommodation to increase your voucher from a 2-bedroom to a 4-bedroom is currently pending. In order to grant the accommodation, there must be a disability-related need for 4-bedrooms on the voucher specifically.
>
> Although you have provided information below in your email last week, can you please provide us with documentation from an appropriate third party that verifies that you have a physical or mental impairment that substantially limits one or more major life activities and how that impairment requires three bedrooms above and beyond the one bedroom that a 1-person household would usually qualify for in the Section 8 Housing Choice Voucher program. *For example, if you require an additional bedroom for a medically required live-in-aide, then the documentation should include information that supports that need.*
>
> In order to process this request, we would need verification as described above that supports the need for three additional bedrooms and explains why those rooms must be considered bedrooms rather than utility rooms or larger living spaces. *For example, do you need 4-bedrooms or do you simply need a specific amount of square footage. What specific impairment does 4-bedrooms alleviate that two bedrooms cannot?*
>
> The current medical documentation provided by your medical provider only indicates that there is a need for 1 ADA type bathroom and 1 additional private unshared bathroom but does not indicate that there is any need for additional bedrooms.
>
> To clarify, in order to consider the request for an increased bedroom count on your voucher, TDHCA needs verification of the following:
>
> - That there has been a change in your disability-related needs that now necessitates 4-bedrooms instead of 2-bedrooms.
> - What each additional bedroom is needed for.
> - Why the bedrooms specifically are necessary instead of simply more square footage.
>
> Providing verification from a reliable third-party at your earliest convenience will expedite the final determination of your reasonable accommodation request.

Thank you,

Andre Adams
HCV Section 8 Manager
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Andre.adams@tdhca.texas.gov

From: Andre Adams
Sent: Thursday, May 1, 2025 9:10 AM
To: [redacted]
Cc: Andre Adams <Andre.Adams@tdhca.texas.gov>
Subject: RE: Addl details RE: [redacted] request for reasonable accommodation

Thank you again.

I have another meeting early next week, so I hope to be able to provide an update by next week.

Andre Adams
HCV Section 8 Manager
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Andre.adams@tdhca.texas.gov

From: [redacted]
Sent: Wednesday, April 30, 2025 8:09 PM
To: Andre Adams <Andre.Adams@tdhca.texas.gov>
Subject: Addl details RE: [redacted] request for reasonable accommodation

This ADA compliant home has the features required to manage my complex disability in many categories. This home contains all the features my doctor recommends and more. It was designed by HUD/CDBG as a premium example of handicap/elderly age in place home. (Especially the giant bathrooms)

The layout of and lateral space the extra bedrooms in this particular dwelling contains makes it possible to store, access, and utilize the things needed to perform ADLs and manage my disability effectively and safely. These include storage and use of extensive paper medical records, medical equipment&supplies. Perform necessary therapies, and avoid impediments to ingress egress when accessing these resources. The lateral space also helps me avoid excessive lift, carry, bend, crouch which helps me avoid any further internal injury or internal malfunction. It also provides space for necessary furnishings and objects, while also providing space in the the individual rooms for lay down on demand when required due to sudden illness. In addition, the space makes it possible for EMS, therapists, and/or transportation services to easily bring in whatever they need to assist or transport me when necessary.

Thanks so much for your effort to help me access housing that meets my disability management needs.

[redacted]

Yahoo Mail: Search, Organize, Conquer

On Wed, Apr 30, 2025 at 3:53 PM, Andre Adams <Andre.Adams@tdhca.texas.gov> wrote:

> Hello [redacted],
>
> Thank you for submitting your request for reasonable accommodation. We appreciate the opportunity to review your application and want to ensure we have a full understanding of your housing needs to better support your request.
>
> As we continue our internal review process, we would appreciate any additional clarification regarding the specific accommodations necessary for a four-bedroom unit, based on the features outlined in your doctor's notice. This information will help us make an informed determination regarding your request and ensure that we are considering all relevant factors appropriately.
>
> Please feel free to provide any further details that may assist in the review process.
>
> Thank you,
>
> Andre Adams
> HCV Section 8 Manager
> Texas Department of Housing and Community Affairs
> 221 E. 11th Street | Austin, TX 78701
> Andre.adams@tdhca.texas.gov
>
> ---
>
> **From:** [redacted]
> **Sent:** Wednesday, April 9, 2025 10:01 PM
> **To:** Andre Adams <Andre.Adams@tdhca.texas.gov>
> **Cc:** Melinda Spencer <Melinda.Spencer@tdhca.texas.gov>; Shaquita T. Ross <shaquita.t.ross@hud.gov>
> **Subject:** [redacted] request for reasonable accommodation
>
> Attached please find reasonable accommodation request and a note from my doctor supporting this request.

Please reply to this email confirming receipt.
Thanks so much for your continued support of my housing needs.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

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Holland Harper, Member
Ajay Thomas, Member

July 21, 2025

Writer's direct dial: 512-475-0908
Email: abigial.versyp@tdhca.texas.gov

[redacted]

RE: REASONABLE ACCOMMIDATION REQUEST

Dear [redacted]:

The Texas Department of Housing and Community Affairs (TDHCA or the Department) received your request for reasonable accommodation for your disability on April 9, 2025. Your request was reviewed, and Andre Adams, TDHCA's Section 8 Program Manager, notified you of the denial of your request on June 4, 2025. I am reaching out today to further elaborate on TDHCA's decision related to your request.

Your request was received and reviewed in accordance with Texas Administrative Code, specifically 10 TAC §1.1, related to Reasonable Accommodation Requests to the Department. The review included a review of your request, as well as supporting documentation submitted from your healthcare provider dated April 3, 2025. You requested an accommodation for a four-bedroom voucher size, or an alternative payment standard in the event that a four-bedroom voucher would not be granted.

The reasons you provided for the request were:

- Storing and accessing medical equipment.
- Storing and accessing medical records.
- Perform physical therapies.
- Avoiding impediments to egress and ingress when accessing records, equipment, or doing therapies.
- Space to store furniture.
- Ability to lay down on demand.

- Space for therapists or transportation services to bring whatever equipment in that they need.

The documentation from your medical provider stated that you need the following features:

- Private bathroom facilities "of size, layout, and features" that allow you to perform physical therapies.
- Single floor home on a ground level.
- Attached parking.
- Larger than average individual rooms.
- Wide doors and halls.
- In unit laundry.
- Space for overnight helpers when necessary.
- Space for storing medical equipment, medications, and records.

TDHCA's review of the request and the submitted documentation resulted in the following conclusions:

- Your existing reasonable accommodation allows for a 2-bedroom voucher size.
- The ability to store medical equipment and medical records does not specifically necessitate additional bedrooms.
- There is no documented disability-related need for a four-bedroom voucher or for a higher payment standard.

This determination of denial of the request was reviewed by TDHCA's Executive Director in accordance with Department rules and policies. As your request was denied, you may request that the reasonable accommodation request be placed on the agenda for the TDHCA Board meeting currently scheduled for September 4, 2025. This request must be received on or before August 14, 2025 in order be included in board materials required to be published in advance of the meeting.

Sincerely,

Abigail Versyp
Director of Single Family and Homeless Programs

cc: Andre Adams, Section 8 Program Manager

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1148 **Agenda Date:** 9/4/2025 **Agenda #:** 27.

Presentation, discussion, and possible action on the proposed repeal of 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan, proposed new 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan, and directing their publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the Department) is authorized by Tex. Gov't Code Ch. 2306, Subchapter DD, to make Housing Tax Credit allocations for the State of Texas;

WHEREAS, pursuant to Tex. Gov't Code §2306.053 the Department is authorized to adopt rules governing he administration of the Department and its programs;

WHEREAS, the Department, as required by §42(m)(1) of the Internal Revenue Code and Tex. Gov't Code §2306.67022, developed this proposed Qualified Allocation Plan (QAP) to establish the procedures and requirements relating to an allocation of Housing Tax Credits;

WHEREAS, upon approval of the proposed QAP, the rule will be made available for public comment in the *Texas Register* through October 10, 2025, and then returned to the Board for final approval; and

WHEREAS, pursuant to Texas. Gov't Code §2306.6724, the Board shall adopt a proposed Qualified Allocation Plan no later than September 30 and, on or before November 15, submit it to the Governor, to approve, reject, or modify and approve no later than December 1;

NOW, therefore, it is hereby

RESOLVED, that the proposed repeal of 10 TAC Chapter 11, and a proposed new 10 TAC Chapter 11 concerning the Housing Tax Credit Qualified Allocation Plan together with the preambles presented to this meeting, are hereby approved for publication in the *Texas Register*for public comr

FURTHER RESOLVED, that the Executive Director and his designees be and each of them are hereby authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed Qualified Allocation Plan, together with the changes, if any, made at this meeting and the preambles, in the form presented to this meeting, to be published in the *Texas Register*for public comr

BACKGROUND

General Information: Attached to this Board Action Request is the Qualified Allocation Plan (QAP), which reflects staff's recommendations for the Board's consideration. The attached QAP identifies the differences between the 2025 QAP and the proposed 2026 QAP in blackline format. The QAP submitted to the *Texas Register* will be a proposed new version of the 2026 QAP and will not identify changes between 2025 and 2026. The Department's Public Comment page will also include a blackline version of the proposed 2026 QAP, as approved by the Board

to facilitate stakeholders' engagement with the changes.

The QAP and Rules Committee of the Governing Board held a public meeting on May 7,2025, during which Committee members received comment from the public regarding potential changes to the QAP. The draft 2026 QAP presented to the Board today incorporates the changes the Rules Committee instructed staff to bring forward for consideration by the Board and publication for public comment. An additional meeting of the Rules Committee was held on September 3, 2025, during which Committee members again received comment from the public regarding potential changes to the QAP. The draft does not present changes resulting from that meeting due to timing; however, any changes that occurred will be confirmed with the Board at this meeting prior to this item being approved.

Rule-Making Timeline: Upon Board approval, the 2026 proposed QAP will be posted to the Department's website and published in the *Texas Register.* Public comment will be accepted from September 19, 2025, and October 10, 2025. Staff will then consider and prepare reasoned responses to public comment as part of the final action of the QAP that will be brought before the Board for approval on November 6, 2025. Subsequently, the QAP will be submitted to the Officer of the Governor not later than November 15, 2025, for him to approve, approve with changes, or reject. Upon the Governor's approval, approval with modifications, or rejection, which must occur no later than December 1, 2025, the adopted 2026 QAP will be published in the *Texas Register* and posted to the Department's website. In April 2025, staff met with stakeholders to discuss the 2026 QAP. Discussions occurred in-person. Staff and stakeholders discussed items such as Opportunity Index, Concerted Revitalization Plans, Sponsor Characteristics, and Eviction Prevention Program Revisions. In June 2025, staff met with tenants and stakeholders to discuss the 2026 QAP. Discussions occurred virtually through a workgroup. Staff, tenants, and stakeholders discussed items such as tenant specific requests for developments, and Underwriting rules.

Summary of Proposed Changes:

While not inclusive of all changes proposed, a description of the more significant recommendations that are considered changes of policy are described below. Citation is included for ease of reference. Should any conflict exist between this summary and the proposed text of the rule, the rule itself will be controlling.

10 TAC Chapter 11, Subchapter A

§11.1(d)(10) Definitions: Bathroom and Half Bathroom - Added new language for definition of full and half bathroom for Developments. Includes language for exemptions on Rehabilitation Developments.

§11.1(d)(22) Definitions: Common Area - Removed language for specific areas categorized as Common Area. Added language to specify all enclosed or covered space not included in NRA for calculating Common Area.

§11.1(e) Data - Section is modified to reflect dates for the 2026 Application round.

§11.2(a) Program Calendar for Housing Tax Credits - This section has been modified to reflect dates for the 2026 Application round. Language added for Quantifiable Community Participation deadline on 4/6/26 for applications that did not submit a Pre-Application.

§11.4(a) Credit Amount - Added new language for fifth exception to annual $6 million per-applicant credit limitation for certain financing entities that do have Control of the subject application.

§11.6(3) Award Recommendation Methodology - Removed provision that limited Rehabilitation or Reconstruction to 50% of available credits in a subregion.

§11.6(6) Credit Returns for Unforeseen Delays- Added new section for Credit Returns due to unforeseen short-term delays.

§11.7(2)(A)(i) Tie-Breaker Factors- Added clarifying language to park or parcel of land tie breaker.

§11.7(2)(A)(ii) Tie-Breaker Factors- Added language to include closest public school of any grade level that is part of an independent school district.

§11.9(a) Competitive HTC Selection Criteria- Added clarifying language regarding scoring items related to the Application's finances.

§11.9(b)(2)(A) Sponsor Characteristics HUB- Added new language on HUB requirements, and participation limits.

§11.9(b)(2)(E) Property Tax Status- Added new (2) point Sponsor Characteristics scoring option if the Application does not include any exemptions, abatements, rebates, or reductions related to the ad valorem taxes.

§11.9(b)(3) Quantity of Low-Income Units- Removed scoring item.

§11.9(c)(4) Section 811 Project Rental Assistance Program- Added language that the Department will work with Applicants that select this scoring item due to its complexity.

§11.9(c)(4)(C) Continuum of Care- Revision to Urban and Rural hold periods for Continuum of Care referrals.

§11.9(c)(5)(B)(i)(XV) Opportunity Index- Removed scoring option related to public school rating of A or B by TEA.

§11.9(c)(5)(B)(ii)(XV) Opportunity Index- Removed scoring option related to public school rating of A or B by TEA.

§11.9(d)(D) Challenges to Opposition- Section is modified to reflect dates for the 2026 Application round.

§11.9(e)(2) Cost of Development per Square Foot- Added clarifying language on how the Department will calculate the Cost per square foot scoring item.

§11.9(e)(2)(A)-(C) Cost of Development per Square Foot- Eligible Building & Hard Cost threshold amounts increased for all scoring options.

§11.9(e)(4) Leveraging of Private, State, and Federal Resources- Percentage amounts for scoring item all increased by 1%. Provision relating to USDA and At-Risk Applications has been struck.

§11.9(e)(6) Historic Preservation- Scoring Item decreased to two (2) points. Added language that a Development may only qualify for points on this scoring item once.

§11.9(e)(8) Funding Request Amount- Removed scoring item.

§11.9(e)(9) Readiness to Proceed- Removed language that required Applications to include statement from all lenders and syndicators on Development Site closing date.

10 TAC Chapter 11, Subchapter B

§11.101(a)(3)(D)(iii) Neighborhood Risk Factors- Removed section related to TEA Accountability Ratings.

§11.101(a)(3)(E)(iii) Neighborhood Risk Factors Mitigation- Removed section related to TEA Accountability Ratings. Also removed requirement for weekly 15-hour minimum learning center.

§11.101(b)(1)(viii) Ineligible Developments- Added new section stating Competitive Housing Tax Credit Applications that involve an existing Housing Tax Credit Development that has any building placed in service on or after January 1, 2006 is ineligible.

§11.101(b)(1)(x) Ineligible Developments- Added new section stating Applications with a Total Housing Development Cost of $500,000 or more per Unit are ineligible.

§11.101(b)(1)(xi) Ineligible Developments- Added new section that states Applications that do not score points in 10 TAC §11.9(c)(1) and (2) are ineligible.

§11.101(b) Ineligibly of Developments due to School Ratings- Removed section related to ineligibly to TEA Accountability Ratings.

§11.101(b)(3) Rehabilitation Cost - Minimum Rehabilitation amounts increased for Tax-Exempt Bond Developments and all other developments except those financed by USDA.

§11.101(b)(5)(C)(iv)Common Amenities- Added new one point (1) scoring item for covered outdoor area with seating to be used for public transportation. Clarified that Swimming Pool must have after-hours access.

§11.101(b)(6)(B) Unit Requirements- Added new language for Rehabilitation Developments that include New Construction must score a minimum of nine (9) points for amenities.

§11.101(b)(8)(B) Development Accessiblity Requirements- Amended section related to Visitability to better align with statutory requirements.

10 TAC Chapter 11, Subchapter C

§11.201(2) Filling of Application for Tax Tax-Exemption Bond Developments- Removed language for Applications intending to request other Department funding. Added provision regarding deadlines and Applications submitted with the online Multifamily Management System.

§11.201(2)(C) Over-Subscribed Funding-Added language relating to Applications that have over -subscribed other Department funding. Applications cannot include a request for such funds.

§11.201(6)(A) Deficiency Process- Adding language for exemptions listed in §11.1(d)(2) Administrative Deficiency definition.

§11.202(1)(O) Ineligible Applicants and Applications- Added new clause for Applicants that Control an existing Development that has been approved for return and reallocation of tax credits related to Force Majeure Events two or more times and that has not yet placed in

service

§11.204(1)(J) Required Documentation for Application- Added new section indicating Developer Owner acknowledges all Applications are subject to review for compliance with accessibility rules, including rehabilitation of an existing Development.

§11.204(7)(B) Operating and Development Cost Documentation- Added language related to Applicants uncertain about applicability of a Utility Allowance for proposed Development.

§11.204(7)(G)(i) Occupied Developments- Modified language to require statement if Applicant cannot meet conditions of §11.204(7)(G)(i)(I).

§11.204(12)(B) and (D) Ownership Structure and Previous Participation- Revised requirements for private equity fund investors. Clarified that only individuals with Control over the Development must provide previous participation information for HTC only. Added requirements for Developments claiming points for 811 PRA.

10 TAC Chapter 11, Subchapter D

§11.302(e)(1)(iii) Cash-Outs- Added new section prohibiting cash-outs for related-party seller in an identity of interest transaction. Does not apply to Existing Developments funding by USDA.

§11.302(e)(6) General Contractor Fee- Added language indicating that fees paid to an organization to achieve a sales tax exemption will be included in the General Contractor Fee.

§11.302(e)(10) Soft Costs- Added clarifying language for any one-time fees or payments, along with list of exclusions.

§11.304(10)(E) Value Estimates- Added provision stating that 25% of the appraised favorable financing value will be allocated to land value and 75% will be allocated to building value, unless the below market financing was used for rehabilitation only.

§11.901(2) Refunds of Competitive HTC Pre-Applications Fee- Added clarifying language regarding Pre-Application refunds after the Full Application Delivery Date.

10 TAC Chapter 11, Subchapter E

§11.901(7) Tax Exempt Bond Determination Notice Fee- Changed language for Determination Notice Fee request to 90 days after Certificate of Reservation deadline.

§11.906(b) Determination Notices- Added language regarding the one-year period to be extended a maximum of 6 months upon request.

10 TAC Chapter 11, Subchapter F

§11.1001(a)-(b) State Housing Tax Credits General- Section is modified to reflect dates for 2026.

§11.1001(c) State Housing Tax Credits General- Added new language for no Material Amendment fee on SHTC Applications.

§11.1002 Program Calendar for State Housing Tax Credits- Section is modified to reflect dates for 2026. Allocation Certificate is moved from September to December.

§11.1003(c) State Housing Tax Credit Allocation Process- Added new section for a Minimum Request Amount of $3,000,000.

§11.1007 State Housing Tax Credits Selection Criteria- Removed section (b) relating to Neighborhood Risk Factors ineligibility for SHTC Applications.

Attachment 1: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 11, Qualified Allocation Plan

The Texas Department of Housing and Community (the Department) proposes the repeal of 10 TAC Chapter 11, Qualified Allocation Plan (QAP). The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX GOV'T CODE §2001.0221.

1. Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed repeal would be in effect, the proposed repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous readoption making changes to an existing activity, concerning the allocation of Low-Income Housing Tax Credits (LIHTC).
2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor is the proposed repeal significant enough to reduce work load to a degree that any existing employee positions are eliminated.
3. The proposed repeal does not require additional future legislative appropriations.
4. The proposed repeal does not result in an increase in fees paid to the Department or in a decrease in fees paid to the Department.
5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.
6. The proposed action will repeal an existing regulation, but is associated with a simultaneous adoption of the subchapters in 10 TAC Chapter 11, the Qualified Allocation Plan, in order to better address the requirements of Tex. Gov't Code Ch. 2306, Subchapter DD.
7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.
8. The proposed repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESS OR RURAL COMMUNITIES AND REUGLATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this proposed repeal and determined that the proposed repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX GOV'T CODE §2007.043.

The proposed repeal does not contemplate or authorize a takings by the Department; therefore, no Takins Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX GOV'T CODE §2001.024(a)(6).

The Department has evaluated the proposed repeal would be in effect there would be no economic effect on local employment; therefore no local employment impact statement is

required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX GOV'T CODE §2001.024(a)(5).

Mr. Wilkinson has also determined that, for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the repealed section would be an updated and more germane rule for administering the allocation of LIHTC. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX GOV'T CODE §2001.024(a)(4).

Mr. Wilkinson has determined that for each year of the first give years the proposed repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held September 19, 2025 and October 10, 2025, to receive stakeholder comment on the proposed repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Dominic DeNiro, QAP Public Comments, or by email to dominic.deniro@tdhca.texas.gov <mailto:dominic.deniro@tdhca.texas.gov>. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local (Central) time OCTOBER 10, 2025.

STATUTORY AUTHORITY. The proposed repeal is made to pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC Chapter 11, Qualified Allocation Plan

SUBCHAPTER A

§11.1 General

§11.2 Program Calendar for Housing Tax Credits

§11.3 Housing De-Concentration Factors

§11.4 Tax Credit Request and Award Limits

§11.5 Competitive HTC Set-Asides. (§2306.111(d))

§11.6 Competitive HTC Allocation Process

§11.7 Tie Breaker Factors

§11.8 Pre-Application Requirements (Competitive HTC Only)

§11.9 Competitive HTC Selection Criteria

§11.10 Third Party Request for Administrative Deficiency for Competitive HTC Applications

SUBCHAPTER B

§11.101 Site and Development Requirements and Restrictions

SUBCHAPTER C

§11.201 Procedural Requirements for Application Submission

§11.202 Ineligible Applicants and Applications

§11.203 Public Notifications (§2306.6705(9))

§11.204 Required Documentation for Application Submission

§11.205 Required Third Party Reports

§11.206 Board Decisions (§§2306.6725(c); 2306.6731; and 42(m)(1)(A)(iv))

§11.207 Waiver of Rules

SUBCHAPTER D

§11.301 General Provisions

§11.302 Underwriting Rules and Guidelines

§11.303 Markey Analysis Rules and Guidelines

§11.304 Appraisal Rules and Guidelines

§11.305 Environmental Site Assessment Rules and Guidelines

§11.306 Property Condition Assessment Guidelines

SUBCHAPTER E

§11.901 Fee Schedule

§11.902 Appeals Process

§11.903 Adherence to Obligations

§11.904 Alternative Dispute Resolution (ADR) Policy

§11.905 General Information for Commitments or Determination Notices

§11.906 Commitment and Determination Notice General Requirements and Required Documentation

§11.907 Carryover Agreement General Requirements and Required Documentation

SUBCHAPTER F

§11.1001 General

§11.1002 Program Calendar for State Housing Tax Credits Associated with Competitive HTC Applications

§11.1003 State Housing Tax Credit Allocation Process Associated with Competitive HTC Applications

§11.1004 Set-Aside for Previously Awarded Developments for Competitive HTC Applications

§11.1005 Procedural Requirements for Requests for State Housing Tax Credits Associated with Competitive HTC Applications

§11.1006 Required Documentation for State Housing Tax Credit Request Submission Associated with Competitive HTC Applications

§11.1007 State Housing Tax Credits Underwriting and Loan Policy Associated with Competitive HTC

§11.1008 State Housing Tax Credits Selection Criteria Associated with Competitive HTC

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Applications

§11.1009 State Housing Tax Credits for Tax-Exempt Bond Developments

Attachment 2 Preamble, including required analysis, for proposed new 10 TAC Chapter 11, Qualified Allocation Plan

The Texas Department of Housing and Community Affairs (the "Department") proposes new 10 TAC Chapter 11, Qualified Allocation Plan (QAP). The purpose of the proposed new section is to provide compliance with Tex. Gov't Code §2306.67022 and to update the rule to: clarify multiple definitions; update the Program Calendar; increase the amount initially available in each subregion; revise Underserved Area so more Development sites will be competitive; expand distance measures for Proximity to Job Areas; increase Eligible building costs to respond to inflation; create a new Eviction Protection item for Residents Supportive Services; and update various financing and term sheet requirements.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action for two reasons: 1) the state's adoption of the QAP is necessary to comply with IRC §42; and 2) the state's adoption of the QAP is necessary to comply with Tex. Gov't Code §2306.67022. The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed new rule would be in effect:

1. The proposed rule does not create or eliminate a government program, but relates to the readoption of this rule, which makes changes to an existing activity, concerning the allocation of Low Income Housing Tax Credits (LIHTC).

2. The proposed new rule does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The proposed rule changes do not require additional future legislative appropriations.

4. The rule changes will not result in any increases or decreases in fees.

5. The proposed rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.

6. The proposed rule will not limit or repeal an existing regulation, but can be considered to "expand" the existing regulations on this activity because the proposed rule has sought to clarify Application requirements. Some "expansions" are offset by corresponding "contractions" in the rules, compared to the 2025 QAP. Notably, the Department has sought to remove superfluous language wherever possible and to consolidate rules to reflect current process. These additions, removals, and revisions to the QAP are necessary to ensure compliance with IRC §42 and Tex. Gov't Code §2306.67022.

7. The proposed rule will not increase or decrease the number of individuals subject to the rule's applicability; and

8. The proposed rule will not negatively affect the state's economy, and may be considered to

have a positive effect on the state's economy because changes at 10 TAC §11.9(c)(7), Proximity to Job Areas, may help to encourage the Development of affordable multifamily housing in robust markets with strong and growing economies.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FELXIBILITY REQUIRED BY TEX GOV'T CODE §2006.002. The Department, in drafting this proposed rule, has attempted to reduce any adverse economic effect on small or micro-business or rural communities while remaining consistent with the statutory requirements of Tex. Gov't Code §2306.67022. Some stakeholders have reported that their average cost of filing an Application is between $50,000 and $60,000, which may vary depending on the specific type of Application, location of the Development Site, and other non-state of Texas funding sources utilized. The proposed rules do not, on average, result in an increased cost of filing an application as compared to the existing program rules.

1. The Department has evaluated this rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. There are approximately 100 to 150 small or micro-businesses subject to the proposed rule for which the economic impact of the rule may range from $480 to many thousands of dollars, just to submit an Application for Competitive or non-Competitive HTCs. The Department bases this estimate on the potential number of Applicants and their related parties who may submit applications to TDHCA for LIHTC. The fee for submitting an Application for LIHTC is $30 per unit, and all Applicants are required to propose constructing, at a minimum, 16 Units. While, in theory, there is no limit to the number of Units that could be proposed in a single Application, practically speaking, the Department sees few proposed Developments larger than 350 Units, which, by way of example, would carry a fee schedule of $10,500. These Application Fee costs are not inclusive of external costs required by the basic business necessities underlying any real estate transaction, from placing earnest money on land, conducting an Environmental Site Assessment, conducting a market study, potentially retaining counsel, hiring an architect and an engineer to construct basic site designs and elevations, and paying any other related, third-party fees for securing the necessary financing to construct multifamily housing. Nor does this estimate include fees from the Department for Applications that successfully attain an award.

There are approximately 1,376 rural communities potentially subject to the proposed rule for which the economic impact of the rule is projected to be $0. The proposed rule places no financial burdens on rural communities, as the costs associated with submitting an Application are born entirely by private parties. If anything, a rural community securing a LIHTC Development will experience an economic benefit, not least among which is the potential increased property tax revenue from a large multifamily Development.

3. The Department has determined that because there are rural tax credit awardees, this program helps promote construction activities and long term tax base in rural areas of Texas. Aside from the fees and costs associated with submitting an Application, there is a probable positive economic effect on small or micro-businesses or rural communities that receive LIHTC awards and successfully use those awards to construct multifamily housing, although the specific impact is not able to be quantified in advance.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX GOV'T CODE §2007.043. The proposed rule does not contemplate or authorize a takings by the Department. Therefore, no Takings Impact

Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX GOV'T CODE §2001.024(a)(6). The Department has evaluated the rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the proposed rule may provide a possible positive economic effect on local employment in association with this rule since LIHTC Developments often involve a total input of, typically at a minimum, $5 million in capital, but often an input of $10 million - $30 million. Such a capital investment has concrete direct, indirect, and induced effects on the local and regional economies. However, because the exact location of where program funds and development are directed is not determined in rule, there is no way to determine during rulemaking where the positive effects may occur. Furthermore, while the Department knows that any and all impacts are positive, that impact is not able to be quantified for any given community until a proposed Development is actually awarded LIHTC, given the unique characteristics of each proposed multifamily Development and region in which it is being developed.

Texas Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule…" Considering that significant construction activity is associated with any LIHTC Development and that each apartment community significantly increases the property value of the land being developed, there are no probable negative effects of the new rule on particular geographic regions. If anything, positive effects will ensue in those communities where developers receive LIHTC awards.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be an updated and more germane rule for administering the allocation of LIHTC with considerations made for applicants as it relates to the impact of the COVID-19 pandemic on the application process. Other than the fees mentioned in section a4 above, there is no change to the economic cost to any individuals required to comply with the new section because the same processes described by the rule have already been in place through the rule found at this section being repealed. The average cost of filing an application remains between $50,000 and $60,000, which may vary depending on the specific type of application, location of the development site, and other non-state of Texas funding sources utilized. The proposed rules do not, on average, result in an increased cost of filing an application as compared to the existing program rules.

f. FISCAL NOTE REQUIRED BY TEX GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments because the same processes described by the rule have already been in place through the rule found at this section being repealed. If anything, Departmental revenues may increase due to a comparatively higher volume of Applications, which slightly increases the amount of fees TDHCA receives.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis

from any person required to comply with the proposed rule or any other interested person. The public comment period will be held September 19, 2025, and October 10, 2025 to receive stakeholder comment on the new proposed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Dominic DeNiro, QAP Public Comment, P.O. Box 13941, Austin, Texas 78711-3941, or by fax to (512) 475-1895, attn: Dominic DeNiro, QAP Public Comments, or by email to dominic.deniro@tdhca.texas.gov <mailto:dominic.deniro@tdhca.texas.gov>. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 P.M. Austin local (Central) time October 10, 2025.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

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SUBCHAPTER A. PRE-APPLICATION, DEFINITIONS, THRESHOLD REQUIREMENTS, AND COMPETITIVE SCORING

10 TAC §§11.1 - 11.10

§11.1.General.

(a) Authority. This chapter applies to the awarding and allocation by the Texas Department of Housing and Community Affairs (the Department) of Competitive Housing Tax Credits, the state Housing Tax Credit, and the issuance of Determination Notices for non-Competitive Housing Tax Credits. The federal laws providing for the awarding and allocation of Competitive Housing Tax Credits and issuance of Determination Notices for non-Competitive Housing Tax Credits require states to adopt a qualified allocation plan. Pursuant to Tex. Gov't Code, Chapter 2306, Subchapter DD, the Department is assigned responsibility for this activity and pursuant to Tex. Gov't Code, Chapters 171 and 233, the Department is assigned responsibility for the adoption of rules relating to the State Housing Tax Credit. As required by Internal Revenue Code (the Code), §42(m)(1), the Department has developed this Qualified Allocation Plan (QAP) and it has been duly approved to establish the procedures and requirements relating to an award and allocation of Competitive Housing Tax Credits and issuance of Determination Notices for non-Competitive Housing Tax Credits. All requirements herein and all those applicable to a Housing Tax Credit Development or an Application under Chapter 10 of this title (relating to Post Award and Asset Management Requirements, Compliance Monitoring, and Incomes and Rents rules) collectively constitute the QAP required by Tex. Gov't Code §2306.67022 and §42(m)(1)(B) of the Code. Unless otherwise specified, certain provisions in this section and §§11.2 - §11.4 of this title also apply to non-Competitive Housing Tax Credits and Multifamily Direct Loans. Subchapters B - E of this chapter also apply to non-Competitive Housing Tax Credits and Multifamily Direct Loans. Applicants are required to certify, among other things, that they have familiarized themselves with the rules that govern that specific program including, but not limited to, Chapter 1 of this title (relating to Administration), Chapter 2 of this title (relating to Enforcement), Chapter 10 of this title (relating to Uniform Multifamily Rules), Chapter 12 of this title (relating to Multifamily Housing Revenue Bond Rules), Chapter 13 of this title (relating to Multifamily Direct Loan Rule), and other Department rules. This subchapter does not apply to operating assistance programs or funds unless incorporated by reference in whole or in part in a Notice of Funding Availability (NOFA) or rules for such a program, except to the extent that Developments receiving such assistance and otherwise subject to this chapter remain subject to this chapter. This chapter is subject to change based on any changes in applicable rule or law.

(b) Due Diligence and Applicant Responsibility.

(1) Department staff may, from time to time, make available for use by Applicants information and informal guidance in the form of reports and responses to specific

questions. The Department encourages communication with staff in order to clarify any issues that may not be fully addressed in the QAP, or may be unclear when applied to specific facts. However, while these resources are offered to help Applicants prepare and submit accurate information, Applicants should also appreciate that this type of guidance is limited by its nature, and that staff will apply the rules of the QAP to each specific situation as it is presented in the submitted Application. The *Multifamily Programs Procedures Manual* is not a rule and is provided as good faith guidance and assistance, but in all respects the statutes and rules governing the Low Income Housing Tax Credit program supersede these guidelines and are controlling. Moreover, after the time that an issue is initially presented and guidance is provided, additional information may be identified and the issue itself may continue to develop based upon additional research and guidance. Thus, until confirmed through final action of the Board, staff guidance must be considered merely as an aid and an Applicant continues to assume full responsibility for any actions Applicant takes regarding an Application. In addition, although the Department may compile data from outside sources in order to assist Applicants in the Application process, it remains the sole responsibility of the Applicant to perform independently the necessary due diligence to research, confirm, and verify any data, opinions, interpretations, or other information upon which an Applicant bases an Application or includes in any submittal in connection with an Application.

(2) Developments with Existing LURAs. Applicants proposing to submit an Application requesting an award of Housing Tax Credits or a Direct Loan for a Development that already has a LURA in place should review the existing LURA(s) on the Property to ensure there are no conflicts with the proposed Application. Where an Applicant has identified a potential conflict, it is incumbent upon the Applicant to consult with staff regarding the steps that may be necessary to resolve the conflict(s). This may include, but is not limited to, an Application amendment or LURA amendment, a waiver, or other action that may necessitate additional staff time for review or a Board determination. Depending on the timing constraints associated with the proposed Application, Applicants should be mindful that resolving issues relating to the existing LURA and for Direct Loans the existing Contract may not coincide with the timing needed for a new award if such requests are not submitted early in the process. A copy of the existing LURA must be included in the Application.

(c) Competitive Nature of Program. Applying for Competitive Housing Tax Credits is a technical process that must be followed completely and correctly. Any person who desires to request any reasonable accommodation for any aspect of this process is directed to §1.1 of this title (relating to Reasonable Accommodation Requests to the Department). As a result of the highly competitive nature of applying for Competitive Housing Tax Credits, an Applicant should proceed on the assumption that deadlines are fixed and firm as further provided for in subsection (f) of this section.

(d) Definitions. The capitalized terms or phrases used herein are defined below. Any capitalized terms not specifically mentioned in this section or any section referenced in this document shall

have the meaning as defined in Tex. Gov't Code Chapter 2306, Internal Revenue Code (the Code) §42, the HOME Final Rule, and other federal or Department rules, as applicable. Defined terms, when not capitalized, are to be read in context and construed according to common usage.

(1) Adaptive Reuse--The change-in-use of an existing building not, at the time of Application, being used, in whole or in part, for residential purposes, into a building which will be used, in whole or in part, for residential purposes. Adaptive Reuse requires that at least 75% of the original building remains at completion of the proposed Development. Ancillary non-residential buildings, such as a clubhouse, leasing office, or amenity center may be newly constructed outside the walls of the existing building or as detached buildings on the Development Site. Adaptive Reuse Developments will be considered as New Construction.

(2) Administrative Deficiency--Information requested by Department staff to clarify, explain, confirm, or restrict the Development proposal to a logical and definitive plan or to provide missing information in the original Application or pre-application; or to assist staff in evaluating the Application or pre-application that, in the Department staff's reasonable judgment, may be cured by supplemental information or explanation which will not necessitate a substantial reassessment or re-evaluation of the Application or pre-application. Administrative Deficiencies may be issued at any time while the Application or pre-application is under consideration by the Department, including at any time after award or allocation and throughout the Affordability Period. A matter may begin as an Administrative Deficiency but later be determined to have constituted a Material Deficiency. Applicants must intend that the pre-Application or Application is the final version to be reviewed by staff, and should not rely on the Administrative Deficiency process when applying for funding.

(A) The following issues will be treated by Department staff as Administrative Deficiencies that are curable through the Deficiency process only if the issues, when taken as a whole, do not constitute a Material Deficiency as defined in §11.1(d) of this chapter:

(i) For Applications that are substantially complete, a minor quantity of missing signatures, documents, or similar clerical matters, the curing of which will not create change within the Application, unless the missing documentation is required to have existed as of the appropriate deadline and did not, or is otherwise not susceptible to resolution. For Competitive HTC or Direct Loan Applications, this may include documents submitted to substantiate points claimed in the Application only if:

(I) The documents can be readily identified to have existed prior to the Full Application Delivery Date (Competitive HTC) or the Application Acceptance Date (Direct Loan), and the submission of the documents does not necessitate additional changes in the Application to qualify for the points; or

(II) For scoring items that are predicated solely on third-party data, characteristics inherent to the proposed Development Site, or are otherwise not influenced by the actions of the Applicant, the Application's eligibility for these points can be clearly established to have existed prior to the Full Application Delivery Date (Competitive HTC) or the Application Acceptance Date (Direct Loan), and the submission of the documents does not necessitate additional changes in the Application to qualify for the points.

(ii) Inconsistencies that exist between facts presented in the Application and/or its supporting documentation. A discrepancy between the requested points and the points supported by the Application will not be treated as an inconsistency if the facts presented within the Application are otherwise consistent.

(iii) At the Department's sole discretion, additional information that is necessary to assist in the review of the Application.

(B) The following issues will not be treated by Department staff as Administrative Deficiencies that are curable through the Deficiency process:

(i) Any matter that will materially change the Application, except for matters that must be addressed in accordance with 10 TAC §11.1(d) (relating to the definition of Administrative Deficiency) , in which case staff will direct the Applicant to resolve the inconsistency in the manner that creates the least change within the Application. Under no circumstance can the resolution of an Administrative Deficiency increase the Application's score from what was initially requested.

(ii) Changes to the Application that are submitted only to qualify for points claimed in the Application.

(iii) Except at staff’s written request, changes to the Application that alter the amount of Housing Tax Credits or Direct Loan requested.

(C) In all cases, final determinations regarding the sufficiency of documentation submitted to cure a Deficiency as well as the distinction between material and non-material missing information are reserved for the Department Staff and Board.

(3) Affiliate--An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative, or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, has Control of, is Controlled by, or is under common Control with any other Person. All entities that share a Principal are Affiliates.

(4) Affordability Period--The Affordability Period commences as specified in the Land Use Restriction Agreement (LURA) or federal regulation, or commences on the first day of the

Compliance Period as defined by the Code §42(i)(1), and continues through the appropriate program's affordability requirements or termination of the LURA, whichever is earlier. The term of the Affordability Period shall be imposed by the LURA or other deed restriction, and in some circumstances may be terminated upon foreclosure or deed in lieu of foreclosure. The Department reserves the right to extend the Affordability Period for Developments that fail to meet program requirements. During the Affordability Period, the Department shall monitor to ensure compliance with programmatic rules, as applicable, regulations, and Application representations.

(5) Applicable Percentage--The percentage used to determine the amount of the Housing Tax Credit for any Development, as defined more fully in Code, §42(b). For purposes of the Application, the Applicable Percentage will be:

(A) nine percent for 70% present value credits; or

(B) four percent for 30% present value credits.

(6) Applicant--Any Person or a group of Persons and any Affiliates of those Persons who file an Application with the Department requesting funding or a tax credit allocation subject to the requirements of this chapter or Chapters 12 or 13 of this title and who have undertaken or may contemplate the later formation of one or more business entities, such as a limited partnership, that is to be engaged in the ownership of a Development.

(7) Application Acceptance Period--That period of time during which Applications may be submitted to the Department. For Tax-Exempt Bond Developments it is the date the Application is submitted to the Department.

(8) Award Letter --A document that may be issued to an awardee of a Direct Loan before the issuance of a Contract which preliminarily sets forth the terms and conditions under which the Direct Loan will be made available. An Award Letter will typically be contingent on the awardee satisfying certain requirements prior to executing a Contract.

(9) Bank Trustee--A federally insured bank with the ability to exercise trust powers in the State of Texas.

(10) Bathroom—either:

(A) Full Bathroom—A portion of a Unit that is self-contained and includes all of the components of a Half Bathroom, plus a shower or bathtub (including a shower curtain rod if applicable) and towel bar. Rehabilitation (excluding Reconstruction) Developments in which Full Bathroom configurations are not being altered, will be exempt from the requirements, except as needed to comply with accessibility requirements.

(B) Half Bathroom—A portion of a Unit that is self-contained with a door and that has at least one toilet, wall-hung toilet paper holder, ventilation fan, electrical outlets, wall mirror, sink, and a faucet. Rehabilitation (excluding Reconstruction) Developments in which Half Bathroom configurations are not being altered, will be exempt from the requirements, except as needed to comply with accessibility requirements.

(110) Bedroom--A portion of a Unit which is no less than 100 square feet; has no width or length less than eight feet; is self-contained with a door (or the Unit contains a second level sleeping area of 100 square feet or more); has at least one window that provides exterior access; and has at least one closet that is not less than two feet deep and three feet wide and high enough to accommodate five feet of hanging space. A den, study, or other similar space that could reasonably function as a Bedroom and meets this definition is considered a Bedroom. Rehabilitation (excluding Reconstruction) Developments in which Unit configurations are not being altered will be exempt from the bedroom and closet width, length, and square footage requirements. Supportive Housing Developments will be exempt from the bedroom and closet width, length, and square footage requirements.

(112) Breakeven Occupancy--The occupancy level at which rental income plus secondary income is equal to all operating expenses, including replacement reserves and taxes, and mandatory debt service requirements for a Development.

(132) Building Costs--Cost of the materials and labor for the vertical construction or rehabilitation of buildings and amenity structures.

(143) Carryover Allocation--An allocation of current year tax credit authority by the Department pursuant to the provisions of the Code, §42(h)(1)(C) and U.S. Treasury Regulations, §1.42-6.

(154) Carryover Allocation Agreement--A document issued by the Department, and executed by the Development Owner, pursuant to §11.907 of this title (relating to Carryover Agreement General Requirements and Required Documentation).

(165) Cash Flow--The funds available from operations after all expenses and debt service required to be paid have been considered.

(176) Certificate of Reservation or Traditional Carryforward Designation--The notice given by the Texas Bond Review Board (TBRB) to an issuer reserving a specific amount of the private activity bond state ceiling for a specific Development.

(187) Code--The Internal Revenue Code of 1986, as amended from time to time, together with any applicable regulations, rules, rulings, revenue procedures, information statements, or other official pronouncements issued thereunder by the U.S. Department of the Treasury or the Internal Revenue Service (IRS).

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

(2019) Commitment Notice (also referred to as Commitment)--An agreement issued pursuant to §11.905(a) of this title (relating to General Information for Commitments or Determination Notices), setting forth the terms and conditions under which Competitive Housing Tax Credits from the Department will be made available. A Commitment or Commitment Notice does not mean commitment of federal funds under the Direct Loan Program.

(210) Commitment of Funds--Occurs after the Development is approved by the Board and once a Contract is executed between the Department and Development Owner. The Department's Commitment of Funds may not align with commitments made by other financing parties.

(221) Common Area--~~Enclosed space outside of Net Rentable Area, whether conditioned or unconditioned, to include such area contained in: property management offices, resident service offices, 24-hour front desk office, clubrooms, lounges, community kitchens, community restrooms, exercise rooms, laundry rooms, mailbox areas, food pantry, meeting rooms, libraries, computer labs, classrooms, break rooms, flex space programmed for resident use, interior corridors, common porches and patios, and interior courtyards. Common Area does not include individualized garages, equipment rooms, or storage.~~ All enclosed or covered space not included in Net Rentable Area.

(232) Comparable Unit--A Unit, when compared to the subject Unit, is similar in net rentable square footage, number of Bedrooms, number of bathrooms, overall condition, location (with respect to the subject Property based on proximity to employment centers, amenities, services, and travel patterns), age, Unit amenities, utility structure, and common amenities.

(243) Competitive Housing Tax Credits --Sometimes referred to as Competitive HTC. Tax credits available from the State 9% Housing Credit Ceiling.

(254) Compliance Period--With respect to a building financed, in part with proceeds of Housing Tax Credits, the period of 15 taxable years, beginning with the first taxable year of the credit period, pursuant to Code, §42(i)(1).

(265) Continuously Occupied--The same household has resided in the Unit for at least 12 months.

(276) Contract--A legally binding agreement between the Development Owner and the Department, setting forth the terms and conditions under which Multifamily Direct Loan Program funds will be made available.

(287) Contract Rent--Net rent based upon current and executed rental assistance contract(s), typically with a federal, state, or local governmental agency.

(298) Contractor--See General Contractor.

(3029) Control (including the terms "Controlling," "Controlled by," and "under common Control with")--The power, ability, or authority, acting alone or in concert with others, directly or indirectly, to manage, direct, superintend, restrict, regulate, govern, administer, or oversee. As used herein "acting in concert" involves more than merely serving as a single member of a multi-member body. A member of a multi-member body is not acting in concert and therefore does not exercise control in that role, but may have other roles, such as executive officer positions, which involve actual or apparent authority to exercise control. Controlling entities of a partnership include the general partners, may include special limited partners when applicable, but not investor limited partners or special limited partners who do not possess other factors or attributes that give them Control. Persons with Control of a Development must be identified in the Application. Controlling individuals and entities are set forth in subparagraphs (A) - (E) of this paragraph. Multiple Persons may be deemed to have Control simultaneously.

(A) For for-profit corporations, any officer authorized by the board of directors, regardless of title, to act on behalf of the corporation, including, but not limited to, the president, vice president, secretary, treasurer, and all other executive officers, and each stock holder having a 50% or more interest in the corporation, and any individual who has Control with respect to such stockholder.

(B) For nonprofit corporations or governmental instrumentalities (such as housing authorities), any officer authorized by the board, regardless of title, to act on behalf of the corporation, including, but not limited to, the president, vice president, secretary, treasurer, and all other executive officers, the Audit committee chair, the Board chair, and anyone identified as the executive director or equivalent.

(C) For trusts, all beneficiaries that have the legal ability to Control the trust who are not just financial beneficiaries.

(D) For limited liability companies, all managers, managing members, members having a 50% or more interest in the limited liability company, any individual Controlling such members, or any officer authorized to act on behalf of the limited liability company.

(E) For partnerships, Principals include all General Partners, and Principals with ownership interest and special limited partners with ownership interest who also possess factors or attributes that give them Control.

(310) Debt Coverage Ratio (DCR)--Sometimes referred to as the "Debt Coverage" or "Debt Service Coverage." Calculated as Net Operating Income for any period divided by scheduled

debt service required to be paid during the same period, and as described in §11.302(d)(4) of this chapter (relating to Operating Feasibility).

(321) Deferred Developer Fee--The portion of the Developer Fee used as a source of funds to finance the development and construction of the Property, and as described in §11.302(i)(2) of this chapter (relating to Feasibility Conclusion).

(332) Deobligated Funds--The funds released by the Development Owner or recovered by the Department canceling a Contract or award involving some or all of a contractual financial obligation between the Department and a Development Owner or Applicant.

(343) Determination Notice--A notice issued by the Department to the Development Owner of a Tax- Exempt Bond Development which specifies the Department's preliminary determination as to the amount of tax credits that the Development may be eligible to claim pursuant to the Code, §42(m)(1)(D).

(354) Developer--Any Person entering into a contractual relationship with the Owner to provide Developer Services with respect to the Development and receiving the right to earn a fee for such services and any other Person receiving any portion of a Developer Fee, whether by subcontract or otherwise, except if the Person is acting as a consultant with no Control. The Developer may or may not be a Related Party or Principal of the Owner.

(365) Developer Fee--Compensation in amounts defined in §11.302(e)(7) of this chapter (relating to Total Housing Development Costs) paid by the Owner to the Developer for Developer Services inclusive of compensation to a Development Consultant(s), Development Team member, or any subcontractor that performs Developer Services or provides guaranties on behalf of the Owner will be characterized as Developer Fee. A person who is entitled to a Developer Fee assumes the risk that it may not be paid if the anticipated sources of repayment prove insufficient.

(376) Developer Services--A scope of work relating to the duties, activities, and responsibilities for pre-development, development, design coordination, and construction oversight of the Property generally including, but not limited to:

(A) Site selection and purchase or lease contract negotiation;

(B) Identifying and negotiating sources of construction and permanent financing, including financing provided by the Department;

(C) Coordination and administration of activities, including the filing of applications to secure such financing;

(D) Coordination and administration of governmental permits, and approvals required for construction and operation;

(E) Selection and coordination of development consultants including architect(s), engineer(s), third- party report providers, attorneys, and other design or feasibility consultants;

(F) Selection and coordination of the General Contractor and construction contract(s);

(G) Construction oversight;

(H) Other consultative services to and for the Owner;

(I) Guaranties, financial, or credit support if a Related Party or Affiliate; and

(J) Any other customary and similar activities determined by the Department to be Developer Services.

(38~~7~~) Development--A residential rental housing project that consists of one or more buildings under common ownership and financed under a common plan which has applied for Department funds. This includes a proposed qualified low income housing project, as defined by Code, §42(g), that consists of one or more buildings containing multiple Units that is financed under a common plan, and that is owned by the same Person for federal tax purposes, and may consist of multiple buildings that are located on scattered sites and contain only rent restricted Units. (§2306.6702(a)(6)).

(A) Development will be considered to be a scattered site if the Property where buildings or amenities are located do not share a common boundary and there is no accessible pedestrian route that the Development Owner controls (transportation in a motor vehicle will not meet the requirement for an accessible route).

(B) A Development for which several parcels comprise the Development Site and are separated only by a private road controlled by the Development Owner, or a public road or similar barrier where the Development Owner has a written agreement with the public entity for at least the term of the LURA stating that the accessible pedestrian route will remain, is considered contiguous. The written agreement with the public entity must be in place by the earlier of the 10% Test for Competitive HTC, the Determination Notice date for a Tax-Exempt Bond Development issued by the Department, Cost Certification for Tax-Exempt Bond Developments where the Determination Notice is issued administratively, or the execution of the Multifamily Direct Loan Contract, as applicable.

(39~~8~~) Development Consultant or Consultant--Any Person who provides professional or consulting services relating to the filing of an Application, or post award documents, as required by the program.

(4039) Development Owner (also referred to as "Owner")--Any Person, General Partner, or Affiliate of a Person who owns or proposes a Development or expects to acquire Control of a Development under a purchase contract or ground lease approved by the Department and is responsible for performing under the allocation or Commitment with the Department. (§2306.6702(a)(7)).

(410) Development Site--The area or, if more than one tract (which may be deemed by the Internal Revenue Service or the Department to be a scattered site), areas on which the Development is proposed and to be encumbered by a LURA, including access to that area or areas through ingress and egress easements.

(421) Development Team--All Persons and Affiliates thereof that play a role in the development, construction, rehabilitation, management, or continuing operation of the Development, including any Development Consultant and Guarantor.

(432) Direct Loan--Funds provided through the HOME Program, Neighborhood Stabilization Program (NSP), National Housing Trust Fund (NHTF), HOME American Rescue Plan (HOME-ARP), Tax Credit Assistance Program Repayment Funds (TCAP RF), Texas Housing Trust Fund (THTF), or other programs available through the Department for multifamily development. The terms and conditions for Direct Loans will be determined by provisions in Chapter 13 of this title (relating to Multifamily Direct Loan Rule), the NOFA under which they are awarded, the Contract, and the loan documents. The tax-exempt bond program is specifically excluded.

(443) Educational Provider-- A school district; open-enrollment charter school; or Education Service Center. Private schools and private childcare providers, whether nonprofit or for profit, are not eligible parties, unless the private school or private childcare provider has entered into a partnership with a school district or open-enrollment charter school to provide a HQ Pre-K program in accordance with Texas Education Code Chapter 29, Subchapter E-1.

(454) Economically Distressed Area--An area that is in a census tract that has a median household income that is 75% or less of the statewide median household income and in a municipality or, if not within a municipality, in a county that has been awarded funds under the Economically Distressed Areas Program administered by the Texas Water Development Board. Notwithstanding all other requirements, for funds awarded to another type of political subdivision (e.g., a water district), the Development Site must be within the jurisdiction of the political subdivision.

(465) Effective Gross Income (EGI)--As provided for in §11.302(d)(1)(D) of this chapter (relating to Operating Feasibility). The sum total of all sources of anticipated or actual income for a rental Development, less vacancy and collection loss, leasing concessions, and rental income from employee-occupied units that is not anticipated to be charged or collected.

(476) Efficiency Unit--A Unit without a separately enclosed Bedroom.

(487) Elderly Development--A Development that either meets the requirements of the Housing for Older Persons Act (HOPA) under the Fair Housing Act, or a Development that receives federal funding that has a requirement for a preference or limitation for elderly persons or households, but must accept qualified households with children.

(498) Eligible Hard Costs--Hard Costs includable in Eligible Basis for the purposes of determining a Housing Credit Allocation.

(5049) Environmental Site Assessment (ESA)--An environmental report that conforms to the Standard Practice for Environmental Site Assessments: Phase I Assessment Process (ASTM Standard Designation: E 1527) and conducted in accordance with §11.305 of this chapter (relating to Environmental Site Assessment Rules and Guidelines) as it relates to a specific Development.

(510) Existing Residential Development--Any Development Site which contains any type of existing residential dwelling at any time as of the beginning of the Application Acceptance Period.

(521) Extended Use Period--With respect to an HTC building, the period beginning on the first day of the Compliance Period and ending the later of:

(A) The date specified in the LURA; or

(B) The date which is 15 years after the close of the Compliance Period.

(532) First Lien Lender--A lender whose lien has first priority as a matter of law or by operation of a subordination agreement or other intercreditor agreement.

(543) Forward Commitment--the issuance of a Commitment of Housing Tax Credits from the State Housing Credit Ceiling for the calendar year following the year of issuance, made subject to the availability of State Housing Credit Ceiling in the calendar year for which the Commitment has been made.

(554) General Contractor (including "Contractor")--One who contracts to perform the construction or rehabilitation of an entire Development, rather than a portion of the work. The General Contractor hires subcontractors, such as plumbing contractors, electrical contractors, etc., coordinates all work, and is responsible for payment to the subcontractors. A prime subcontractor will also be treated as a General Contractor, and any fees payable to the prime subcontractor will be treated as fees to the General Contractor, in the scenarios described in subparagraphs (A) or (B) of this paragraph:

(A) Any subcontractor, material supplier, or equipment lessor receiving more than 50% of the contract sum in the construction contract will be deemed a prime subcontractor; or

(B) If more than 75% of the contract sum in the construction contract is subcontracted to three or fewer subcontractors, material suppliers, and equipment lessors, such parties will be deemed prime subcontractors.

(56) General Partner--Any person or entity identified as a general partner in a certificate of formation for the partnership or is later admitted to an existing partnership as a general partner that is the Development Owner and that Controls the partnership. Where a limited liability corporation is the legal structure employed rather than a limited partnership, the manager or managing member of that limited liability corporation is deemed, for the purposes of these rules, to be the functional equivalent of a general partner.

(576) Governing Body--The elected or appointed body of public or tribal officials responsible for the enactment, implementation, and enforcement of local rules and the implementation and enforcement of applicable laws for its respective jurisdiction.

(587) Governmental Entity--Includes federal, state or local agencies, departments, boards, bureaus, commissions, authorities, and political subdivisions, special districts, tribal governments, and other similar entities.

(598) Gross Capture Rate--Calculated as the Relevant Supply divided by the Gross Demand, and as described in §11.302(i)(1) of this chapter (relating to Feasibility Conclusion).

(6059) Gross Demand--The sum of Potential Demand from the Primary Market Area (PMA) and demand from other sources, as described in §11.303(d)(9)(E)(ii) of this chapter (relating to Market Analysis Rules and Guidelines).

(610) Gross Program Rent--Maximum rent limits based upon the tables promulgated by the Department's division responsible for compliance, which are developed by program and by county or Metropolitan Statistical Area (MSA) or Primary Metropolitan Statistical Area (PMSA) or national non-metro area.

(621) Guarantor--Any Person that provides, or is anticipated to provide, a guaranty for all or a portion of the equity or debt financing for the Development.

(632) Hard Costs--The sum total of Building Costs, Site Work costs, Off-Site Construction costs, and contingency.

(643) Historically Underutilized Businesses (HUB)--An entity that is certified as such under and in accordance with Tex. Gov't Code, Chapter 2161.

(654) HOME Match Eligible Unit—A Unit in the Development that may or may not be assisted with HOME Program funds, but would qualify as eligible for Match under 24 CFR Part 92 and CPD Notice 97-03 or subsequent HUD guidance.

(665) Housing Contract System (HCS)--The electronic information system established by the Department for tracking, funding, and reporting Department Contracts and Developments. The HCS is primarily used for Direct Loan Programs administered by the Department.

(676) Housing Credit Allocation--An allocation of Housing Tax Credits by the Department to a Development Owner as provided for in Code.

(687) Housing Credit Allocation Amount--With respect to a Development or a building within a Development, the amount of Housing Tax Credits the Department and the Board, if applicable, determines to be necessary for the financial feasibility of the Development and its viability as a Development throughout the Affordability Period.

(698) HTC Development (also referred to as HTC Property)--A Development subject to an active LURA for Housing Tax Credits allocated by the Department.

(7069) HTC Property--See HTC Development.

(710) Initial Affordability Period--The Compliance Period or such longer period as shall have been elected by the Owner as the minimum period for which Units in the Development shall be retained for low-income tenants and rent restricted, as set forth in the LURA.

(712) Integrated Disbursement and Information System (IDIS)--The electronic grants management information system established by HUD to be used for tracking and reporting HOME and NHTF funding and progress, and which may be used for other sources of funds as established by HUD.

(732) Land Use Restriction Agreement (LURA)--An agreement, regardless of its title, between the Department and the Development Owner which is a binding covenant upon the Development Owner and successors in interest, that, when recorded, encumbers the Development with respect to the requirements of the programs for which it receives funds. (§2306.6702)

(743) Low-Income Unit (also referred to as a Rent Restricted Unit)--A Unit that is intended to be restricted for occupancy by an income eligible household, as defined by the Department utilizing its published income limits.

(754) Managing General Partner--A general partner of a partnership (or, as provided for in the definition of General Partner in this subsection, its functional equivalent) that is vested with the authority to take actions that are binding on behalf of the partnership and the other partners. The term Managing General Partner can also refer to a manager or

managing member of a limited liability company where so designated to bind the limited liability company and its members under its Agreement or any other person that has such powers in fact, regardless of their organizational title.

(765) Market Analysis--Sometimes referred to as "Market Study." An evaluation of the economic conditions of supply, demand, and rental rates conducted in accordance with §11.303 of this chapter (relating to Market Analysis Rules and Guidelines) as it relates to a specific Development.

(776) Market Analyst--A real estate appraiser or other professional satisfying the qualifications in §11.303(c) of this chapter, and familiar with the subject property's market area who prepares a Market Analysis.

(787) Market Rent--The achievable rent at the subject Property for a Unit without rent and income restrictions determined by the Market Analyst or Underwriter after adjustments are made to actual rents on Comparable Units to account for differences in net rentable square footage, functionality, overall condition, location (with respect to the subject Property based on proximity to primary employment centers, amenities, services, and travel patterns), age, Unit amenities, utility structure, and Common Area amenities. The achievable rent conclusion must also consider the proportion of market Units to total Units proposed in the subject Property.

(798) Market Study--See Market Analysis.

(8079) Material Deficiency--Any deficiency in a pre-application or an Application or other documentation that exceeds the scope of an Administrative Deficiency. Inability to provide documentation that existed prior to submission of an Application to substantiate claimed points or meet threshold requirements may be considered material and may result in denial of the requested points or a termination in the case of threshold items. It is possible that multiple deficiencies that could individually be characterized as Administrative Deficiencies, when taken as a whole, would create a need for substantial re-review of the Application and as such would be characterized as constituting a Material Deficiency.

(810) Multifamily Programs Procedures Manual--The manual produced and amended from time to time by the Department which reiterates and implements the rules and provides guidance for the filing of multifamily related documents. The Manual is not a rule and is provided only as good faith guidance and assistance.

(821) National Standards for the Physical Inspection of Real Estate (NSPIRE)-- As developed by the Real Estate Assessment Center of HUD.

(832) Net Operating Income (NOI)--The income remaining after all operating expenses, including replacement reserves and taxes have been paid, as provided for in §11.302(d)(3) of this chapter (relating to Operating Feasibility).

(843) Net Program Rent--Calculated as Gross Program Rent less Utility Allowance.

(854) Net Rentable Area (NRA)--The Unit space that is available exclusively to the tenant and is heated and 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. If the construction does not use studs, NRA is measured to the outside of the material to which the drywall is affixed. Remote Storage of no more than 25 square feet per Unit may be included in NRA. For Developments using Multifamily Direct Loan funds the Remote Storage may only be included in NRA if the storage area shares a wall with the residential living space. 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, nor does NRA include the enclosing walls of such areas.

(865) Non-HTC Development--Sometimes referred to as Non-HTC Property. Any Development not utilizing Housing Tax Credits or Exchange funds.

(876) Notice of Funding Availability (NOFA)--A notice issued by the Department that announces funding availability, usually on a competitive basis, for multifamily rental programs requiring Application submission from potential Applicants.

(887) Office of Rural Affairs--An office established within the Texas Department of Agriculture; formerly the Texas Department of Rural Affairs.

(898) Off-Site Construction--Improvements up to the Development Site such as the cost of roads, water, sewer, and other utilities to provide access to and service the Site.

(90889) One Year Period (1YP)--The period commencing on the date on which the Department and the Owner agree to the Qualified Contract price in writing and continuing for 12 calendar months.

(910) Owner--See Development Owner.

(921) Person--Without limitation, any natural person, corporation, partnership, limited partnership, joint venture, limited liability company, trust, estate, association, cooperative, government, political subdivision, agency or instrumentality, or other organization or entity of any nature whatsoever, and shall include any group of Persons acting in concert toward a common goal, including the individual members of the group.

(932) Person or Persons with Disabilities--With respect to an individual, means that such person has:

(A) A physical or mental impairment that substantially limits one or more major life activities of such individual;

(B) A record of such an impairment; or

(C) Is regarded as having such an impairment, to include persons with severe mental illness and persons with substance abuse disorders.

(943) Physical Needs Assessment--See Scope and Cost Review.

(954) Place--An area defined as such by the United States Census Bureau which, in general, includes an incorporated city, town, or village, as well as unincorporated areas known as Census Designated Places. Any part of a Census Designated Place that, at the time of Application, is within the boundaries of an incorporated city, town, or village will be considered as part of the incorporated area. Areas that are annexed by a city, town, or village through limited-purpose annexation are considered to be part of the incorporated area of that city, town, or village for purposes of this chapter. The Department may provide a list of Places for reference.

(965) Post Award Activities Manual--The manual produced and amended from time to time by the Department which explains the post award requirements and provides guidance for the filing of such documentation.

(976) Potential Demand--The number of income-eligible, age-, size-, and tenure-appropriate target households in the designated market area at the proposed placement in service date.

(987) Preservation--Activities that extend the Affordability Period for rent-restricted Developments that are at risk of losing low-income use restrictions or subsidies.

(998) Primary Market--Sometimes referred to as "Primary Market Area." The area defined by the Market Analyst as described in §11.303 of this chapter (relating to Market Analysis Rules and Guidelines) from which a proposed or existing Development is most likely to draw the majority of its prospective tenants or homebuyers.

(10099) Primary Market Area (PMA)--See Primary Market.

(1010) Principal--Persons that will be capable of exercising Control pursuant to §11.1(d) of this chapter (relating to the definition of Control) over a partnership, corporation, limited liability company, trust, or any other private entity.

(1021) Pro Forma Rent--For a restricted Unit, the lesser of the Net Program Rent or the Market Rent. For an unrestricted Unit, the Market Rent. Contract Rents, if applicable, will be used as the Pro Forma Rent.

(1032) Property--The real estate and all improvements thereon which are the subject of the Application (including all items of personal property affixed or related thereto), whether

currently existing or proposed to be built or rehabilitated thereon in connection with the Application.

(10~~43~~) Qualified Census Tract (QCT)--those tracts designated as such by the U.S. Department of Housing and Urban Development.

(10~~54~~) Qualified Contract (QC)--A bona fide contract to acquire the non-low-income portion of the building for fair market value and the low-income portion of the building for an amount not less than the Applicable Fraction (specified in the LURA) of the calculation as defined within §42(h)(6)(F) of the Code.

(10~~65~~) Qualified Contract Price (QC Price)--Calculated purchase price of the Development as defined within Code, §42(h)(6)(F) and as further delineated in §10.408 of this title (relating to Qualified Contract Requirements).

(10~~76~~) Qualified Contract Request (Request)--A request containing all information and items required by the Department relating to a Qualified Contract.

(10~~87~~) Qualified Entity--Any entity permitted under Code, §42(i)(7)(A) and any entity controlled by such a qualified entity.

(10~~98~~) Qualified Nonprofit Development--A Development which meets the requirements of Code, §42(h)(5), includes the required involvement of a Qualified Nonprofit Organization, and is seeking Competitive Housing Tax Credits.

(110~~09~~) Qualified Nonprofit Organization--An organization that meets the requirements of Code §42(h)(5)(C) for all purposes, and for an allocation in the nonprofit set-aside or subsequent transfer of the Property, when applicable, meets the requirements of Tex. Gov't Code §2306.6706, and §2306.6729, and Code, §42(h)(5), including having a Controlling interest in the Development.

(11~~0~~) Reconstruction--The demolition of one or more residential buildings in an Existing Residential Development and the construction of Units on the same or another Development Site. At least one Unit must be reconstructed in order to qualify as Reconstruction. The total number of Units to be reconstructed will be determined by program requirements. Developments using Multifamily Direct Loan funds are required to follow the applicable federal requirements.

(112~~1~~) Rehabilitation--The improvement or modification of an Existing Residential Development through alteration, incidental addition, or enhancement. The term includes the demolition of an Existing Residential Development and the Reconstruction of any Development Units on the Development Site, but does not include Adaptive Reuse. (§2306.004(26-a)) Reconstructed Units will be considered New Construction for purposes of calculating the Replacement Reserves under §11.302(d)(2)(I) (relating to Operating

Feasibility). More specifically, Rehabilitation is the repair, refurbishment, or replacement of existing mechanical or structural components, fixtures, and finishes. Rehabilitation will correct deferred maintenance, reduce functional obsolescence to the extent possible, and may include the addition of: energy efficient components and appliances; life and safety systems; site and resident amenities; and other quality of life improvements typical of new residential Developments.

(1132) Relevant Supply--The supply of Comparable Units in proposed and Unstabilized Developments targeting the same population including:

(A) The proposed subject Units; and

(B) Comparable Units in previously approved but Unstabilized Developments in the PMA.

(1143) Report--See Underwriting Report.

(1154) Request--See Qualified Contract Request.

(1165) Reserve Account--An individual account:

(A) Created to fund any necessary repairs or other needs for a Development; and

(B) Maintained by a First Lien Lender or Bank Trustee.

(1176) Right of First Refusal (ROFR)--An Agreement to provide a series of priority rights to negotiate for the purchase of a Property by a Qualified Entity or a Qualified Nonprofit Organization at a negotiated price at or above the minimum purchase price as defined in Code §42(i)(7) or as established in accordance with an applicable LURA.

(1187) Rural Area--

(A) A Place that is located:

(i) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area;

(ii) within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an Urban Area; or

(iii) within the boundaries of a local political subdivision that is outside the boundaries of an Urban Area.

(B) For areas not meeting the definition of a Place, the designation as a Rural Area or Urban Area is assigned in accordance with §11.204(5)(A) of this chapter (relating to Required Documentation for Application Submission) or as requested in accordance with §11.204(5)(B) of this chapter.

(11~~98~~) Scope and Cost Review (SCR)--Sometimes referred to as "Physical Needs Assessment," "Project Capital Needs Assessment," or "Property Condition Report." The SCR provides an evaluation of the physical condition of an existing Property to evaluate the immediate cost to rehabilitate and to determine costs of future capital improvements to maintain the Property. The SCR must be prepared in accordance with §11.306 of this chapter (relating to Scope and Cost Review Guidelines), as it relates to a specific Development.

(120~~19~~) Scoring Notice--Notification provided to an Applicant of the score for their Application after staff review. More than one Scoring Notice may be issued for a Competitive HTC or a Direct Loan Application.

(121~~0~~) Single Room Occupancy (SRO)--An Efficiency Unit that meets all the requirements of a Unit except that it may, but is not required, to be rented on a month to month basis to facilitate Transitional Housing. Buildings with SRO Units have extensive living areas in common and are required to be Supportive Housing and include the provision for substantial supports from the Development Owner or its agent on site.

(122~~1~~) Site Control--Ownership or a current contract or series of contracts that meets the requirements of §11.204(9) of this chapter, that is legally enforceable giving the Applicant the ability, not subject to any legal defense by the Owner or anyone else, to develop and operate a Property and subject it to a LURA reflecting the requirements of any awards of assistance it may receive from the Department.

(123~~2~~) Site Work--Materials and labor for the horizontal construction generally including excavation, grading, paving, underground utilities, and site amenities.

(124~~3~~) State Housing Credit Ceiling--The aggregate amount of Competitive Housing Credit Allocations that may be made by the Department during any calendar year, as determined from time to time by the Department in accordance with applicable federal law, including Code, §42(h)(3)(C), and Treasury Regulation §1.42-14.

(125~~4~~) Sub-Market--An area defined by the Underwriter based on general overall market segmentation promulgated by market data tracking and reporting services from which a proposed or existing Development is most likely to draw the majority of its prospective tenants or homebuyers.

(126~~5~~) Supportive Housing--A residential rental Development and Target Population meeting the requirements of subparagraphs (A) - (F) of this paragraph:

(A) Be intended for and targeting occupancy for households in need of specialized and specific non- medical services in order to maintain housing or transition into independent living;

(B) Be owned and operated by an Applicant or General Partner that must:

(i) have supportive services provided by the Applicant, an Affiliate of the Applicant, or a Third Party provider if the service provider is able to demonstrate a record of providing substantive services similar to those proposed in the Application in residential settings for at least three years prior to the beginning of the Application Acceptance Period, or Application Acceptance Date for Multifamily Direct Loan Applications;

(ii) provide no less than 30 square feet of Common Area space per Unit that is specifically used for the delivery of supportive services or an amenity for the residents.;

(iii) secure sufficient funds necessary to maintain the Supportive Housing Development's operations throughout the entire Affordability Period;

(iiv) provide evidence of a history of fundraising activities reasonably deemed to be sufficient to address any unanticipated operating losses;

(v) provide a fully executed guaranty agreement whereby the Applicant or its Affiliate assume financial responsibility of any outstanding operating deficits, as they arise, and throughout the entire Affordability Period; and

(vi) have Tenant Selection Criteria that fully comply with §10.802 of this title (regarding Written Policies and Procedures), which require a process for evaluation of prospective residents against a clear set of credit, criminal conviction, and prior eviction history that may disqualify a potential resident. This process must also follow §1.204 of this title (regarding Reasonable Accommodations), and:

(I) The criminal screening criteria must not allow residents to reside in the Development who are subject to a lifetime sex offender registration requirement; and provide at least, for:

(-a-) Temporary denial for a minimum of seven years from the date of conviction based on criminal history at application or recertification of any felony conviction for murder related offense, sexual assault, kidnapping, arson, or manufacture of a controlled substance as defined in §102 of the Controlled Substances Act (21 U.S.C. 802); and

(-b-) Temporary denial for a minimum of three years from the date of conviction based on criminal history at application or recertification of any felony conviction for aggravated assault, robbery, drug possession, or drug distribution;

(II) The criminal screening criteria must include provisions for approving applications and recertification despite the tenant's criminal history on the basis of mitigation evidence. Applicants/tenants must be provided written notice of their ability to provide materials that support mitigation. Mitigation may be provided during initial tenant application or upon appeal after denial. Mitigation may include personal statements/certifications, documented drug/alcohol treatment, participation in case management, letters of recommendation from mental health professionals, employers, case managers, or others with personal knowledge of the tenant. In addition, the criteria must include provision for individual review of permanent or temporary denials if the conviction is more than 7 years old, or if the applicant/resident is over 50 years of age, and the prospective resident has no additional felony convictions in the last 7 years. The criteria must prohibit consideration of any previously accepted criminal history or mitigation at recertification, unless new information becomes available. Criminal screening criteria and mitigation must conform to federal regulations and official guidance, including HUD's 2016 Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records; and

(III) Disqualifications in a Development’s Tenant Selection Criteria cannot be a total prohibition, unless such a prohibition is required by federal statute or regulation (i.e. the Development must have an appeal process for other required criteria). As part of the appeal process the prospective resident must be allowed to demonstrate that information in a third party database is incorrect;

(C) Where supportive services are tailored for members of a household with specific needs, such as:

(i) homeless or persons at-risk of homelessness;

(ii) persons with physical, intellectual, or developmental disabilities;

(iii) youth aging out of foster care;

(iv) persons eligible to receive primarily non-medical home or community-based services;

(v) persons transitioning out of institutionalized care;

(vi) persons unable to secure permanent housing elsewhere due to specific, non-medical, or other high barriers to access and maintain housing;

(vii) Persons with Special Housing Needs including households where one or more individuals have alcohol or drug addictions, Violence Against Women Act Protections (domestic violence, dating violence, sexual assault, and stalking), HIV/AIDS, or is a veteran with a disability; or

(viii) other target populations that are served by a federal or state housing program in need of the type and frequency of supportive services characterized herein, as represented in the Application and determined by the Department on a case-by-case basis;

(D) Supportive services must meet the minimum requirements provided in clauses (i) - (iv) of this subparagraph:

(i) regularly and frequently offered to all residents, primarily on-site;

(ii) easily accessible and offered at times that residents are able to use them;

(iii) must include readily available resident services or service coordination that either aid in addressing debilitating conditions, or assist residents in securing the skills, assets, and connections needed for independent living; and

(iv) a resident may not be required to access supportive services in order to qualify for or maintain tenancy in a rent restricted Unit that the household otherwise qualifies for; and

(E) Supportive Housing Developments must meet the criteria of either clause (i) or (ii) of this subparagraph:

(i) not financed with any debt containing foreclosure provisions or debt that contains scheduled or periodic repayment provisions, except for the following:

(I) Construction financing;

(II) A direct Loan from the Department;

(III) A permanent foreclosable loan from a local, state, or federal government or instrumentality thereof if the loan is deferred-forgivable, deferred payable, or cash-flow contingent, the foreclosure provisions are triggered only by default on non-monetary default provisions, and the maturity date is after the end of the Affordability Period;

(IV) A permanent foreclosable loan from an Affiliate if the funds are originally sourced from charitable contributions, nonprofit equity, the Federal Home Loan Bank's Affordable Housing Program, Capital Magnet Fund, or pass-through government funds, if the loan is deferred-forgivable, deferred-payable, or cash-flow contingent, and if the foreclosure provisions are triggered only by default on non-monetary default provisions, and the maturity date is after the end of the Affordability Period;

(V) For tax credit applications only, permanent foreclosable debt that contains scheduled or periodic repayment provisions (including payments subject to available cash-flow) is permissible if sourced by federal funds and otherwise structured to meet valid debt requirements for tax credit eligible basis considerations.

(VI) Any amendment to an Application or Underwriting Report resulting in the addition of debt prohibited under this definition will result in the revocation of IRS Form(s) 8609, and may not be made for Developments that have Direct Loans after a LURA is executed, except as a part of Work Out Development approved by the Asset Management Division.

(ii) financed with debt that meets feasibility requirements under Subchapter D of this chapter without exemptions and must also be supported by project-based rental or project-based operating subsidies for 25% of the Units evidenced by an executed agreement with an unaffiliated or governmental third party able to make that commitment, and meet all of the criteria in subclauses (I) - (VI) of this clause:

(I) the Application includes documentation of how resident feedback has been incorporated into design of the proposed Development;

(II) the Development is located less than 1/2 mile from regularly-scheduled public transportation, including evenings and weekends;

(III) at least 10% of the Units in the proposed Development meet the 2010 ADA standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" 79 Federal Register 29671 for persons with mobility impairments;

(IV) multiple systems will be in place for residents to provide feedback to Development staff;

(V) the Development will have a comprehensive written eviction prevention policy that includes an appeal process; and

(VI) the Development will have a comprehensive written services plan that describes the available services, identifying whether they are provided directly or through referral linkages, by whom, and in what location and during what days and hours. A copy of the services plan will be readily accessible to residents.

(F) Supportive housing Units included in an otherwise non-Supportive Housing Development do not meet the requirements of this definition.

(127~~6~~) Target Population--The designation of types of housing populations shall include Elderly Developments and those that are Supportive Housing. All others will be considered to serve general populations without regard to any subpopulations, although the Application may request that any other populations required for targeting, preference, or limitation by a federal or state fund source are identified.

(128~~7~~) Tax-Exempt Bond Development--A Development requesting or having been issued a Determination Notice for Housing Tax Credits and which receives a portion of its financing from the proceeds of Tax-Exempt Bonds which are subject to the state volume cap as described in Code, §42(h)(4).

(129~~8~~) Tax-Exempt Bond Process Manual--The manual produced and amended from time to time by the Department which explains the process and provides guidance for the filing of a Housing Tax Credit Application utilizing Tax-Exempt Bonds.

(1302~~9~~) TDHCA Operating Database--Sometimes referred to as "TDHCA Database." A consolidation of recent actual income and operating expense information collected through the Department's Annual Owner Financial Certification process, as required and described in Chapter 10, Subchapter F of this title (relating to Compliance Monitoring), and published on the Department's website (www.tdhca.state.tx.us).

(131~~0~~) Third Party--A Person who is not:

(A) An Applicant, General Partner, Developer, or General Contractor;

(B) An Affiliate to the Applicant, General Partner, Developer, or General Contractor;

(C) Anyone receiving any portion of the administration, contractor, or Developer Fee from the Development; or

(D) In Control with respect to the Development Owner.

(132~~1~~) Total Housing Development Cost--The sum total of the acquisition cost, Hard Costs, soft costs, Developer Fee, and General Contractor fee incurred or to be incurred through lease-up by the Development Owner in the acquisition, construction, rehabilitation, and financing of the Development.

(1332) Transitional Housing--A Supportive Housing Development funded with HOME, NSP, HOME-ARP or TCAP RF, and not layered with Housing Tax Credits that includes living Units with more limited individual kitchen facilities and is:

(A) Used exclusively to facilitate the transition of homeless individuals and those at-risk of becoming homeless to independent living within 24 months; and

(B) Is owned by a Development Owner that includes a Governmental Entity or a nonprofit which provides temporary housing and supportive services to assist such individuals in, among other things, locating and retaining permanent housing. The limited kitchen facilities in individual Units must be appropriately augmented by suitable, accessible shared or common kitchen facilities.

(1343) Underwriter--The author(s) of the Underwriting Report.

(1354) Underwriting Report--Sometimes referred to as the Report. A decision making tool prepared by the Department's Real Estate Analysis Division that contains a synopsis of the proposed Development and that reconciles the Application information, including its financials and market analysis, with the underwriter's analysis. The Report allows the Department and Board to determine whether the Development will be financially feasible as required by Code §42(m), or other federal or state regulations.

(1365) Uniform Multifamily Application Templates--The collection of sample resolutions and form letters, produced by the Department, as may be required under this chapter or Chapters 12 and 13 of this title (relating to Multifamily Housing Bond Rules and Multifamily Direct Loan Rule, respectively) that may, but are not required to, be used to satisfy the requirements of the applicable rule.

(1376) Unit--Any residential rental Unit in a Development consisting of an accommodation, including a single room used as an accommodation on a non-transient basis, that contains complete physical facilities and fixtures for living, sleeping, eating, cooking, and sanitation.

(1387) Unit Type--Units will be considered different Unit Types if there is any variation in the number of Bedrooms, bathrooms, features, or a square footage difference equal to or more than 120 square feet.

(1398) U.S. Department of Agriculture (USDA)--Texas Rural Development Office (TRDO) serving the State of Texas.

(14039) U.S. Department of Housing and Urban Development (HUD)-regulated Building--A building for which the rents and utility allowances of the building are reviewed by HUD.

(1410) Unstabilized Development--A Development with Comparable Units that has been approved for funding by the Department's Board of Directors or is currently under

construction or has not maintained a 90% occupancy level for at least 90 days following construction completion. A development may be deemed stabilized by the Underwriter based on factors relating to a development's lease-up velocity, Sub-Market rents, Sub-Market occupancy trends, and other information available to the Underwriter. The Market Analyst may not consider such development stabilized in the Market Study.

(1421) Urban Area--A Place that is located within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area other than a Place described in paragraph (117)(A) of this subsection, definition of Rural Area. For areas not meeting the definition of a Place, the designation as a Rural Area or Urban Area is assigned in accordance with §11.204(5) of this chapter.

(1432) Utility Allowance--The estimate of tenant-paid utilities made in accordance with Treasury Regulation, §1.42-10 and §10.614 of this title (relating to Utility Allowances).

(1443) Work Out Development--A financially distressed Development for which the Owner or a primary financing participant is seeking a change in the terms of Department funding or program restrictions.

(e) Data. Where this chapter requires the use of American Community Survey or Housing & Urban Development data, the Department shall use the most current data available as of August 1 of the year prior to Application, unless specifically otherwise provided in federal or state law or in the rules, with the exception of census tract boundaries for which 2020 Census boundaries will be used, unless otherwise noted. All references to census tracts throughout this chapter will mean the 2020 Census tracts, unless otherwise noted. Applicants may need to provide Census tract information based on the 2020 boundaries as well as the ones defined by 2010 boundaries, if data based on 2020 tract boundaries are not available as of August 1, 2024 2025 for the specific item in question. All American Community Survey (ACS) data must be 5-year estimates, unless otherwise specified and it is the ACS data that will be used for population determination. The availability of more current data shall be disregarded. Where other data sources are specifically required, such as NeighborhoodScout, the data available after August 1, but before Full Application Final Delivery Date, will be permissible. The NeighborhoodScout report submitted in the Application must include the report date. All references to QCTs throughout this chapter mean the 2025 2026 QCTs designated by HUD to be effective in 20252026.

Where this chapter requires the division of Census tracts into quartiles, if the number of tracts is not evenly divisible by four, the Department shall divide the quartiles in the following manner:

(1) If the division of the tracts into quartiles leaves one excess tract, then the first quartile shall contain the excess tract.

(2) If the division of the tracts into quartiles leaves two excess tracts, then the first and second quartiles shall contain an excess tract each.

(3) If the division of the tracts into quartiles leaves three excess tracts, then the first, second, and third quartiles shall contain one excess tract each.

(f) Deadlines. Where a specific date or deadline is identified in this chapter, the information or documentation subject to the deadline must be received by the Department on or before 5:00 p.m. Austin local time on the day of the deadline. If the deadline falls on a weekend or holiday, the deadline is 5:00 p.m. Austin local time on the next day which is not a weekend or holiday and on which the Department is open for general operation. Unless otherwise noted or provided in statute, deadlines are based on calendar days. Deadlines, with respect to both date and time, cannot be waived except where authorized and for truly extraordinary circumstances, such as the occurrence of a significant natural disaster that could not have been anticipated and makes timely adherence impossible. Applicants should further ensure that all required documents are included, legible, properly organized, and tabbed, and that materials in required formats involving digital media are complete and fully readable. Applicants are strongly encouraged to submit the required items well in advance of established deadlines.

(g) Documentation to Substantiate Items and Representations in a Competitive HTC Application. In order to ensure the appropriate level of transparency in this highly competitive program, Applications and all correspondence and other information relating to each Application are posted on the Department's website and updated on a regular basis. Applicants must use the Application form posted online to provide appropriate support for each item substantiating a claim or representation, such as claims for points, qualification for set-asides, meeting of threshold requirements, or timely requesting a waiver or determination. Any Application that staff identifies as having insufficient support information will be directed to cure the matter via the Deficiency process. Applicants are reminded that this process may not be used to increase a scoring item's points or to change any aspect of the proposed Development, financing structure, or other element of the Application. Although a responsive narrative will be created after Application submission, all facts and materials to substantiate any item in response to such an Administrative Deficiency must have been clearly established at the time of submission of the Application.

(h) Board Standards for Review. Some issues may require or benefit from Board review. The Board is not constrained to a particular standard, and while its actions on one matter are not binding as to how it will address another matter, the Board does seek to promote consistency with its policies, including the policies set forth in this chapter.

(i) Scattered Site Applications. As it relates to calculating any distances (tie determinations, proximity to features, etc.), year of initial construction, or determining satisfaction of scoring, the site that scores or ranks the lowest will be the site used for that analysis. There is no opportunity for higher scoring or performing sites to elevate the score or performance of other sites in the scattered site Application.

(j) Public Information Requests. Pursuant to Tex. Gov't Code §2306.6717, any pre-application and any full Application, including all supporting documents and exhibits, must be made available to the public, in their entirety, on the Department's website. The filing of a pre-application or Application with the Department shall be deemed as consent to the release of any and all information contained therein, including supporting documents and exhibits. As part of its certifications, the Applicant shall certify that the authors of the reports and other information and documents submitted with the Application have given their consent to the Applicant to submit all reports and other information and documents to the Department, and for the Department to publish anything submitted with the Application on its website and use such information and documents for authorized purposes.

(**k) Responsibilities of Municipalities and Counties.** In considering resolutions regarding housing de-concentration issues, threshold requirements, or scoring criteria, municipalities and counties should consult their own staff and legal counsel as to whether their handling of actions regarding such resolution(s) are consistent with Fair Housing laws as they may apply, including, as applicable, consistency with any Fair Housing Activity Statement-Texas (FHAST) form on file, any current Analysis of Impediments to Fair Housing Choice, any current Assessment of Fair Housing, or any current plans such as one year action plans or five year consolidated plans for HUD block grant funds, such as HOME or CDBG funds.

(l) Request for Staff Determinations. Where the requirements of this chapter do not readily align with the activities proposed in an Application, an Applicant may request and Department staff may provide a determination to an Applicant explaining how staff will review an Application in relation to the applicable rules. In no instance will staff provide a determination regarding a scoring item. Any such request must be received by the Department prior to submission of the pre-application (if applicable to the program) or Application (if no pre-application was submitted). Staff may, in its sole discretion, provide the request to the Board for it to make the determination. Staff's determination may take into account the articulated purpose of or policies addressed by a particular rule or requirement, materiality of elements, substantive elements of the development plan that relate to a term or definition, a common usage of the particular term, or other issues relevant to a rule or requirement. All such requests and determinations will be conveyed in writing. If the determination is finalized after submission of the pre-application or Application, the Department may allow corrections to the pre-application or the Application that are directly related to the issues in the determination. It is an Applicant's sole responsibility to request a determination and an Applicant may not rely on any determination for another Application regardless of similarities in a particular fact pattern. For any Application that does not request and subsequently receive a determination, the definitions and applicable rules will be applied as used and defined herein. An Applicant may appeal a determination for their Application, using the Appeal Process provided for in §11.902 of this chapter (relating to Appeals Process), if the determination provides for a treatment that relies on factors other than the explicit definition. A Board determination may not be appealed. A staff or Executive Director determination not timely appealed cannot be further appealed or challenged.

§11.2.Program Calendar for Housing Tax Credits.

(a) Competitive HTC Deadlines. Non-statutory deadlines specifically listed in the Program Calendar may be extended by the Department for a period of not more than 5 business days provided that the Applicant has, in writing, requested an extension prior to the date of the original deadline and has established to the reasonable satisfaction of the Department that there is good cause for the extension.

Deadline	Documentation Required
01/~~03~~06/~~2025~~2026	Application Acceptance Period Begins. Public Comment period starts.
01/09/~~2025~~2026	Pre-Application Final Delivery Date (including waiver requests).
02/~~15~~16/~~2025~~2026	Deadline for submission of Request for Preliminary Determination in accordance with §11.8(d) of this chapter.
02/~~15~~16/~~2025~~2026	Deadline for submission of Application for .ftp access if pre-application not submitted.
Deadline	Documentation Required

02/~~28~~27/~~2025~~2026	End of Application Acceptance Period and Full Application Delivery Date (including Quantifiable Community Participation documentation for Applications that were initially submitted as a pre-application; Environmental Site Assessments (ESAs), Scope and Cost Reviews (SCRs); Appraisals; Primary Market Area Map; Feasibility Report; all Resolutions necessary under §11.3 of this chapter related to Housing De- Concentration Factors). Final Input from Elected Officials Delivery Date (including Resolution for Local Government Support pursuant to §11.9(d)(1) of this chapter and State Representative Input pursuant to §11.9(d)(5) of this chapter.
04/~~04~~06/~~2025~~2026	Market Analysis Delivery Date pursuant to §11.205 of this chapter. Deadline for Quantifiable Community Participation documentation for Applications that were not initially submitted as a Pre-Application.
04/15/~~2025~~2026	Deadline for Third Party Request for Administrative Deficiency.
Early June ~~2025~~2026	Scoring Notices Issued for Majority of Applications Considered "Competitive."
06/03/~~2025~~2026	Public comment deadline for the comment to be included in the Board materials relating to the July presentation of awards are due in accordance with §1.10.
June ~~2025~~2026	On or before June 30, publication of the list of Eligible Applications for Consideration for Award in July.
July ~~2025~~2026	On or before July 31, Board issuance of Final Awards.

Deadline	Documentation Required
August ~~2025~~2026	Commitments are Issued.
11/~~01~~02/~~2025~~2026	Carryover Documentation Delivery Date.
07/01/~~2026~~2027	10% Test Documentation Delivery Date.
12/31/~~2027~~2028	Placement in Service.
Five business days after the date on the Deficiency Notice (without incurring point loss)	Administrative Deficiency Response Deadline (unless an extension has been granted).

(b) Tax-Exempt Bond and Direct Loan-only Application Dates and Deadlines. Applicants are strongly encouraged to submit the required items well in advance of published deadlines. Other deadlines may be found in Chapters 12 and 13 or a NOFA.

(1) Full Application Delivery Date. The deadline by which the Application must be received by the Department. For Direct Loan Applications, deadlines including the Application Acceptance Date will be defined in the applicable NOFA and for Tax-Exempt Bond Developments, such deadlines are more fully explained in §11.201 of this chapter (relating to Procedural Requirements for Application Submission).

(2) Administrative Deficiency Response Deadline. Such deadline shall be five business days after the date on the deficiency notice, unless extended as provided for in §11.201(6) of this chapter (relating to Deficiency Process).

(3) Third Party Report Delivery Date (Environmental Site Assessment (ESA), Scope and Cost Review (SCR) (if applicable), Appraisal (if applicable), Market Analysis and the Feasibility Report (if applicable)). For Direct Loan Applications, the Third Party reports meeting the requirements described in §11.205 of this title (relating to Required Third Party Reports) must be submitted in order for the Application to be considered complete, unless the Application is made in conjunction with an Application for Housing Tax Credits or Tax-Exempt Bond, in which case the Delivery Date for those programs will apply. For Tax-

Exempt Bond Developments, the Third Party Reports must be received by the Department pursuant to §11.201(2) of this chapter.

(4) Resolutions Delivery Date. Resolutions required for Tax-Exempt Bond Developments must be received by the Department no later than 14 calendar days before the Board meeting or prior to the issuance of the Determination Notice, as applicable. If the Direct Loan Application is made in conjunction with an Application for Housing Tax Credits, or Tax-Exempt Bond Developments, the Resolution Delivery Date for those programs will apply to the Direct Loan Application.

(5) Challenges to Neighborhood Organization Opposition Delivery Date. Challenges must be received by the Department no later than 45 calendar days prior to the Board meeting at which consideration of the award will occur.

§11.3.Housing De-Concentration Factors.

(a) Rules reciting statutory limitations are provided as a convenient reference only, and to the extent there is any deviation from the provisions of statute, the statutory language is controlling.

(b) Two Mile Same Year Rule (Competitive HTC Only).

(1) As required by Tex. Gov't Code §2306.6711(f), staff will not recommend for award, and the Board will not make an award to an Application that proposes a Development Site located in a county with a population that exceeds one million, if the proposed Development Site is also located less than two linear miles from the proposed Development Site of another Application within said county that is awarded in the same calendar year. If two or more Applications are submitted that would violate §2306.6711(f), the following priorities will be used to determine which Application is reviewed:

(A) Priority will first be determined using the steps described in the Award Recommendation Methodology described in §11.6(3).

(B) In the event that two Applications are considered for review during the same step of Award Recommendation Methodology, then priority will be given to the higher-scoring Application, including consideration of tie breakers.

(C) Regardless of the priority established by (A) or (B), an Application that is not recommended for an award at the July Board meeting at which awards from the Application Round will be made will not be given priority over another Application that would otherwise be recommended for an award.

(2) This subsection does not apply if an Application is located in an area that meets the requirements of Tex. Gov't Code §2306.6711(f-1), which excludes any municipality with a population of two million or more where a federal disaster has been declared by the Full Application Delivery Date as identified in §11.2(a) of this chapter (relating to Competitive HTC Deadlines), and the governing body of the municipality containing the Development has by vote specifically authorized the allocation of housing tax credits for the Development in a resolution submitted by the Full Application Delivery Date as identified in §11.2(a) of this chapter, and the municipality is authorized to administer disaster recovery funds as a subgrant recipient.

(c) Twice the State Average Per Capita (Competitive HTC and Tax-Exempt Bond Only). As provided for in Tex. Gov't Code §2306.6703(a)(4), if a proposed Development is located in a municipality, or if located completely outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Acceptance Period Begins (or for Tax-Exempt Bond Developments, Applications submitted after the Application Acceptance Period Begins), then the Applicant must obtain prior approval of the Development from the Governing Body of the appropriate municipality or county containing the Development. Such approval must include a resolution adopted by the Governing Body of the municipality or county, as applicable, setting forth a written statement of support, specifically citing Tex. Gov't Code §2306.6703(a)(4) in the text of the actual adopted resolution, and authorizing an allocation of Housing Tax Credits for the Development. An acceptable, but not required, form of resolution may be obtained in the Uniform Multifamily Application Templates. Required documentation must be submitted by the Full Application Delivery Date as identified in §11.2(a) of this chapter (relating to Competitive HTC Deadlines) or Resolutions Delivery Date in §11.2(b) of this chapter (relating to Tax-Exempt Bond and Direct Loan Only Application Dates and Deadlines), as applicable.

(d) One Mile Three Year Rule (Competitive HTC and Tax-Exempt Bond Only). (§2306.6703(a)(3)).

(1) An Application that proposes the New Construction or Adaptive Reuse of a Development that is located one linear mile or less (measured between closest boundaries by a straight line on a map) from another development that meets all of the criteria in subparagraphs (A) - (C) of this paragraph shall be considered ineligible.

(A) A Development that serves the same Target Population as the proposed Development, regardless of whether the Development serves general, Elderly, or Supportive Housing; and

(B) A Development that has received an allocation of Housing Tax Credits or private activity bonds, or a Supplemental Allocation of credits, for any New Construction at any time during the three-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments the three-year period preceding the date the Certificate of Reservation is issued); and

(C) The Development in subparagraph (B) of this paragraph has not been withdrawn or terminated from the Housing Tax Credit Program.

(2) Paragraph (1) of this subsection does not apply to a proposed Development:

(A) That is using federal HOPE VI (or successor program) funds received through HUD;

(B) That is using locally approved funds received from a public improvement district or a tax increment financing district;

(C) That is using funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. §§12701 et seq.);

(D) That is using funds provided to the state and participating jurisdictions under the Housing and Community Development Act of 1974 (42 U.S.C. §§5301 et seq.);

(E) That is located in a county with a population of less than one million;

(F) That is located outside of a metropolitan statistical area; or

(G) That the Governing Body of the appropriate municipality or county where the Development is to be located has by vote specifically allowed the construction of a new Development located within one linear mile or less from a Development described under paragraph (1)(A) of this subsection. An acceptable, but not required, form of resolution may be obtained in the Uniform Multifamily Application Templates. Required documentation must be submitted by the Full Application Delivery Date as identified in §11.2(a) of this chapter, regarding Competitive HTC Deadlines, or Resolutions Delivery Date in §11.2(b) of this chapter, regarding Tax-Exempt Bond and Direct Loan Only Development Dates and Deadlines, as applicable.

(3) Where a specific source of funding is referenced in paragraphs (2)(A) - (D) of this subsection, a commitment or resolution documenting a commitment of the funds must be provided in the Application.

(e) Limitations on Developments in Certain Census Tracts. An Application that proposes the New Construction or Adaptive Reuse of a Development proposed to be located in a census tract that has more than 20% Housing Tax Credit Units per total households as reflected in the Department's current Site Demographic Characteristics Report shall be considered ineligible unless the Governing Body of the appropriate municipality or county containing the Development has adopted a resolution that the Governing Body of the appropriate municipality or county containing the Development has no objection to the Application. Rehabilitation Developments are not required to obtain such resolution. The resolution must be submitted by the Full Application Delivery Date as identified in §11.2(a) of this chapter or Resolutions Delivery Date in §11.2(b) of this chapter, as applicable.

(f) Proximity of Development Sites. (Competitive HTC Only) In a county with a population that is less than one million, if two or more HTC Applications, regardless of the Applicant(s), are proposing Developments serving the same Target Population on sites separated by 1,000 feet or less, the lower scoring of the Application(s), including consideration of ~~tie~~Tie-~~breakers~~Breakers, will be considered ineligible and will not be reviewed unless the higher scoring Application is terminated or withdrawn.

(g) One Award per Census Tract Limitation (Competitive HTC Only). If two or more Competitive HTC Applications are proposing Developments in the same census tract in an urban subregion, the lower scoring of the Application(s), including consideration of tie breakers, will be considered ineligible and will not be reviewed unless the higher scoring Application is terminated or withdrawn. This subsection does not apply to Applications submitted under §11.5(2) of this chapter (relating to USDA Set-Aside) or §11.5(3) (relating to At-Risk Set-Aside).

§11.4.Tax Credit Request, Award Limits, and Increase in Eligible Basis.

(a) Credit Amount (Competitive HTC Only). (§2306.6711(b)) The Board may not award or allocate to an Applicant, Developer, Affiliate, or Guarantor (unless the Guarantor is also the General Contractor or provides the guaranty only during the construction period, and is not a Principal of the Applicant, Developer or Affiliate of the Development Owner) Housing Tax Credits in an aggregate amount greater than $6 million in a single Application Round. Prior to posting the agenda for the last Board meeting in June, an Applicant that has Applications pending for more than $6 million in credit may notify staff in writing or by email of the Application(s) they will not pursue in order to bring their request within the $6 million cap. Any other Applications they do not wish to pursue will remain on the waiting list if not otherwise terminated. If the Applicant has not made this self-selection by this date, staff will first select the Application(s) that will enable the Department to comply with the state and federal non-profit set-asides, and will then select the highest scoring Application, including consideration of ~~tie~~Tie- ~~breakers~~ Breakers if there are tied scores. The Application(s) that does not meet Department criteria will not be reviewed unless the Applicant withdraws an Application that is eligible for an award and has been reviewed. All entities that are under common Control are Affiliates. For purposes of determining the $6 million limitation, a Person is not deemed to be an Applicant, Developer, Affiliate, or Guarantor solely because it:

(1) Raises or provides equity;

(2) Provides "qualified commercial financing";

(3) Is a Qualified Nonprofit Organization or other not-for-profit entity that is providing solely loan funds, grant funds or social services; ~~or~~

(4) Receives fees as a consultant or advisor that do not exceed $200,000; or

(5) Is a mezzanine finance company that does not have Control.

(b) Maximum Request Limit (Competitive HTC Only). For any given Development, an Applicant may not request more than 150% of the credit amount available in the subregion based on estimates released by the Department on December 1, or $2,000,000 whichever is less. In addition, for Elderly Developments in a Uniform State Service Region containing a county with a population that exceeds one million, the request may not exceed the final amount published on the Department's website after the annual release of the Internal Revenue Service notice regarding the credit ceiling (2306.6711(h)). For all Applications, the Department will consider the amount in the funding request of the pre-application and Application to be the amount of Housing Tax Credits requested and will reduce the Applicant's request to the maximum allowable under this subsection through the underwriting process. While the Housing Tax Credit request amount for an Application may be reduced through the underwriting process or at the written request of staff, the Department shall otherwise consider the request amount final. The Tax Credit request amount cannot be changed through the Administrative Deficiency process. Regardless of the credit amount requested or any subsequent changes to the request made by staff, the Board may not award to any individual Development more than $2 million in a single Application Round. (§2306.6711(b)).

(c) Increase in Eligible Basis (30% Boost). Applications will be evaluated for an increase of up to 30% in Eligible Basis provided they meet any one of the criteria identified in paragraphs (1) - (4) of this subsection. Staff will recommend no increase or a partial increase in Eligible Basis if it is determined it would cause the Development to be over sourced, as determined by the Department, in which case a credit amount necessary to fill the gap in financing will be recommended. In no instance will the boost exceed more than the amount of credits required to create the HTC rent-restricted Units. The criteria in paragraph (3) of this subsection are not applicable to Tax-Exempt Bond Developments.

(1) The Development is located in a Qualified Census Tract (QCT) (as determined by the Secretary of HUD) that has less than 20% Housing Tax Credit Units per total households in the tract as reflected in the Department's current Site Demographic Characteristics Report. New Construction or Adaptive Reuse Developments located in a QCT that has in excess of 20% Housing Tax Credit Units per total households are not eligible for a 30% increase in Eligible Basis, which would otherwise be available for the Development Site pursuant to §42(d)(5) of the Code, unless the Application includes a resolution acknowledging the Development is located in a census tract that has more than 20% Housing Tax Credits Units per total households and stating that the Governing Body of the appropriate municipality or county containing the Development has no objection to the Application. Rehabilitation Developments where this rule is triggered are eligible for the boost and are not required to obtain such a resolution from the Governing Body. An acceptable, but not required, form of resolution may be obtained in the Multifamily Uniform Application Templates. Required documentation must be submitted by the Full Application Delivery Date as identified in §11.2(a) of this chapter (relating to Competitive HTC Deadlines), or Resolutions Delivery Date in §11.2(b) of this chapter (relating to Tax-Exempt Bond and Direct Loan Application

Dates and Deadlines), as applicable. The Application must include a census map that includes the 11-digit census tract number and clearly shows that the proposed Development is located within a QCT.

(2) The Development is located in a Small Area Difficult Development Area (SADDA)) (based on Small Area Fair Market Rents as determined by the Secretary of HUD) or for Rural areas located in a Difficult Development Area (DDA) that has high construction, land and utility costs relative to the AMGI. The Application must include the SADDA or DDA map that clearly shows the proposed Development is located within the boundaries of a SADDA or DDA as applicable.

(3) For Competitive HTC only, Development meets one of the criteria described in subparagraphs (A) - (F) of this paragraph pursuant to Code, §42(d)(5)(B)(v):

(A) The Development is located in a Rural Area;

(B) The Development is entirely Supportive Housing and is in accordance with §11.1(d) of this chapter (relating to the definition of Supportive Housing);

(C) The Development meets the criteria for the Opportunity Index as defined in §11.9(c)(5) of this chapter (relating to Competitive HTC Selection Criteria);

(D) The Applicant elects to restrict 10% of the proposed low income Units for households at or below 30% of AMGI. These Units may not be used to meet any scoring criteria, or used to meet any Multifamily Direct Loan program requirement;

(E) The Development is in an area covered by a concerted revitalization plan, is not an Elderly Development, and is not located in a QCT. A Development will be considered to be in an area covered by a concerted revitalization plan if it is eligible for and elects points under §11.9(d)(7) of this chapter; or

(F) The Development is located in a Qualified Opportunity Zone designated under the Bipartisan Budget Act of 2018 (H.R. 1892). Pursuant to Internal Revenue Service Announcement 2021-10, the boundaries of the Opportunity Zone are unaffected by 2020 Decennial Census changes.

(4) For Tax-Exempt Bond Developments, as a general rule, a QCT, non-metro DDA or SADDA designation would have to coincide with the program year the Certificate of Reservation is issued in order for the Department to apply the 30% boost in its underwriting evaluation. The Department acknowledges guidance contained in the Federal Register regarding effective dates of QCT, non-metro DDA and SADDA designations. Pursuant to the Federal Register Notice, unless federal guidance states otherwise, complete Applications (including all Third Party Reports) with a corresponding Certificate of Reservation that are submitted to the Department in the year the QCT, non-metro DDA or SADDA designation is not

effective may be underwritten to include the 30% boost, provided a complete application was submitted to the bond issuer in the year the QCT, non-metro DDA or SADDA designation was effective. Where this is the case, the Application must contain a certification from the issuer that speaks to the date on which such complete application (as defined in the Notice) was submitted. If the issuer is a member of the organizational structure then such certification must come from the bond counsel to the issuer.

§11.5.Competitive HTC Set-Asides. (§2306.111(d)).

This section identifies the statutorily-mandated Set-asides which the Department is required to administer. An Applicant may elect to compete in each of the Set-asides for which the proposed Development qualifies. In order to be eligible to compete in the Set-aside, the Application must meet the requirements of the Set-aside as of the Full Application Delivery Date. Election to compete in a Set-aside does not constitute eligibility to compete in the Set-aside, and Applicants who are ultimately deemed not to qualify to compete in the Set-aside will be considered not to be participating in the Set- aside for purposes of qualifying for points under §11.9(e)(3) of this chapter (related to Criteria promoting the efficient use of limited resources and applicant accountability). Commitments of Competitive HTCs issued by the Board in the current program year will be applied to each Set-aside, Rural regional allocation, Urban regional allocation, and USDA Set-aside for the current Application round as appropriate.

(1) Nonprofit Set-Aside. (§2306.6729 and §2306.6706(b)). At least 10% of the State Housing Credit Ceiling for each calendar year shall be allocated to Qualified Nonprofit Developments which meet the requirements of Code, §42(h)(5) and Tex. Gov't Code §2306.6729 and §2306.6706(b). Qualified Nonprofit Organizations must have the controlling interest in the Development Owner applying for this Set-aside (i.e., greater than 50% ownership in the General Partner). If the Application is filed on behalf of a limited partnership, the Qualified Nonprofit Organization must be the manager of the Managing General Partner. If the Application is filed on behalf of a limited liability company, the Qualified Nonprofit Organization must be the Manager of the controlling Managing Member. Additionally, for Qualified Nonprofit Development in the Nonprofit Set-aside the nonprofit entity or its nonprofit Affiliate or subsidiary must be the Developer or a co-Developer as evidenced in the development agreement. An Applicant that meets the requirements to be in the Qualified Nonprofit Set-aside is deemed to be applying under that Set-aside unless their Application specifically includes an affirmative election to not be treated under that Set-aside and a certification that they do not expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit. The Department reserves the right to request a change in this election or to not recommend credits for those unwilling to change elections if insufficient Applications in the Nonprofit Set-Aside are received. Applicants may not use different organizations to satisfy the state and federal requirements of the Set-aside.

(2) USDA Set-Aside. (§2306.111(d-2)). 5% of the State Housing Credit Ceiling for each calendar year shall be allocated to Rural Developments which are financed through USDA. If an Application in this Set-aside involves Rehabilitation it will be attributed to and come from the At- Risk Development Set-aside; if an Application in this set-aside involves New Construction it will be attributed to and come from the applicable Uniform State Service Region and will compete within the applicable subregion unless the Application is receiving USDA Section 514 funding. Applications must also meet all requirements of Tex. Gov't Code §2306.111(d-2).

(A) Eligibility of Certain Developments to Participate in the USDA or Rural Set-asides. (§2306.111 (d-4)). A proposed or Existing Residential Development that, before September 1, 2013, has been awarded or has received federal financial assistance provided under §§514, 515, or 516 of the Housing Act of 1949 (42 U.S.C. §§1484, 1485, or 1486) may be attributed to and come from the At-Risk Development Set-aside or the Uniform State Service Region in which the Development is located, regardless of whether the Development is located in a Rural Area.

(B) All Applications that are eligible to participate under the USDA Set-aside will be considered Rural for all scoring items under this chapter. If a Property receiving USDA financing is unable to participate under the USDA Set-aside and it is located in an Urban subregion, it will be scored as Urban.

(3) At-Risk Set-Aside. (§2306.6714; §2306.6702).

(A) At least 15% of the State Housing Credit Ceiling for each calendar year will be allocated under the At-Risk Development Set-aside and will be deducted from the State Housing Credit Ceiling prior to the application of the regional allocation formula required under §11.6 of this chapter (relating to Competitive HTC Allocation Process). Through this Set-aside, the Department, to the extent possible, shall allocate credits to Applications involving the preservation of Developments identified as At-Risk Developments. (§2306.6714) 5% of the State Housing Credit Ceiling associated with this Set-aside will be given as priority to Rehabilitation Developments under the USDA Set-aside; additional Applications that qualify under the USDA Set-Aside may compete within the At-Risk Set-Aside only if they meet the definition for an At-Risk Development, have submitted sufficient supporting documentation within the Application to demonstrate qualification as an At-Risk Development, and were not submitted under the USDA Set-Aside . Applications submitted under the USDA Set-Aside in excess of meeting the 5% priority do not qualify for the At-Risk Set-Aside.

(B) An At-Risk Development qualifying under Tex. Gov't Code §2306.6702(a)(5)(A) must meet the following requirements:

(i) Pursuant to Tex. Gov't Code §2306.6702(a)(5)(A)(i), a Development must have received the benefit of a subsidy in the form of a qualified below-market interest rate loan, interest rate reduction, rental subsidy, Section 8 housing assistance payment, rental supplement payment, rental assistance payment, or equity incentive from any of

the programs provided in subclauses (I) to (VIII) of this clause. Applications participating in the At-Risk Set-Aside must include evidence of the qualifying subsidy.

(I) Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. §1715l);

(II) Section 236, National Housing Act (12 U.S.C. §1715z-1);

(III) Section 202, Housing Act of 1959 (1 2 U.S.C. §1701q);

(IV) Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. §1701s);

(V) the Section 8 Additional Assistance Program for housing developments with HUD-Insured and HUD-Held Mortgages administered by the United States Department of Housing and Urban Development as specified by 24 CFR Part 886, Subpart A;

(VI) the Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects administered by the United States Department of Housing and Urban Development as specified by 24 CFR Part 886, Subpart C; (VII) §§514, 515, and 516, Housing Act of 1949 (42 U.S.C. §§1484, 1485, and 1486);

(VII) §§514, 515, and 516, Housing Act of 1949 (42 U.S.C. §§1484, 1485, and 1486); or

(VIII) §42, Internal Revenue Code of 1986.

(ii) Any stipulation to maintain affordability in the contract granting the subsidy or any HUD-insured or HUD-held mortgage as described in §2306.6702(a)(5)(A)(ii)(a) will be considered to be nearing expiration or nearing the end of its term if the contract expiration will occur or the term will end within two years after July 31 of the year the Application is submitted. Developments with HUD-insured or HUD-held mortgages qualifying as At-Risk under §2306.6702(a)(5)(A)(ii)(b) will be considered eligible if the HUD-insured or HUD-held mortgage is eligible for prepayment.

(iii) Developments with existing Department LIHTC LURAs must have completed all applicable Right of First Refusal procedures prior to the pre-application Final Delivery Date.

(C) An At-Risk Development qualifying under Tex. Gov't Code §2306.6702(a)(5)(B) must meet one of the requirements under clause (i), (ii) or (iii) of this subparagraph and also meet the stipulations noted in clause (iv) of this subparagraph:

(i) Units to be Rehabilitated or Reconstructed must be owned by a public housing authority or a public facility corporation created by a public housing authority under

Chapter 303, Local Government Code and received assistance under §9, United States Housing Act of 1937 (42 U.S.C. §1437g); or

(ii) Units to be Rehabilitated or Reconstructed must have been proposed to be disposed of or demolished, or already disposed or demolished within the two-year period preceding the date the Application is submitted, by a public housing authority or public facility corporation created by a public housing authority under Chapter 303, Local Government Code and received assistance under §9, United States Housing Act of 1937 (42 U.S.C. §1437g); or

(iii) To the extent that an Application is eligible under Tex. Gov't Code §2306.6702(a)(5)(B)(iii), the Development must receive assistance through the Rental Assistance Demonstration (RAD) program administered by the United States Department of Housing and Urban Development (HUD). Applications must include evidence that RAD participation is included in the applicable public housing plan that was most recently approved by HUD, and evidence that HUD has approved the Units proposed for Rehabilitation or Reconstruction for participation in the RAD program; and

(iv) Notwithstanding any other provision of law, an At-Risk Development described by Tex. Gov't Code §2306.6702(a)(5)(B) that was previously allocated housing tax credits set aside under subsection (a) of this section does not lose eligibility for those credits if the portion of Units reserved for public housing as a condition of eligibility for the credits under Tex. Gov't Code §2306.6714 (a-1)(2) are later converted under RAD.

(D) An Application for a Development that includes the demolition of the existing Units which have received the financial benefit described in Tex. Gov't Code §2306.6702(a)(5)(i) will not qualify as an At-Risk Development unless the redevelopment will include at least a portion of the same site. Alternatively, pursuant to Tex. Gov't Code §2306.6702(a)(5)(B), an Applicant may propose relocation of the existing Units in an otherwise qualifying At-Risk Development if:

(i) the affordability restrictions and any At-Risk eligible subsidies are approved to be transferred with the units proposed for Rehabilitation or Reconstruction prior to the tax credit Carryover deadline;

(ii) the Applicant seeking tax credits must propose at least the same number of restricted Units (the Applicant may, however, add market rate Units, and other rules, limitations, approvals, and potential conflicting requirements based on fund source, number and unit type may be implicated by creating more units than the original number); and

(iii) the new Development Site must either:

(I) qualify for points on the Opportunity Index under §11.9(c)(5) of this chapter (relating to Competitive HTC Selection Criteria); OR

(II) the local Governing Body of the applicable municipality or county (if completely outside of a municipality) in which that Development is located must submit a resolution confirming that the proposed Development is supported by the municipality or county in order to carry out a previously adopted plan that meets the requirements of §11.9(d)(7) of this chapter. Development Sites that cross jurisdictional boundaries must provide such resolutions from both local governing bodies.

(E) If Developments at risk of losing affordability from the financial benefits available to the Development are able to retain, renew, or replace the existing financial benefits and affordability they must do so unless regulatory barriers necessitate elimination of all or a portion of that benefit for the Development.

(i) Evidence of the legal requirements that will unambiguously cause the loss of affordability and that this will occur within the two calendar years of July 31 of the year the Application is submitted, and must be included with the application.

(ii) For Developments qualifying under Tex. Gov't Code §2306.6702(a)(5)(B), only a portion of the subsidy must be retained for the proposed Development, but no less than 25% of the proposed Units must be public housing units supported by public housing operating subsidy. (§2306.6714(a-1). If less than 100% of the public housing benefits are transferred to the proposed Development, an explanation of the disposition of the remaining public housing benefits must be included in the Application, as well as a copy of the HUD-approved plan for demolition and disposition.

(F) Nearing expiration on a requirement to maintain affordability includes Developments eligible to request a Qualified Contract under both Code, §42 and Department rules. Evidence must be provided in the form of a copy of the recorded LURA, the first year's IRS Forms 8609 for all buildings showing Part II of the form completed and, if applicable, documentation from the original application regarding the Right of First Refusal. The Application must also include evidence that any applicable Right of First Refusal procedures have been completed prior to the pre-application Final Delivery Date.

(G) An amendment to any aspect of the existing tax credit property sought to enable the Development to qualify as an At-Risk Development, that is submitted to the Department after the Application has been filed and is under review will not be accepted.

§11.6.Competitive HTC Allocation Process.

This section identifies the general allocation process and the methodology by which awards during the Application Round are made.

(1) Regional Allocation Formula. The Department shall initially make available in each Rural Area and Urban Area of each Uniform State Service Region (subregion) Housing Tax Credits in an amount not less than $750,000 in each Rural and Urban subregion, consistent with the Regional Allocation Formula developed in compliance with Tex. Gov't Code §2306.1115. As authorized by Tex. Gov't Code §2306.111(d-3), the Department will reserve $750,000 in housing tax credits for Applications in rural areas in each uniform state service region. The process of awarding the funds made available within each subregion shall follow the process described in this section. Where a particular situation that is not contemplated and addressed explicitly by the process described herein, Department staff shall formulate a recommendation for the Board's consideration based on the objectives of the regional allocation formula together with other policies and purposes set out in Tex. Gov't Code, Chapter 2306 and the Department shall provide the public the opportunity to comment on and propose alternatives to such a recommendation. In general, such a recommendation shall not involve broad reductions in the funding request amounts solely to accommodate regional allocation and shall not involve rearranging the competitive ranking of Applications within a particular subregion or set-aside except as described herein. If the Department determines that an allocation recommendation would cause a violation of the $6 million credit limit per Applicant, the Department will make its recommendation based on the criteria described in §11.4(a) of this chapter (relating to Tax Credit Request, Award Limits and Increase in Eligible Basis). The Department will publish on its website on or before December 1 of each year, initial estimates of Regional Allocation Formula percentages and limits of credits available, and the calculations periodically, if those calculations change, until the credits are fully allocated.

(2) Credits Returned and National Pool Allocated After January 1. For any credits returned after January 1 and eligible for reallocation (not including credit returned and reallocated under force majeure provisions), the Department shall first return the credits to the subregion or set-aside from which the original allocation was made. The credits will be treated in a manner consistent with the allocation process described in this section and may ultimately flow from the subregion and be awarded in the collapse process to an Application in another region, subregion or set-aside. Consistent with the allocation process described in this section, credits that are returned to the USDA or At-Risk Set-Asides are not eligible to flow to another subregion or set-aside unless no eligible Applications remain in the Set-Aside to which the credits were returned. For any credit received from the "national pool" after the initial approval of awards in late July, the credits will be added to any remaining credits and awarded to the next Application on the waiting list for the state collapse, if sufficient credits are available to meet the requirements of the Application as may be amended after underwriting review.

(3) Award Recommendation Methodology. (§2306.6710(a) - (f); §2306.111) The Department will assign, as described herein, Developments for review by the program and underwriting

divisions. In general, Applications reviews will be conducted in the order described in subparagraphs (A) - (F) of this paragraph based upon the Applicant self-score and an initial program review. The procedure identified in subparagraphs (A) - (F) of this paragraph will also be used in making recommendations to the Board.

(A) USDA Set-Aside Application Selection (Step 1). The first set of reviews will be those Applications with the highest scores in the USDA Set-Aside until the minimum requirements stated in §11.5(2) of this chapter (relating to Competitive HTC Set-Asides. (§2306.111(d)) are attained. The minimum requirement may be exceeded in order to award the full credit request or underwritten amount of the last Application selected to meet the USDA Set-Aside requirement.

(B) At-Risk Set-Aside Application Selection (Step 2). The second set of reviews will be those Applications with the highest scores in the At-Risk Set-Aside statewide until the minimum requirements stated in §11.5(3) of this chapter (relating to At-Risk Set-Aside) are attained. This may require the minimum requirement to be exceeded to award the full credit request or underwritten amount of the last Application selected to meet the At-Risk Set-Aside requirement. This step may leave less than originally anticipated in the 26 subregions to award under the remaining steps. If all eligible Applications participating in the At-Risk Set-Aside are awarded and the minimum requirement stated in §11.5(3) has not been met, the Department will award the highest scoring Applications in the USDA Set-Aside that are otherwise eligible to participate in the At-Risk Set-Aside until that threshold is met.

(C) Initial Application Selection in Each Subregion (Step 3). The highest scoring Applications within each of the 26 subregions will then be selected provided there are sufficient funds within the subregion to fully award the Application with the priorities in this subparagraph first prioritized. Applications electing the At-Risk or USDA Set-Asides will not be eligible to receive an award from funds made generally available within each of the subregions. In Urban subregions in which credits available do not allow for all of the priorities in clauses (iii) to (v) of this subparagraph to be achieved, the priorities will be followed in the order reflected in this subparagraph.

(i) In Uniform State Service Regions containing a county with a population that exceeds one million, the Board may not allocate more than the maximum percentage of credits available for Elderly Developments, unless there are no other qualified Applications in the subregion. The Department will, for each such Urban subregion, calculate the maximum percentage in accordance with Tex. Gov't Code §2306.6711(h), and will publish such percentages on its website.

(ii) In accordance with Tex. Gov't Code, §2306.6711(g), in Uniform State Service Regions containing a county with a population that exceeds 1.7 million, the Board shall allocate competitive tax credits to the highest scoring Development, if any, that is part of a concerted revitalization plan that meets the requirements of §11.9(d)(7) (except for

§11.9(d)(7)(A)(ii)(III) and §11.9(d)(7)(B)(iii)), is located in an Urban subregion, and is within the boundaries of a municipality with a population that exceeds 500,000.

~~(iii) In Urban and Rural subregions, not including the calculation of At-Risk Applications awarded, no more than 50% of all credits in a subregion will be awarded to Applications proposing Rehabilitation or Reconstruction, unless all eligible New Construction Applications in that subregion have been awarded.~~

(iii~~v~~) In Urban subregions containing a county with a population that exceeds 750,000, the Board shall allocate competitive tax credits to the highest scoring Development, if any, that is located in a neighborhood which is a recipient of a HUD Choice Neighborhood Planning or Implementation grant in the preceding five years from the date of Application submission and funds from the HUD Choice Neighborhood awardee are reflected in the Application's Sources and Uses.

(iv) In Urban subregions containing a county with a population that exceeds 1,000,000, the Board shall allocate competitive tax credits to the highest scoring Development, if any, that elects to provide a High-Quality Pre-Kindergarten (HQ Pre-K) program and associated educational space at the Development Site that meets the requirements of items (a)-(c) of subparagraph (C)(i)(I) of §11.101(b)(5)- (related to Common Amenities). Developments serving a Target Population that is Elderly or Supportive Housing, or Developments that are located in a census tract with a median income in the fourth quartile in the subregion are not eligible for this item.

(v~~i~~) In Urban and Rural subregions that do not contain a county with a population of at least 2,500,000, no more than one Application with a Supportive Housing Target Population will be awarded unless there are no other eligible Applications in the subregion. Awards made in the At-Risk Set-Aside will not count towards this limitation.

(vi~~i~~) In Urban subregions that contain a county with a population of at least 2,500,000, no more than two Applications with a Supportive Housing Target Population will be awarded unless there are no other eligible Applications in the subregion. Awards made in the At-Risk Set-Aside will not count towards this limitation.

(D) Rural Collapse (Step 4). If there are any tax credits set-aside for Developments in a Rural Area in a specific Uniform State Service Region (Rural subregion) that remain after award under subparagraph (C) of this paragraph, those tax credits shall be combined into one "pool" and then be made available in any other Rural Area in the state to the Application in the most underserved Rural subregion as compared to the subregion's allocation, continuing with the priorities and limitations established in §11.6(3)(C). This rural redistribution will continue until all of the tax credits in the "pool" are allocated to Rural Applications and at least 20% of the funds available to the State are allocated to Applications in Rural Areas. (§2306.111(d)(3)) In the event that more than one subregion is

underserved by the same percentage, the priorities described in clauses (i) - (ii) of this subparagraph will be used to select the next most underserved subregion:

(i) the subregion with no recommended At-Risk Applications from the same Application Round; and

(ii) the subregion that was the most underserved during the Application Round during the year immediately preceding the current Application Round.

(E) Statewide Collapse (Step 5). Any credits remaining after the Rural Collapse, including those in any subregion in the State, will be combined into one "pool." The funds will be used to award the highest scoring Application, and continuing with the priorities and limitations established in §11.6(3)(C), in the most underserved subregion in the State compared to the amount originally made available in each subregion. In Uniform State Service Regions containing a county with a population that exceeds one million, the Board may not allocate more than the maximum percentage of credits available as calculated through the Regional Allocation Formula (RAF) for Elderly Developments, within an Urban subregion of that service region. Therefore, certain Applications for Elderly Developments may be excluded from receiving an award from the collapse. The Department will, for each such Urban subregion, calculate the maximum percentage in accordance with Tex. Gov't Code §2306.6711(h) and will publish such percentages on its website. This process will continue until the funds remaining are insufficient to award the next highest scoring Application that is not rendered ineligible through application of the elderly cap in the next most underserved subregion. At least seven calendar days prior to the July Board meeting of the Department at which final awards of credits are authorized, the Department will post on its website the most current 2024 State of Texas Competitive Housing Tax Credit Ceiling Accounting Summary which includes the Regional Allocation Formula percentages including the maximum funding request/award limits, the Elderly Development maximum percentages and limits of credits available, and the methodology used for the determination of the award determinations within the State Collapse. In the event that more than one subregion is underserved by the same degree, the priorities described in clauses (i) and (ii) of this subparagraph will be used to select the next most underserved subregion:

(i) the subregion with no recommended At-Risk Applications from the same Application Round; and

(ii) the subregion that was the most underserved during the Application Round during the year immediately preceding the current Application Round.

(F) Contingent Qualified Nonprofit Set-aside Step (Step 6). If an insufficient number of Applications participating in the Nonprofit Set-Aside are selected after implementing the criteria described in subparagraphs (A) - (E) of this paragraph to meet the requirements of the 10% Nonprofit Set-Aside, action must be taken to modify the criteria described in

subparagraphs (A) - (E) of this paragraph to ensure the Set-aside requirements are met. Therefore, the criteria described in subparagraphs (C) - (E) of this paragraph will be repeated after selection of the highest scoring Application(s) under the Nonprofit Set-aside statewide are selected to meet the minimum requirements of the Nonprofit Set- Aside. This step may cause some lower scoring Applications in a subregion to be selected instead of a higher scoring Application not participating in the Nonprofit Set-aside.

(4) Waiting List. The Applications that do not receive an award by July 31 and remain active and eligible will be recommended for placement on the waiting list. The waiting list is not static. The allocation process will be used in determining the next Application to award. If credits are returned through any process, those credits will first be made available in the set-aside or subregion from which they were originally awarded. The first Application on the waiting list is in part contingent on the nature of the credits that became available for award. The Department shall hold all credit available after the late-July awards until September 30 in order to collect credit that may become available when tax credit Commitments are submitted. Credit confirmed to be available, as of September 30, may be awarded to Applications on the waiting list unless insufficient credits are available to fund the next Application on the waiting list. For credit returned after September 30, awards from the waiting list will be made when the remaining balance is sufficient to award the next Application as may be amended on the waiting list based on the date(s) of returned credit. Notwithstanding the foregoing, if decisions related to any returns or rescissions of tax credits are under appeal or are otherwise contested, the Department may delay awards until resolution of such issues. The Department will evaluate all waiting list awards for compliance with requested Set-asides. This may cause some lower scoring Applications to be selected instead of a higher scoring Application. Where sufficient credit becomes available to award an Application on the waiting list later in the calendar year, staff may allow flexibility in meeting the Carryover Allocation submission deadline and changes to the Application as necessary to ensure to the extent possible that available resources are allocated by December 31. (§2306.6710(a) - (f); §2306.111).

(5) Credit Returns Resulting from Force Majeure Events. In the event that the Department receives a return of Competitive HTCs during the current program year from an Application that received a Competitive Housing Tax Credit award during any of the preceding three years, and the Development cannot be completed within six months of its existing deadline to place in service, such returned credit will, if the Board determines that all of the requirements of this paragraph are met to its satisfaction, be allocated separately from the current year's tax credit allocation, and not be subject to the requirements of paragraph (2) of this section. The Board determination must indicate the year of the Multifamily Rules to be applied to the Development. The Department's Governing Board may impose a deadline that is earlier than the Placed in Service Deadline and may impose conditions that were not placed on the original allocation. Requests to allocate returned credit separately where all of the requirements of this paragraph have not been met or requests for waivers of any part of this paragraph will not be considered. In addition, requests will only be presented to the Board within 180 days of the applicable Placed in Service deadline. For purposes of this paragraph, credits returned after September 30 of the preceding program year may be considered to have been returned on

January 1 of the current year in accordance with the treatment described in §(b)(2)(C)(iii) of Treasury Regulation 1.42-14. The Board may approve the execution of a current program year Carryover Agreement regarding the returned credits with the Development Owner that returned such credits only if:

(A) The credits were returned as a result of "Force Majeure" events that occurred before issuance of Forms 8609. Force Majeure events are the following sudden and unforeseen circumstances outside the control of the Development Owner: acts of God such as fire, tornado, flooding, significant and unusual rainfall or subfreezing temperatures, or loss of access to necessary water or utilities as a direct result of significant weather events; explosion; vandalism; orders or acts of military authority; unrelated party litigation; changes in law, rules, or regulations; national emergency or insurrection; riot; acts of terrorism; supplier failures; or materials or labor shortages. If a Force Majeure event is also a presidentially declared disaster, the Department may treat the matter under the applicable federal provisions. Force Majeure events must make construction activity impossible or materially impede its progress;

(B) Acts or events caused by the negligent or willful act or omission of the Development Owner, Affiliate or a Related Party shall under no circumstance be considered to be caused by Force Majeure. In order for rainfall, material shortages, or labor shortages to constitute Force Majeure, the Development Owner must clearly explain and document how such events could not have been reasonably foreseen and mitigated through appropriate planning and risk management. Staff may use Construction Status reports for the subject or other Developments in conducting their review and forming a recommendation to the Board;

(C) To be eligible for consideration, construction of the Development must have already commenced;

(D) A Development Owner claiming Force Majeure must provide evidence of the type of event, as described in subparagraph (A) of this paragraph, when the event occurred, and that the loss was a direct result of the event;

(E) The Development Owner must prove that reasonable steps were taken to minimize or mitigate any delay or damages, that the Development Owner substantially fulfilled all obligations not impeded by the event, including timely closing of all financing and start of construction, that the Development and Development Owner was properly insured and that the Department was timely notified of the likelihood or actual occurrence of an event described in subparagraph (A) of this paragraph;

(F) The event prevents the Development Owner from meeting the placement in service requirements of the original allocation;

(G) The requested current year Carryover Agreement allocates the same amount of credit as that which was returned; and

(H) The Department's Real Estate Analysis Division determines that the Development continues to be financially feasible in accordance with the Department's underwriting rules after taking into account any insurance proceeds related to the event.

(6) Credit Returns Due to Unforeseen Short-term Delays. In the event that the Department receives a return of Competitive HTCs during the current program year from an Application that received a Competitive Housing Tax Credit award during any of the preceding three years, and the Development is anticipated to be completed within six months of its existing deadline to place in service, such returned credit will, if the staff determines that all of the requirements of this paragraph are met to its satisfaction, be allocated separately from the current year's tax credit allocation, and not be subject to the requirements of paragraph (2) of this section. The Multifamily Rules from the initial year of allocation shall be applicable to the Development, to the extent allowed by federal or state law. The new deadline to place in service will be no more than six months from the original deadline. Requests to allocate returned credit separately where all of the requirements of this paragraph have not been met or requests for waivers of any part of this paragraph will not be considered. For purposes of this paragraph, credits returned after September 30 of the preceding program year may be considered to have been returned on January 1 of the current year in accordance with the treatment described in §(b)(2)(C)(iii) of Treasury Regulation 1.42-14. Staff may issue and execute a current program year Carryover Agreement regarding the returned credits with the Development Owner that returned such credits only the following requirements are met. In the event that staff cannot reasonably conclude that all necessary conditions have been met, it may present the matter to the Board for determination:

(A) The credits were returned for good cause as solely determined by staff or the Board;

(B) A Development Owner claiming good cause must provide evidence of the circumstances;

(C) The Development Owner must prove that reasonable steps were taken to minimize or mitigate any delay or damages, that the Development Owner substantially fulfilled all reasonable obligations, that the Development and Development Owner was properly insured and that the Department was timely notified of the likelihood of delay;

(D) The good cause event prevents the Development Owner from meeting the placement in service requirements of the original allocation;

(E) The requested current year Carryover Agreement allocates the same amount of credit as that which was returned;

(F) If the good cause event necessitates an insurance claim, the Department's Real Estate Analysis Division determines that the Development continues to be financially feasible in

accordance with the Department's underwriting rules after taking into account any insurance proceeds related to the event; and

(G) The Development Owner has not previously returned the credit allocation and had it reallocated under any provision of this chapter.

§11.7.Tie Breaker Factors.

In the event there are Competitive HTC Applications that receive the same number of points in any given set-aside category, rural regional allocation or urban regional allocation, or rural or statewide collapse, the Department will utilize the factors in this section, in the order they are presented, to determine which Development will receive preference in consideration for an award. For the purposes of this section, all measurements will include ingress/egress requirements and any easements regardless of how they will be held. The tie breaker factors are not intended to specifically address a tie between equally underserved subregions in the rural or statewide collapse.

(1) For Applications funded through the USDA Set-Aside

(A) Applications proposed to rehabilitate the Property with the earliest year of initial construction as a residential Development.

(i) Only the year of initial construction will be taken into consideration. The specific date of construction or conversion will not affect this tie breaker. A tie will persist if two Applications have the same year. In the event that a Development was constructed over a number of years, the earliest year will be used.

(ii) Year submitted must be evidenced by the initial USDA loan documentation. If such documentation does not exist or cannot be provided, the Application is ineligible for this tiebreaker.

(B) Once 5% or more of the State Housing Credit Ceiling has been allocated to USDA developments, no further applications with USDA financing shall receive preference under this tie breaker but may receive preference under subsections (2) and (3) of this section.

(2) For all other competitive Applications

(A) Applications proposed to be located in closest proximity to the following features as of the Full Application Delivery Date. Each feature's location may be used only once for tie breaker purposes regardless of the number of categories it fits:

(i) A park or a parcel of land dedicated for public use by either a governmental entity or an entity authorized or created by a governmental entity that is used as parkland or for a recreational purpose. This feature must have been designated by the relevant authority and operating as a public park one year prior to the Full Application Delivery Date. Features that charge admission for the general public to access the entire property for the majority of the calendar year are not eligible for consideration. A school campus' facilities may not be used for this feature. ~~; however, a parcel of land that is owned by a school district may qualify so long as it meets all requirements.~~ Unimproved land that has been dedicated but that is not operating as a public park will not qualify; however, wilderness areas with an intentional recreational use (e.g., established hiking trails, bird-watching areas, community gardens, or natural retreats) may qualify so long as they meet all requirements.

(ii) The ~~elementary~~ closest public school campus of any grade level~~of attendance~~ that is part of an independent school district. ~~In districts with district-wide enrollment or choice, the Applicant shall use the closest elementary. If a school is configured to serve grades that do not align with the Texas Education Agency's conventions for defining elementary schools, the closest campus of attendance that serves any grade from kindergarten to fifth grade shall be used.~~

(iii) A full service grocery store of sufficient size and volume to provide for the needs of the surrounding neighborhood including the proposed Development; offering a wide variety of fresh, frozen, canned and prepared foods, including but not limited to a variety of fresh meats, poultry, and seafood; a wide selection of fresh produce including a selection of different fruits and vegetables; a selection of baked goods and a wide array of dairy products including cheeses, and a wide variety of household goods, paper goods and toiletry items.

(iv) A Public Library with indoor space, physical books that can be checked out and that are of general and wide-ranging subject matter, computers and internet access, and that is: Open 35 hours or more per week in an Urban Area and 25 hours or more per week in a Rural Area. The library must not be age or subject-restricted and must be at least partially funded with government funding.

(B) The linear measurement will be performed from closest parcel boundary of the Development Site to closest parcel boundary of each feature. The Department may prescribe a specific form to be used for the calculation of these distances using GPS coordinates provided by the Applicant.

(C) In calculating this proximity, each feature's distance will be required for submittal, with the sum of the three closest features being used to produce the result. The Application with the lowest sum of proximity will receive preference.

(D) In the event that one of the top three features is disqualified due to not conforming to the definitions provided or a substantial misrepresentation of distance from the development, the fourth will be used as an opportunity to replace the disqualified feature. If multiple features are disqualified, the Application will not receive preference. If the competing application(s) also has multiple disqualified features the tie will persist.

(E) In the event that the sum proximities described under §11.7(2)(B) for two tied Applications differ by 100 or fewer feet, the tie will persist.

(3) If the tie persists, preference will be determined using this final tiebreaker. Applications proposed to be located the greatest linear distance from the nearest Housing Tax Credit assisted Development that serves the same Target Population and that was awarded 15 or fewer years ago. Years are measured in whole years, and are calculated by deducting the year of the award from the "Board Approval" column of the property inventory from the Site Demographics Characteristics report from the current year. The specific month and date of the award are disregarded for this analysis. Developments awarded Housing Tax Credits but do not yet have a Land Use Restriction Agreement in place will be considered Housing Tax Credit assisted Developments for purposes of this paragraph according to the property inventory included in the HTC Site Demographic Characteristics Report. The linear measurement will be performed from closest boundary to closest boundary of the Site presented at Pre-Application, if a pre-application is submitted, or the Site presented at full Application, whichever is closest.

§11.8.Pre-Application Requirements (Competitive HTC Only).

(a) General Submission Requirements. The pre-application process allows Applicants interested in pursuing an Application to assess potential competition across the 13 state service regions, subregions, and set-asides. Based on an understanding of the potential competition they can make a more informed decision about whether they wish to proceed to prepare and submit an Application. A complete pre-application is a pre-application that meets all of the Department's criteria, as outlined in subsections (a) and (b) of this section.

(1) The pre-application must be submitted using the URL provided by the Department, as outlined in the Multifamily Programs Procedures Manual, along with the required pre-application fee as described in §11.901 of this chapter (relating to Fee Schedule), not later than the pre-application Final Delivery Date as identified in §11.2(a) of this chapter (relating to Competitive HTC Deadlines). If the pre-application and corresponding fee is not submitted on or before this deadline the Applicant will be deemed to have not made a pre-application.

(2) Only one pre-application may be submitted by an Applicant for each Development Site and for each Site Control document.

(3) Department review at this stage is limited, and not all issues of eligibility and threshold are reviewed or addressed at pre-application. Acceptance by staff of a pre-application does not ensure that an Applicant satisfies all Application eligibility, threshold or documentation requirements. While the pre-application is more limited in scope than the Application, pre-applications are subject to the same limitations, restrictions, or causes for disqualification or termination as Applications, and pre-applications will thus be subject to the same consequences for violation, including but not limited to loss of points and termination of the pre-application.

(4) The pre-application becomes part of the full Application if the full Application claims pre-application points.

(5) Regardless of whether a Full Application is submitted, a pre-application may not be withdrawn after the Full Application Delivery Date described in §11.2(a) of this chapter.

(b) Pre-Application Threshold Criteria. Pursuant to Tex. Gov't Code §2306.6704(c) pre-applications will be terminated unless they meet the threshold criteria described in subsection (a) of this section and paragraphs (1) and (2) of this subsection:

(1) Submission of the Competitive HTC pre-application in the form prescribed by the Department which identifies or contains at a minimum:

(A) Site Control meeting the requirements of §11.204(9) of this title (relating to Required Documentation for Application Submission). For purposes of meeting this specific requirement related to pre-application threshold criteria, proof of consideration and any documentation required for identity of interest transactions is not required at the time of pre-application submission but will be required at the time of full application submission;

(B) Funding request;

(C) Target Population;

(D) Requested set-asides (At-Risk, USDA, Nonprofit, or Rural);

(E) Total Number of Units proposed;

(F) Census tract number or numbers in which the Development Site is located, and a map of the census tract(s) with an outline of the proposed Development Site;

(G) Expected score for each of the scoring items identified in the pre-application materials;

(H) Proposed name of ownership entity;

(I) If points are to be claimed related to Underserved Area and/or Proximity to Jobs, documentation supporting those point elections;

(J) The name and coordinates of the nearest park, grocery store, and library meeting the criteria established in 10 TAC §11.7(2) as well as the name and coordinates of the elementary school of attendance;

(K) For Applications funded through the USDA Set-Aside; year of initial construction as evidenced by the initial USDA loan documentation;

(L) If a high-quality Pre-Kindergarten is to be provided under §11.6(3)(C)(v), the election must be made at pre-application and may not change at full Application; and

(M) The name and address of the nearest Housing Tax Credit assisted Development that serves the same Target Population and was awarded 15 or fewer years ago following the calculation established in 10 TAC §11.7(3) according to the Department's property inventory tab of the Site Demographic Characteristics Report.

(2) Evidence in the form of a certification provided in the pre-application, that all of the notifications required under this paragraph have been made. (§2306.6704).

(A) The Applicant must list in the pre-application all Neighborhood Organizations on record with the county or state 30 days prior to the beginning of the Application Acceptance Period whose boundaries include the entire proposed Development, where a reasonable search for applicable entities has been conducted.

(B) Notification Recipients. Developments located in an ETJ of a municipality are required to notify both municipal and county officials. The notifications may be sent by e-mail, fax or mail with registered return receipt or similar tracking mechanism in the format included in the Public Notification Template provided in the Uniform Multifamily Application Template or in an alternative format that meets the applicable requirements and achieves the intended purpose. The Applicant is required to retain proof of delivery in the event the Department requests proof of notification. Acceptable evidence of such delivery is demonstrated by signed receipt for mail or courier delivery and confirmation of delivery for fax and e-mail. Officials to be notified are those officials in office at the time the pre-application is submitted; however, a mailed notification that is addressed to the entity or officeholder rather than a specific person is acceptable so long as it is mailed to the correct address and otherwise meets all requirements. Between the time of pre-application (if made) and full Application, the boundaries of an official's jurisdictions may change. If there is a change in jurisdiction between pre-application and the Full Application Delivery Date that results in the Development being located in a new jurisdiction, additional notifications must be made at full Application to any entity that has not been previously notified by the Applicant. Meetings and discussions do not constitute notification. Only a timely and compliant written notification to the correct

entity constitutes notification. No later than the date the pre-application is submitted, notification must be sent to all of the entities prescribed in clauses (i) - (viii) of this subparagraph:

(i) Neighborhood Organizations on record with the state or county 30 days prior to the beginning of the Application Acceptance Period whose boundaries include the entire proposed Development Site;

(ii) Superintendent of the school district in which the Development Site is located;

(iii) Presiding officer of the board of trustees of the school district in which the Development Site is located;

(iv) Mayor of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction);

(v) All elected members of the Governing Body of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction);

(vi) Presiding officer of the Governing Body of the county in which the Development Site is located;

(vii) All elected members of the Governing Body of the county in which the Development Site is located; and

(viii) State Senator and State Representative of the districts whose boundaries include the proposed Development Site.

(C) Contents of Notification.

(i) The notification must include, at a minimum, all of the information described in subclauses (I) - (IX) of this clause:

(I) The Applicant's name, address, an individual contact name and phone number;

(II) The Development name, address, city, and county;

(III) A statement informing the entity or individual being notified that the Applicant is submitting a request for Housing Tax Credits with the Texas Department of Housing and Community Affairs;

(IV) Whether the Development proposes New Construction, Reconstruction, Adaptive Reuse, or Rehabilitation;

(V) The physical type of Development being proposed (e.g. single family homes, duplex, apartments, high-rise, etc.);

(VI) The approximate total number of Units and approximate total number of Low-Income Units;

(VII) The residential density of the Development, i.e., the number of Units per acre;

(VIII) Information on how and when an interested party or Neighborhood Organization can provide input to the Department; and

(IX) Information on any proposed property tax exemption.

(ii) The notification may not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification may not create the impression that the proposed Development will serve a population exclusively or as a preference unless such targeting or preference is documented in the Application and is in full compliance with all applicable state and federal laws, including state and federal fair housing laws.

(iii) Notifications or any other communications may not contain any statement that violates Department rules, statute, code, or federal requirements.

(c) Pre-Application Results. Only pre-applications which have satisfied all of the pre-application requirements, including those in §11.9(e)(3) of this chapter (relating to Criteria promoting the efficient use of limited resources and applicant accountability), will be eligible for pre-application points. The order and scores of those Developments released on the pre-application Submission Log do not represent a Commitment on the part of the Department or the Board to allocate tax credits to any Development and the Department bears no liability for decisions made by Applicants based on the results of the pre-application Submission Log. Inclusion of a pre-application on the pre-application Submission Log does not ensure that an Applicant will receive points for a pre-application.

(d) Applicants that may be requesting a Multifamily Direct Loan from the Department may submit a Request for Preliminary Determination on or before February 13, ~~2025~~2026. The results of evaluation of the Request may be used as evidence of review of the Development and the Principals for purposes of scoring under §11.9(e)(1)(F) of this chapter. Submission of a Request for Preliminary Determination does not obligate the Applicant to request Multifamily Direct Loan funds with their full Application.

§11.9.Competitive HTC Selection Criteria.

(a) General Information. This section identifies the scoring criteria used in evaluating and ranking Applications. The criteria identified in subsections (b) - (e) of this section include those items required under Tex. Gov't Code, Chapter 2306, Code §42, and other criteria established in a manner consistent with Chapter 2306 and Code §42.

(1) There is no rounding of numbers in this section for any of the calculations in order to achieve the desired requirement or limitation, unless rounding is explicitly stated as allowed for that particular calculation or criteria. The Application must include one or more maps indicating the location of the Development Site and the related distance to the applicable facility. Distances are to be measured from the nearest boundary of the Development Site to the nearest boundary of the property or easement containing the facility, unless otherwise noted. For the purposes of this section, all measurements will include ingress/egress requirements and any easements regardless of how they will be held.

(2) Applications will only be reviewed for point items specifically elected in the Application. Except for scoring items that are awarded based on tiered categories, if an Application is determined to not qualify for the points elected, Department staff will not evaluate the Application to determine whether it might qualify for alternative points.

(3) For scoring items that relate directly to the Application's finances, when costs or financing change after completion of underwriting or award (whichever occurs later), the points attributed to an Application will not be reassessed unless there is clear evidence that the information in the Application was intentionally misleading or incorrect.

(b) Criteria promoting development of high quality housing.

(1) Size and Quality of the Units. (§2306.6710(b)(1)(D); 2306.6725(b)(1); §42(m)(1)(C)(iii) and (ix)) An Application may qualify for up to fifteen (15) points under subparagraphs (A) and (B) of this paragraph.

(A) Unit Sizes (6 points). The Development must meet the minimum requirements identified in this subparagraph to qualify for points. Points for this item will be automatically granted for Applications involving Rehabilitation (excluding Reconstruction), for Developments receiving funding from USDA, or for Supportive Housing Developments without meeting these square footage minimums only if requested in the Self Scoring Form. If the Development involves both Rehabilitation and Reconstruction or New Construction, the Reconstruction or New Construction Units must meet these requirements:

(i) five-hundred (500) square feet for an Efficiency Unit;

(ii) six-hundred (600) square feet for a one Bedroom Unit;

(iii) eight-hundred fifty (850) square feet for a two Bedroom Unit;

(iv) one-thousand fifty (1,050) square feet for a three Bedroom Unit; and

(v) one-thousand two-hundred fifty (1,250) square feet for a four Bedroom Unit.

(B) Unit, Development Construction, and Energy and Water Efficiency Features (9 points). Applicants that elect in an Application to provide specific amenity and quality features in every Unit at no extra charge to the tenant will be awarded points based on the point structure provided in §11.101(b)(6)(B) of this title (relating to Unit, Development Construction, and Energy and Water Efficiency Features) and as certified to in the Application. The amenities will be required to be identified in the LURA. Rehabilitation Developments and Supportive Housing Developments will start with a base score of five (5) points.

(2) Sponsor Characteristics. (§42(m)(1)(C)(iv)) An Application may qualify to receive either one (1) or two (2) points if it meets the requirements of either subparagraphs (A), (B), ~~or~~ (C), or (D) of this paragraph.

(A) HUB. The ownership structure contains a HUB or HUBs certified by the Texas Comptroller of Public Accounts by the Full Application Delivery Date. The HUB or HUBs must have some combination of ownership interest in each of the General Partner of the Applicant, Cash Flow from operations, and Developer Fee which taken together equal at least 50% and no less than 5% for any category. When more than one HUB is included, each individual HUB is not required to participate in each category, nor is each HUB required to meet the minimum 5% in a category in which it does not participate. For HUD 202 Rehabilitation projects which prohibit for-profit ownership, ownership will not be required for a HUB or nonprofit, only for Cash Flow or Developer Fee; the total ownership percentage must still equal 50%, even if it is only attributable to one of the two categories. Any Application that includes one or more HUBs must include a narrative description of each of the HUB's experience directly related to the housing industry (2 points).~~.~~

(i) The HUB must materially participate in the Development and operation of the Development throughout the Compliance Period and must have experience directly related to the housing industry, which may include experience with property management, construction, development, financing, or compliance. Material participation means that the HUB is regularly, continuously, and substantially involved in providing services integral to the Development Team; providing services as an independent contractor is not sufficient.

(ii) A Principal or officer of the HUB cannot be a Related Party to or Affiliate, including the spouse, of any other Principal or officer of the Applicant, Developer or Guarantor (excluding another Principal of said HUB), regardless of Control. ~~(2 points).~~

(iii) No member of the HUB may have previous participation with Department programs that would necessitate more than ten~~10~~ Developments being listed on the Application's Previous Participation Form that have received IRS Form(s) 8609, regardless of whether the HUB still has Control of those Developments.

~~(iii) The HUB must be involved with the Development Services or in the provision of on-site tenant services during the Development's Affordability Period. A Principal of the HUB or nonprofit Organization cannot be a Related Party to or Affiliate, including the spouse of, any other Principal of the Applicant, Developer or Guarantor (excluding another Principal of said HUB or Nonprofit Organization). (1 point).~~

(B) Qualified Nonprofit Organization. The ownership structure contains a Qualified Nonprofit Organization provided the Application is submitted in the Nonprofit Set-Aside. The Qualified Nonprofit Organization must have some combination of ownership interest in the General Partner of the Applicant, Cash Flow from operations, and Developer Fee which taken together equal at least 50%, and no less than 5% for any category. For HUD 202 Rehabilitation projects which prohibit for-profit ownership, ownership will not be required for a nonprofit, only for Cash Flow or Developer Fee; the total ownership percentage must still equal 50%, even if it is only attributable to one of the two categories.

(i) The Qualified Nonprofit Organization must materially participate in the Development and operation of the Development throughout the Compliance Period and must have experience directly related to the housing industry, which may include experience with property management, construction, development, financing, or compliance. Material participation means that the Qualified Nonprofit Organization is regularly, continuously, and substantially involved in providing services integral to the Development Team; providing services as an independent contractor is not sufficient.

(ii) A Principal of the Qualified Nonprofit Organization cannot be a Related Party to or Affiliate, including the spouse, of any other Principal of the Applicant, Developer, or Guarantor (excluding another Principal of said Qualified Nonprofit Organization). (2 points).

(iii) The Qualified Nonprofit Organization must be involved with the Development Services or in the provision of on-site tenant services during the Development's Affordability Period. A Principal of the Qualified Nonprofit Organization cannot be a Related Party to or Affiliate, including the spouse of, any other Principal of the

Applicant, Developer, or Guarantor (excluding another Principal of said Qualified Nonprofit Organization). (1 point).

(C) Nonprofit Organization. The ownership structure contains a nonprofit organization that meets the requirements of IRC §42(h)(5)(C) on the Application Delivery Date, with at least 51% ownership in the General Partner of the Applicant. (2 points)

(i) The nonprofit organization must maintain Control of the Development and materially participate in the operation of the Development throughout the Compliance Period. Nonprofit organizations that formally operate under a parent organization may assign Control of the Development to that parent organization, so long as it meets the requirements of IRC §42(h)(5)(C).

(ii) The nonprofit organization, or individuals with Control of the nonprofit organization, must provide verifiable documentation of at least 10 years' experience in the continuous operation of a Development that provides services similar to those in the proposed Development.

(iii) The Applicant will provide a minimum of 3 additional points under §11.101(7) of this chapter (related to Resident Supportive Services), in addition to points selected under subsection (c)(3) of this section.

(D) Property Tax Status. The Application does not include any exemptions, abatements, rebates, or similar reductions related to the ad valorem taxes imposed by the taxing units in the Development Site's district. The Application must include a certification from the Development Owner that no such exemption or abatement will be sought or effected prior to the expiration of the federal Compliance period~~Credit~~, as defined by Code, §42 (2 points).

~~(3) Quantity of Low-Income Units. An Application may qualify for up to three (3) points under subparagraphs (A) or (B) of this paragraph. All calculations of averages shall be based solely on the July meeting of the Governing Board at which final awards of credits are authorized. Subsequent awards or withdrawals and supplemental credit allocations shall not be considered when calculating averages under this item. The only awards that will be included in the calculation of averages are 9% competitive tax credits, inclusive of any forward commitments made at the July meeting, and the average will only calculate housing tax credit units. If points are to be claimed under this item, Low-Income Units shall not be reduced after an award of tax credits. The Department shall publish relevant averages pertaining to this scoring item in the Site Demographics and Characteristics Report, and those figures shall be authoritative. These points are not available in the USDA or At-Risk Set-Asides, and Applications that were awarded in those Set-Asides will not be included in when calculating averages for this item.~~

~~(A) The Development is Urban and the Application proposes a number of Low-Income Units that is greater than the subregion average of the 2022 and 2023 competitive rounds.~~

~~(i) The proposed number of Low-Income Units is 5% greater than the subregion average of the 2022 and 2023 competitive rounds (1 point);~~

~~(ii) The proposed number of Low-Income Units is 10% greater than the subregion average of the 2022 and 2023 competitive rounds. (2 points);~~

~~(iii) The Application is proposing Rehabilitation of a Development that has no existing rent and income restrictions and does not receive any subsidy listed under §11.5(3)(B)(i). The proposed number of Low-Income Units is 50% greater than the subregion average of the 2022 and 2023 competitive rounds (3 points).~~

~~(B) The Development is rural and the Application proposes a number of Low-Income Units that is larger than the average of all rural awards in the 2022 and 2023 competitive rounds.~~

~~(i) The proposed number of Low-Income Units is 5% greater than the average of all Rural awards in the 2022 and 2023 competitive rounds (1 point);~~

~~(ii) The Development size is 80 units and entirely Low-Income or the proposed number of Low-Income Units is 10% greater than the average of all rural New Construction awards in the 2022 and 2023 competitive rounds (2 points).~~

(c) Criteria to serve and support Texans most in need.

(1) Income Levels of Residents. (§§2306.111(g)(3)(B) and (E); 2306.6710(b)(1)(C) and (e); and §42 (m)(1)(B)(ii)(I)) An Application may qualify for up to sixteen (16) points for rent and income restricting a Development for the entire Affordability Period at the levels identified in subparagraph (A), (B), (C), or (D) of this paragraph.

(A) For any Development located within a non-Rural Area of the Dallas, Fort Worth, Houston, San Antonio, or Austin MSAs that propose to use either the 20-50 or 40-60 election under §42(g)(1)(A) or §42(g)(1)(B) of the Code, respectively:

(i) At least 60% of all Low-Income Units at 50% or less of AMGI in a Supportive Housing Development proposed by a Qualified Nonprofit (16 points);

(ii) At least 40 % of all Low-Income Units at 50% or less of AMGI (15 points);

(iii) At least 30% of all Low-Income Units at 50% or less of AMGI (13 points); or

(iv) At least 20% of all Low-Income Units at 50 %or less of AMGI (11 points).

(B) For Developments proposed to be located in areas other than those listed in subparagraph (A) of this paragraph and that propose to use either the 20-50 or 40-60 election under §42(g)(1)(A) or §42(g)(1)(B) of the Code, respectively:

(i) At least 60% of all Low-Income Units at 50% or less of AMGI in a Supportive Housing Development proposed by a Qualified Nonprofit (16 points);

(ii) At least 20% of all Low-Income Units at 50% or less of AMGI (15 points);

(iii) At least 15% of all Low-Income Units at 50% or less of AMGI (13 points); or

(iv) At least 10% of all Low-Income Units at 50% or less of AMGI (11 points).

(C) For any Development located within a non-Rural Area of the Dallas, Fort Worth, Houston, San Antonio, or Austin MSAs that propose to use the Average Income election under §42(g)(1)(C) of the Code:

(i) The Average Income and Rent restriction for all Low-Income Units for the proposed Development will be 54% or lower (15 points);

(ii) The Average Income and Rent restriction for all Low-Income Units for the proposed Development will be 55% or lower (13 points); or

(iii) The average income and Rent restriction for all Low-Income Units for the proposed Development will be 56% or lower (11 points).

(D) For Developments proposed to be located in the areas other than those listed in subparagraph (C) of this paragraph and that propose to use the Average Income election under §42(g)(1)(C) of the Code:

(i) The Average Income and Rent restriction for all Low-Income Units for the proposed Development will be 55% or lower (15 points);

(ii) The Average Income and Rent restriction for all Low-Income Units for the proposed Development will be 56% or lower (13 points); or

(iii) The Average Income and Rent restriction for all Low-Income Units for the proposed Development will be 57% or lower (11 points).

(2) Rent Levels of Tenants. (§2306.6710(b)(1)(E)) An Application may qualify to receive up to thirteen (13) points for rent and income restricting a Development for the entire Affordability Period. If selecting points from paragraph (1)(A) or paragraph (1)(B) of this subsection, these levels are in addition to those committed under paragraph (1) of this subsection. If selecting points from paragraph (1)(C) or paragraph (1)(D) of this subsection, these levels are included in the income average calculation under paragraph (1) of this subsection. These units must be maintained at this rent level throughout the Affordability Period regardless of the Average Income calculation. Scoring options include:

(A) At least 20% of all Low-Income Units at 30% or less of AMGI for Supportive Housing Developments proposed by a Qualified Nonprofit (13 points);

(B) At least 10% of all Low-Income Units at 30% or less of AMGI or, for a Development located in a Rural Area, 7.5% of all Low-Income Units at 30% or less of AMGI (11 points); or

(C) At least 5% of all Low-Income Units at 30% or less of AMGI (7 points).

(3) Resident Supportive Services. (§2306.6710(b)(3) and (1)(G), and §2306.6725(a)(1)) A Development may qualify to receive up to eleven (11) points.

(A) The Applicant certifies that the Development will provide a combination of resident supportive services equaling at least ten points, which are listed in §11.101(b)(7) of this chapter (relating to Development Requirements and Restrictions) and meet the requirements of that section. (10 points).

(B) The Applicant certifies that the Development will contact local nonprofit and governmental providers of services that would support the health and well-being of the Department's residents, and will make Development community space available to them on a regularly-scheduled basis to provide outreach services and education to the tenants. Applicants may contact service providers on the Department list, or contact other providers that serve the general area in which the Development is located. (1 point).

(4) Section 811 Project Rental Assistance Program (811 PRA) and Residents with Special Housing Needs. (§2306.6710(b)(4); §42(m)(1)(C)(v)) An Application may qualify to receive up to four (4) points by serving Residents with Special Housing Needs. Only Applications that are unable to meet the requirements of subparagraph (A) of this paragraph may qualify for points under subparagraphs (B) or (C) of this paragraph relating to Residents with Special Housing Needs. The point available under subparagraph (D) is available to all Applications that qualify. The Units identified for this scoring item may not be the same Units identified previously for the Section 811 PRA Program. Due to the complexity of determining a Development's eligibility for 811 PRA, the Department will work with

Applicants to resolve any errors made in good faith pertaining to this scoring item to allow the Application to maintain the requested points.

(A) Section 811 Project Rental Assistance Program (811 PRA). An Application may qualify to receive three (3) points by serving tenants with special housing needs through participation in the 811 PRA Program. Points will be awarded as described in clauses (i) through (ii) of this subparagraph.

(i) An Applicant or Affiliate that Owns or Controls an Existing Development that is eligible to participate in the Section 811 PRA Program, as referenced in 10 TAC §8.4, Qualification Requirements for Existing Developments. In order to qualify for points, the Existing Development must commit to the Section 811 PRA Program at minimum 5% of the total Units, unless the Integrated Housing Rule, 10 TAC §1.15, or the 811 Project Rental Assistance Rule (811 Rule), 10 TAC Chapter 8, limits the Existing Development to fewer Section 811 PRA Program Units. The same Section 811 PRA Program Units cannot be used to qualify for points in more than one HTC Application. The Applicant or Affiliate will comply with the requirements of 10 TAC Chapter 8. (3 points)

(ii) In order to be eligible for points, Applicants must commit at least 5% of the total Units in the proposed Development for participation in the Section 811 PRA Program unless the Integrated Housing Rule, 10 TAC §1.15, or the 811 Rule, 10 TAC Chapter 8, limits the Development to fewer Section 811 PRA Program Units. The Applicant will comply with the requirements of 10 TAC Chapter 8. (3 points)

(B) The Development must commit at least 5% of the total Units to Persons with Special Housing Needs. For purposes of this subparagraph, Persons with Special Housing Needs is defined as a household where one or more individuals have alcohol or drug addictions, is a Colonia resident, a Person with a Disability, has Violence Against Women Act Protections (domestic violence, dating violence, sexual assault, and stalking), HIV/AIDS, homeless, veterans, and farmworkers. Throughout the Compliance Period, unless otherwise permitted by the Department, the Development Owner agrees to specifically market Units to Persons with Special Housing Needs. In addition, the Department will require an initial minimum twelve-month period during which Units must either be occupied by Persons with Special Housing Needs or held vacant, unless the Units receive HOME funds from any source. After the initial twelve-month period, the Development Owner will no longer be required to hold Units vacant for Persons with Special Housing Needs, but will be required to continue to specifically market Units to Persons with Special Housing Needs. (2 points)

(C) If the Development has committed Units under subparagraph (B) of this paragraph, the Development must commit at least an additional 2% of the total Units to Persons referred from the Continuum of Care or local homeless service providers to be made available for those experiencing homelessness. Rejection of an applicant's tenancy for

those referred may not be for reasons of credit history or prior rental payment history. Throughout the Compliance Period, unless otherwise permitted by the Department, the Development Owner agrees to specifically market the 2% of Units through the Continuum of Care and other homelessness providers local to the Development Site. In addition, the Department will require an initial minimum sixtwelve-month period in Urban subregions, and an initial threesix-month period in Rural subregions, during which Units must either be occupied by Persons referred from the Continuum of Care or local homeless service providers, or held vacant, unless the Units receive HOME funds from any source. After the initial twelve-month or six-month or three-month period, the Development Owner will no longer be required to hold Units vacant but will be required to continue to provide quarterly notifications to the Continuum of Care and other homeless service providers local to the Development Site on the availability of Units at the Development Site. A Development is not eligible under this paragraph unless points have also been selected under subparagraph (B) of this paragraph. (1 point)

(D) If the Development is Supportive Housing and has a proposed occupancy preference or limitation for Veterans or a subgroup of only Veterans that is required or allowed by other federal or state financing by the Full Application Delivery Date. These points are only available to Developments that are proposed to be located on sites owned by the United States Department of Veterans Affairs (1 point).

(5) Opportunity Index. (42(m)(1)(C)(i)) The Department may refer to locations qualifying for points under this scoring item as high opportunity areas in some materials. Based on the American Community Survey (ACS) data, a Development is eligible for a maximum of seven (7) opportunity index points from subparagraphs (A) and (B) of this paragraph.

(A) A proposed Development is eligible for up to two (2) opportunity index points if it is located entirely within a census tract with a poverty rate less than 20% or the median poverty rate among tracts for the region, whichever is greater, and meets the requirements in clause (i),(ii), or (iii) of this subparagraph:

(i) The Development Site is located entirely within a census tract that has:

(I) a poverty rate less than 20% or the median poverty rate among Census tracts for the region whichever is greater; and

(II) a median household income in the two highest quartiles among Census tracts within the uniform service region (2 points); or

(ii) The Development Site is located entirely within a census tract that has:

(I) a poverty rate less than 20% or the median poverty rate among Census tracts for the region, whichever is greater, and

(II) a median household income in the third quartile among Census tracts within the region, and

(III) is contiguous to a census tract that is in the first or second quartile among tracts for median household income in the region, and has a poverty rate less than 20% or the median poverty rate among tracts for the region, whichever is greater, and the Development Site is no more than 2 miles from the boundary between the census tracts (1 point); or

(iii) The Development Site is located in a Rural Area and:

(I) is located entirely located within a Census tract that has a poverty rate less than 20% or the median poverty rate among Census tracts for the region, whichever is greater, and

(II) is located in a Place which experienced an increase in population since the 2010 Decennial Census according to the Site Demographics Characteristics Report; (1 point).

(B) An Application that meets one of the foregoing criteria in subparagraph (A) of this paragraph may qualify for additional points for any one or more of the factors in clause (i) or (ii) of this subparagraph. Each amenity may be used only once for scoring purposes, unless allowed within the scoring item, regardless of the number of categories it fits. All members of the Applicant or Affiliates cannot have had an ownership position in the amenity or served on the board or staff of a nonprofit that owned or managed that amenity within the year preceding the Pre-Application Final Delivery Date. All amenities must be operational or have started Site Work at the Pre-Application Final Delivery Date. Any age restrictions associated with an amenity must positively correspond to the Target Population of the proposed Development.

(i) For Developments located in an Urban Area (other than Applicants competing in the USDA Set- Aside), an Application may qualify to receive points through a combination of requirements in subclauses (I) - (XVI) of this clause.

(I) The Development Site is located on a route, with sidewalks for pedestrians, that is 1/2 mile or less from the entrance to a public park with a playground or from a multiuse hike-bike trail. The entirety of the sidewalk route must consist of smooth hard surfaces, curb ramps, and marked pedestrian crossings when traversing a street. (1 point).

(II) The Development Site is located on a route, with sidewalks for pedestrians, that is within a specified distance from the entrance of a public transportation stop or station with a route schedule that provides regular service to employment and basic services. The entirety of the sidewalk route must consist

of smooth hard surfaces, curb ramps, and marked pedestrian crossings when traversing a street. Only one of the following may be selected:

(-a-) The Development Site is 1/2 mile or less from the stop or station and the scheduled service is beyond 8 a.m. to 5 p.m., plus weekend service (both Saturday and Sunday) (1 point); or

(-b-) The Development Site is 1/2 mile or less from the stop or station and the scheduled service arrives every 15 minutes, on average, between 6 a.m. and 8 p.m., every day of the week (2 points).

(III) The Development Site is located within 2 miles of a full-service grocery store. A full service grocery store is a store of sufficient size and volume to provide for the needs of the surrounding neighborhood including the proposed Development; offering a wide variety of fresh, frozen, canned and prepared foods, including but not limited to a variety of fresh meats, poultry, and seafood; a wide selection of fresh produce including a selection of different fruits and vegetables; a selection of baked goods and a wide array of dairy products including cheeses, and a wide variety of household goods, paper goods and toiletry items. (2 point).

(IV) The Development Site is located within 2 miles of a pharmacy. For the purposes of this menu item only, the pharmacy may be claimed if it is within the same building as a grocery store. (2 point).

(V) The Development Site is located within 4 miles of a health-related facility, such as a full service hospital, community health center, minor emergency center, emergency room or urgent care facility. Physician offices and physician specialty offices are not considered in this category. (1 point).

(VI) The Development Site is within 3 miles of a center that is licensed by the Department of Family and Protective Services (DFPS) specifically to provide a school-age program or to provide a child care program for infants, toddlers, or pre-kindergarten. The Application must include evidence from DFPS that the center meets the above requirements. (1 point)

(VII) The Development Site is located in a census tract with a property crime rate of 26 per 1,000 persons or less as defined by neighborhoodscout.com, or local law enforcement data sources. If employing the latter source, the formula for determining the crime rate will include only data relevant to the census tract in which the Development Site is located. (1 point)

(VIII) The Development Site is located within 2 miles of a public library that has indoor meeting space, physical books that can be checked out and that are of a

general and wide-ranging subject matter, computers and internet access, and that is open 50 hours or more per week. The library must not be age or subject-restricted and must be at least partially funded with government funding. (1 point)

(IX) The Development Site is located within 6 miles of an accredited university or community college, as confirmed by the Texas Higher Education Coordination Board (THECB). To be considered a university for these purposes, the provider of higher education must have the authority to confer bachelor's degrees. Two-year colleges are considered community colleges, and to be considered for these purposes must confer at least associate's degrees. The university or community college must have a physical campus, where classes are regularly held for students pursuing their degrees, within the required distance; online-only institutions do not qualify under this item. (1 point)

(X) Development Site is located in a census tract where 27% or more of adults age 25 and older has an Associate's Degree or higher as tabulated by the American Community Survey 5-year Estimate. (1 point)

(XI) Development Site is within 2 miles of an indoor recreation facility available to the public. Examples include, but are not limited to, a gym, health club, a bowling alley, a theater, or a municipal or county community center. A facility that is primarily a restaurant or bar with recreational facilities is not eligible. (1 point)

(XII) Development Site is within 2 miles of an outdoor, dedicated, and permanent recreation facility available to the public. Examples include, but are not limited to, swimming pools or splash pads, tennis courts, golf courses, softball fields, or basketball courts. (1 point).

(XIII) Development Site is within 2 miles of community, civic or service organizations that provide regular and recurring substantive services, beyond exclusively congregational or member-affiliated activities, available to the entire community (this could include religious organizations or organizations like the Kiwanis or Rotary Club as long as they make services available without regard to affiliation or membership). (1 point).

(XIV) Development Site is in the current service area of Meals on Wheels or similar nonprofit service that provides regular visits and meals to individuals in their homes. (1 point).

~~(XV) Development Site is located in the attendance zone of a general enrollment public school rated A or B by TEA for the most recently available rating. (1 point).~~

(XV~~I~~) (§2306.6710(b)(4)) If at Application, the Development is located in a county with a population of 1.2 million or more, but less than 4 million, and is located not more than two miles from a veteran's hospital, veteran's affairs medical center, or veteran's affairs health care center, (which include all providers listed under the Veteran's Health Administration categories, excluding Benefits Administration offices, listed at this link https://www.va.gov/directory/guide/fac_list_by_state.cfm?State=TX&dnum=ALL), and has federal or state financing that requires or allows preference for leasing units in the Development to low income veterans, and agrees to provide that preference. (1 point).

(ii) For Developments located in a Rural Area and any Application qualifying under the USDA set- aside, an Application may qualify to receive points through a combination of requirements in subclauses (I) - (XIV) of this clause.

(I) The Development Site is located within 5 miles of a full-service grocery store. A full service grocery store is a store of sufficient size and volume to provide for the needs of the surrounding neighborhood including the proposed Development; offering a wide variety of fresh, frozen, canned and prepared foods, including but not limited to a variety of fresh meats, poultry, and seafood; a wide selection of fresh produce including a selection of different fruits and vegetables; a selection of baked goods and a wide array of dairy products including cheeses, and a wide variety of household goods, paper goods and toiletry items. (2 point).

(II) The Development Site is located within 5 miles of a pharmacy. For the purposes of this menu item only, the pharmacy may be claimed if it is within the same building as a grocery store. (2 point).

(III) The Development Site is located within 5 miles of health-related facility, such as a full service hospital, community health center, minor emergency center, or a doctor with a general practice that takes walk-in patients. Physician specialty offices are not considered in this category. (1 point).

(IV) The Development Site is located within 5 miles of a center that is licensed by the Department of Family and Protective Services (DFPS) specifically to provide a school-age program or to provide a child care program for infants, toddlers, or pre-kindergarten. The Application must include evidence from DFPS that the center meets the above requirements. (1 point).

(V) The Development Site is located in a census tract with a property crime rate 26 per 1,000 or less, as defined by neighborhoodscout.com, or local law enforcement data sources. If employing the latter source, the formula for

determining the crime rate will include only data relevant to the census tract in which the Development Site is located. (1 point).

(VI) The Development Site is located within 5 miles of a public library that has indoor meeting space, physical books that can be checked out and that are of a general and wide-ranging subject matter, computers and internet access, and that is open 40 hours or more per week. The library must not be age or subject-restricted and must be at least partially funded with government funding. (1 point).

(VII) The Development Site is located within 5 miles of a public park with a playground. (1 point).

(VIII) The Development Site is located within 15 miles of an accredited university or community college, as confirmed by the Texas Higher Education Coordination Board (THECB). To be considered a university for these purposes, the provider of higher education must have the authority to confer bachelor's degrees. Two-year colleges are considered community colleges, and to be considered for these purposes must confer at least associate's degrees. The university or community college must have a physical campus, where classes are regularly held for students pursuing their degrees, within the required distance; online-only institutions do not qualify under this item. (1 point).

(IX) Development Site is located in a census tract where 27% or more of adults age 25 and older has an Associate's Degree or higher as tabulated by the American Community Survey 5-year Estimate. (1 point).

(X) Development Site is within 4 miles of an indoor recreation facility available to the public. Examples include, but are not limited to, a gym, health club, a bowling alley, a theater, or a municipal or county community center. A facility that is primarily a restaurant or bar with recreational facilities is not eligible. (1 point).

(XI) Development Site is within 4 miles of an outdoor, dedicated, and permanent recreation facility available to the public. Examples include, but are not limited to, swimming pools or splash pads, tennis courts, golf courses, softball fields, or basketball courts. (1 point).

(XII) Development Site is within 4 miles of community, civic or service organizations that provide regular and recurring substantive services, beyond exclusively congregational or member-affiliated activities, available to the entire community (this could include religious organizations or organizations like the Kiwanis or Rotary Club as long as they make services available without regard to affiliation or membership). (1 point).

(XIII) Development Site is in the current service area of Meals on Wheels or similar nonprofit service that provides regular visits and meals to individuals in their homes. (1 point).

~~(XIV) Development Site is located in the attendance zone of a general enrollment public school rated A or B by TEA for the most recently available rating. (1 point).~~

(6) Underserved Area. (§§2306.6725(a)(4) and (b)(2); 2306.127(3), 42(m)(1)(C)(i) and (ii)). Points are not cumulative and an Applicant is therefore limited to selecting one subparagraph. If an Application qualifies for points under paragraph (5) of this subsection, then the Application is not eligible for points under subparagraphs (A) and (B) of this paragraph. Years are measured in whole years, and are calculated by deducting the year of the award from the "Board Approval" column of the property inventory of the Site Demographic Characteristics Report from the current year. The specific month and date of the award are disregarded for this analysis. The Application must include evidence that the Development Site meets the requirements. An Application may qualify to receive up to five (5) points if the Development Site meets any one of the criteria described in subparagraphs (A) - (G) of this paragraph:

(A) (§2306.127(3)). The Development Site is located wholly or partially within the boundaries of a colonia as such boundaries are determined by the Office of the Attorney General and within 150 miles of the Rio Grande River border (5 points);

(B) (§2306.127(3)). The Development Site is located entirely within the boundaries of an Economically Distressed Area that has been awarded funds by the Texas Water Development Board in the previous five years ending at the beginning of the Application Acceptance Period (1 point);

(C) (§2306.6725(b)(2)). The Development Site is located entirely within a census tract that does not have another Development that was awarded 20 or fewer years ago that serves the same Target Population as the proposed Development. Applications proposing Rehabilitation shall not consider the Development's prior allocation(s) as another development for the purposes of this scoring item (5 points);

(D) For areas not scoring points for subparagraph (C), the Development Site is located entirely within a census tract that does not have another Development that was awarded 15 or fewer years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report (4 points);

(E) For areas not scoring points for subparagraphs (C) or (D) of this paragraph, the Development Site is located entirely within a census tract that does not have another Development that was awarded 10 or fewer years ago according to the Department's property inventory in the Site Demographic Characteristics Report (3 points);

(F) The Development Site is located within a census tract and the census tract itself and all of its contiguous census tracts do not have another Development that was awarded 10 or fewer years ago that serves the same Target Population as the proposed Development. Applications proposing Rehabilitation shall not consider the Development's prior allocation(s) as another development for the purposes of this scoring item. This item will apply to Development Sites located entirely in a Place, or its ETJ, with a population of 50,000 or more for Urban subregions and 10,000 or more for Rural subregions, and will not apply in the At-Risk or USDA Set-Asides; (5 points)

(i) The Development Site may intersect the boundaries of multiple Places so long as each has a population of at least 50,000 for Urban subregions, and 10,000 for Rural subregions.

(ii) Contiguous census tracts include those that touch at a point.

(G) An At-risk or USDA Development placed in service 25 or more years ago, that is still occupied, and that has not yet received federal funding, or LIHTC equity, for the purposes of Rehabilitation for the Development. If the Application involves multiple sites, the age of all sites will be averaged for the purposes of this scoring item. (3 points).

(H) The Development Site is located entirely within a Census tract with a median household income in the highest quartile among Census tracts within the uniform service region according to the Site Demographics Characteristics Report (5 points).

(7) Proximity to Job Areas. (§42(m)(1)(C)(i)) An Application may qualify to receive up to four (4) points if the Development Site is located in one of the areas described in subparagraphs (A), (B), or (C) of this paragraph, and the Application contains evidence substantiating qualification for the points. The data used will be based solely on that available through US Census' OnTheMap tool. Jobs counted are limited to those based on the work area, all workers, and all primary jobs. This determination will be based on the latest data set posted to the US Census website on or before August 1, 2024. The Development will use OnTheMap's function to import GPS coordinates that clearly fall within the Development Site, and the OnTheMap chart/map report submitted in the Application must include the report date. This scoring item will not apply to Applications under the At-Risk or USDA Set-Aside.

(A) Proximity to Jobs. For Development Sites in Urban subregions a Development may qualify for points under this subparagraph if it meets one of the criteria in clauses (i) - (iv) of this subparagraph.

(i) The Development is located within 5 miles of 10,000 jobs. (4 points)

(ii) The Development is located within 5 miles of 8,000 jobs. (3 points)

(iii) The Development is located within 5 miles of 6,500 jobs. (2 points)

(iv) The Development is located within 5 miles of 4,500 jobs. (1 points)

(B) Proximity to Jobs. For Development Sites in Rural subregions a Development may qualify for points under this subparagraph if it meets one of the criteria in clauses (i) - (iv) of this subparagraph.

(i) The Development is located within 5 miles of 6,000 jobs. (4 points)

(ii) The Development is located within 5 miles of 4,500 jobs. (3 points)

(iii) The Development is located within 5 miles of 3,000 jobs. (2 points)

(iv) The Development is located within 5 miles of 1,500 jobs. (1 points)

(C) Access to Jobs. A Development site which qualifies for at least 2 points under subparagraph (A) or (B) may qualify for up to 2 additional points under this subparagraph if the Development Site is located on a route, with sidewalks for pedestrians, that is within one half-mile from the entrance of a public transportation stop or station with a route schedule that provides regularly scheduled service to employment and basic services. The entirety of the sidewalk route must consist of smooth hard surfaces, curb ramps, and marked pedestrian crossings when traversing a street. (2 points)

(d) Criteria promoting community support and engagement.

(1) Local Government Support. (§2306.6710(b)(1)(B)) An Application may qualify for up to seventeen (17) points for a resolution or resolutions voted on and adopted by the bodies reflected in subparagraphs (A) - (C) of this paragraph, as applicable. The resolution(s) must be dated prior to Final Input from Elected Officials Delivery Date and must be submitted to the Department no later than the Final Input from Elected Officials Delivery Date as identified in §11.2(a) of this chapter, relating to Competitive HTC Deadlines. Such resolution(s) must specifically identify the Development whether by legal description, address, Development name, Application number or other verifiable method. Resolutions received by the Department setting forth that the municipality and/or county objects to or opposes the Application or Development will result in zero points awarded to the Application for that Governing Body. If a Development site is located partially within a municipality and partially within a county or extraterritorial jurisdiction, positive points will only be awarded if a resolution is obtained from both entities. Such resolutions will be added to the Application posted on the Department's website. Once a resolution is submitted to the Department it may not be changed or withdrawn. For an Application with a proposed Development Site that, at the time of the initial filing of the Application, is:

(A) Within a municipality, the Application will receive points from either:

(i) Seventeen (17) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality supports the Application or Development; or

(ii) Fourteen (14) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality has no objection to the Application or Development.

(B) Within the extraterritorial jurisdiction of a municipality, the Application may receive points under clause (i) or (ii) of this subparagraph and under clause (iii) or (iv) of this subparagraph.

(i) Eight and one-half (8.5) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality supports the Application or Development.

(ii) Seven (7) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality has no objection to the Application or Development.

(iii) Eight and one-half (8.5) points for a resolution from the Governing Body of that county expressly setting forth that the county supports the Application or Development.

(iv) Seven (7) points for a resolution from the Governing Body of that county expressly setting forth that the county has no objection to the Application or Development.

(C) Within a county and not within a municipality or the extraterritorial jurisdiction of a municipality, the Application will receive points from either:

(i) Seventeen (17) points for a resolution from the Governing Body of that county expressly setting forth that the county supports the Application or Development; or

(ii) Fourteen (14) points for a resolution from the Governing Body of that county expressly setting forth that the county has no objection to the Application or Development.

(2) Commitment of Development Funding by Local Political Subdivision. (§2306.6725(a)(5)) The source of the funding cannot be the Applicant, Developer, or an Affiliate of the Applicant. The commitment of Development funding must be reflected in the Application as a financial benefit to the Development, i.e. reported as a source of funds on the Sources

and Uses Form or reflected in a lower cost in the Development Cost Schedule, such as notation of a reduction in building permits and related costs. Documentation must include a letter from an official of the municipality, county, or other instrumentality with jurisdiction over the proposed Development stating they will provide a loan, grant, reduced fees or contribution of other value that equals $500 or more for Applications located in Urban subregions or $250 or more for Applications located in Rural subregions for the benefit of the Development. The letter must describe the value of the contribution, the form of the contribution, e.g. reduced fees or gap funding, and any caveats to delivering the contribution. Once a letter is submitted to the Department it may not be changed or withdrawn. (1 point)

(3) Declared Disaster Area. (§2306.6710(b)(1)(H); §42(m)(1)(C)(i)) An Application may receive ten (10) points if at the time of Application submission or at any time within the two-year period preceding the date of submission, the Development Site is located in an area declared to be a disaster area under the Tex. Gov't Code §418.014.

(4) Quantifiable Community Participation. (§2306.6710(b)(1)(I); §2306.6725(a)(2)) An Application may qualify for up to nine (9) points for written statements from a Neighborhood Organization. In order for the statement to qualify for review, the Neighborhood Organization must have been in current, valid existence with boundaries that contain the entire Development Site. In addition, the Neighborhood Organization must be on record 30 days prior to the beginning of the Application Acceptance period with the Secretary of State or county in which the Development Site is located as of the beginning of the Application Acceptance Period. Once a letter is submitted to the Department it may not be changed or withdrawn. The written statement must meet all of the requirements in subparagraph (A) of this paragraph. Letters received by the Department setting forth that the eligible Neighborhood Organization objects to or opposes the Application or Development will be added to the Application posted on the Department's website. Written statements from the Neighborhood Organizations included in an Application and not received by the Department from the Neighborhood Organization will not be scored but will be counted as public comment.

(A) Statement Requirements. If an organization cannot make the following affirmative certifications or statements then the organization will not be considered a Neighborhood Organization for purposes of this paragraph:

(i) the Neighborhood Organization's name, a written description and map of the organization's boundaries, signatures and contact information (phone, email and mailing address) of at least two individual members with authority to sign on behalf of the organization;

(ii) certification that the boundaries of the Neighborhood Organization contain the entire Development Site and that the Neighborhood Organization meets the

definition pursuant to Tex. Gov't Code §2306.004(23-a) and includes at least two separate residential households;

(iii) certification that no person required to be listed in accordance with Tex. Gov't Code §2306.6707 with respect to the Development to which the Application requiring their listing relates participated in any way in the deliberations of the Neighborhood Organization, including any votes taken;

(iv) certification that at least 80% of the current membership of the Neighborhood Organization consists of homeowners and/or tenants living within the boundaries of the Neighborhood Organization; and

(v) an explicit expression of support, opposition, or neutrality. Any expression of opposition must be accompanied with at least one reason forming the basis of that opposition. A Neighborhood Organization should be prepared to provide additional information with regard to opposition.

(B) Technical Assistance. For purposes of this paragraph, if and only if there is no Neighborhood Organization already in existence or on record, the Applicant, Development Owner, or Developer is allowed to provide technical assistance in the creation of or placing on record of a Neighborhood Organization. Technical assistance is limited to:

(i) the use of a facsimile, copy machine/copying, email and accommodations at public meetings;

(ii) assistance in completing the QCP Neighborhood Information Packet, providing boundary maps and assisting in the Administrative Deficiency process;

(iii) presentation of information and response to questions at duly held meetings where such matter is considered; and

(iv) notification regarding deadlines for submission of responses to Administrative Deficiencies.

(C) Point Values for Quantifiable Community Participation. An Application may receive points based on the values in only one of the clauses (i) - (vi) of this subparagraph. Points will not be cumulative. Where more than one written statement is received for an Application, the average of all statements received in accordance with this subparagraph will be assessed and awarded.

(i) Nine (9) points for explicit support from a Neighborhood Organization that, during at least one of the three prior Application Rounds, provided a written statement that

qualified as Quantifiable Community Participation opposing any Competitive Housing Tax Credit Application and whose boundaries remain unchanged.

(ii) Eight (8) points for explicitly stated support from a Neighborhood Organization.

(iii) Six (6) points for explicit neutrality from a Neighborhood Organization that, during at least one of the three prior Application Rounds provided a written statement, that qualified as Quantifiable Community Participation opposing any Competitive Housing Tax Credit Application and whose boundaries remain unchanged.

(iv) Four (4) points for statements of neutrality from a Neighborhood Organization or statements not explicitly stating support or opposition, or an existing Neighborhood Organization provides no statement of either support, opposition or neutrality, which will be viewed as the equivalent of neutrality or lack of objection.

(v) Four (4) points for areas where no Neighborhood Organization is in existence, equating to neutrality or lack of objection, or where the Neighborhood Organization did not meet the explicit requirements of this section.

(vi) Zero (0) points for statements of opposition meeting the requirements of this subsection.

(D) Challenges to opposition. Any written statement from a Neighborhood Organization expressing opposition to an Application may be challenged if it is contrary to findings or determinations, including zoning determinations, of a municipality, county, school district, or other local Governmental Entity having jurisdiction or oversight over the finding or determination. If any such statement is challenged, the challenger must declare the basis for the challenge and submit such challenge by the Challenges to Neighborhood Organization Opposition Delivery Date May 1, ~~2025~~2026. The Neighborhood Organization expressing opposition will be given seven calendar days to provide any information related to the issue of whether their assertions are contrary to the findings or determinations of a local Governmental Entity. All such materials and the analysis of the Department's staff will be provided to a fact finder, chosen by the Department, for review and a determination of the issue presented by this subsection. The fact finder will not make determinations as to the accuracy of the statements presented, but only with regard to whether the statements are contrary to findings or determinations of a local Governmental Entity. The fact finder's determination will be final and may not be waived or appealed. Should the Neighborhood Organization's statements be found to be contrary to findings or determinations of a local Government Entity, or should the Neighborhood Organization not respond in seven calendar days, then the Application shall be eligible for four (4) points under subparagraph (C)(v) of this subsection.

(5) Community Support from State Representative. (§2306.6710(b)(1)(J); §2306.6725(a)(2); §2306.6710(f) and (g)) Applications may receive up to eight (8) points for express support, zero points for neutral statements, or have deducted up to eight (8) points for express opposition.

(A) Letter from a State Representative. To qualify under this subparagraph, letters must be on the State Representative's letterhead or submitted in such a manner as to verify the sender, be signed by the State Representative, identify the specific Development and express whether the letter conveys support, neutrality, or opposition. This documentation will be accepted with the Application or through delivery to the Department from the Applicant or the State Representative and must be submitted no later than the Final Input from Elected Officials Delivery Date as identified in §11.2(a) of this chapter (relating to Competitive HTC Deadlines). Letters received by the Department from State Representatives will be added to the Application posted on the Department's website. Once a letter is submitted to the Department it may not be changed or withdrawn. Therefore, it is encouraged that letters not be submitted well in advance of the specified deadline in order to facilitate consideration of all constituent comment and other relevant input on the proposed Development. State Representatives to be considered are those in office at the time the letter is submitted and whose district boundaries include the Development Site. If the office is vacant, the Application will be considered to have received a neutral letter. Neutral letters or letters that do not specifically refer to the Development will receive zero (0) points. A letter from a state representative expressing the level of community support may be expressly based on the representative's understanding or assessments of indications of support by others, such as local government officials, constituents, or other applicable representatives of the community. In providing this letter, pursuant to Tex. Gov't Code §2306.6710(b)(1)(J), a representative may either express their position of support, opposition, or neutrality regarding the Application, which shall be presumed to reflect their assessment of the views of their constituents, or they may provide a statement of the support, opposition, or neutrality of their constituents regarding the Application without expressing their personal views on the matter.

(B) No Letter from a State Representative. To qualify under this subparagraph, no written statement can be received for an Application from the State Representative who represents the geographic area in which the proposed Development is located, unless the sole content of the written statement is to convey to the Department that no written statement will be provided by the State Representative for a particular Development. Points available under this subparagraph will be based on how an Application scores under paragraph (1) of this subsection (relating to Local Government Support). If a Development site is located partially within a municipality and partially within a county or extraterritorial jurisdiction, positive points will only be awarded if a resolution is obtained from both entities. For an Application with a proposed Development Site that, at the time of the initial filing of the Application, is:

(i) Within a municipality, the Application will receive:

(I) Eight (8) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality supports the Application or Development; or

(II) Zero (0) points for no resolution or a resolution from the Governing Body of that municipality expressly setting forth that the municipality has no objection to the Application or Development; or

(III) Negative eight (-8) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality opposes the Application or Development.

(ii) Within the extraterritorial jurisdiction of a municipality, the Application will receive points under subclause (I) or (II) or (III) of this subparagraph, and under subclause (IV) or (V) or (VI) of this subparagraph.

(I) Four (4) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality supports the Application or Development.

(II) Zero (0) points for no resolution or a resolution from the Governing Body of that municipality expressly setting forth that the municipality has no objection to the Application or Development.

(III) Negative four (-4) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality opposes the Application or Development.

(IV) Four (4) points for a resolution from the Governing Body of that county expressly setting forth that the county supports the Application or Development.

(V) Zero (0) points for no resolution or a resolution from the Governing Body of that county expressly setting forth that the county has no objection to the Application or Development.

(VI) Negative four (-4) points for a resolution from the Governing Body of that county expressly setting forth that the county opposes the Application or Development.

(iii) Within a county and not within a municipality or the extraterritorial jurisdiction of a municipality:

(I) Eight (8) points for a resolution from the Governing Body of that county expressly setting forth that the county supports the Application or Development; or

(II) Zero (0) points for no resolution or a resolution from the Governing Body of that county expressly setting forth that the county has no objection to the Application or Development; or

(III) Negative eight (-8) points for a resolution from the Governing Body of that county expressly setting forth that the county opposes the Application or Development.

(6) Input from Community Organizations. (§2306.6725(a)(2)) Where, at the time of Application, the Development Site does not fall within the boundaries of any qualifying Neighborhood Organization or there is a qualifying Neighborhood Organization that has given no statement or a statement of neutrality (as described in subparagraph B(4)(C)(iv) or (v) of this subsection), then, in order to ascertain if there is community support, an Application may receive up to four (4) points for letters that qualify for points under subparagraphs (A), (B), or (C) of this paragraph. No more than four (4) points will be awarded under this point item under any circumstances. All letters of support must be submitted within the Application. Once a letter is submitted to the Department it may not be changed or withdrawn. Should an Applicant elect this option and the Application receives letters in opposition, then one (1) point will be subtracted from the score under this paragraph for each letter in opposition, provided that the letter is from an organization that would otherwise qualify under this paragraph. However, at no time will the Application receive a score lower than zero (0) for this item. Letters received by the Department setting forth that the community organization objects to or opposes the Application or Development will be added to the Application posted on the Department's website.

(A) An Application may receive two (2) points for each letter of support submitted from a community or civic organization that serves the community in which the Development Site is located. Letters of support must identify the specific Development and must state support of the specific Development at the proposed location. To qualify, the organization must be qualified as tax exempt and have as a primary (not ancillary or secondary) purpose the overall betterment, development, or improvement of the community as a whole or of a major aspect of the community such as improvement of schools, fire protection, law enforcement, city-wide transit, flood mitigation, or the like. The Applicant must provide evidence that the community or civic organization remains in good standing by providing evidence from a federal or state government database confirming that the exempt status continues. An Organization must also provide evidence of its participation in the community in which the Development Site is located including, but not limited to, a listing of services or members, brochures, annual reports, etc. Letters of support from organizations that cannot provide reasonable evidence that they are active in the area that includes the location of the Development Site will not be

awarded points. For purposes of this subparagraph, community and civic organizations do not include neighborhood organizations, governmental entities (excluding Special Management Districts as described in subparagraph C), or taxing entities.

(B) An Application may receive two (2) points for a letter of support from a property owners association created for a master planned community whose boundaries include the Development Site and that does not meet the requirements of a Neighborhood Organization for the purpose of awarding points under paragraph (4) of this subsection.

(C) An Application may receive two (2) points for a letter of support from a Special Management District formed under Tex. Local Gov't Code chapter 375 whose boundaries, as of the Full Application Delivery Date as identified in §11.2(a) of this chapter, (relating to Competitive HTC Deadlines, Program Calendar for Competitive Housing Tax Credits), include the Development Site.

(D) Input that evidences unlawful discrimination against classes of persons protected by Fair Housing law or the scoring of which the Department determines to be contrary to the Department's efforts to affirmatively further fair housing will not be considered. If the Department receives input that could reasonably be suspected to implicate issues of non-compliance under the Fair Housing Act, staff will refer the matter to the Texas Workforce Commission for investigation, but such referral will not, standing alone, cause staff or the Department to terminate the Application. Staff will report all such referrals to the Board and summarize the status of any such referrals in any recommendations.

(7) Concerted Revitalization Plan. (§42(m)(1)(B)(ii)(III) and (C)(iii)). An Application may qualify for up to seven (7) points under this paragraph only if no points are elected under subsection (c)(5) of this section, related to Opportunity Index.

(A) For Developments located in an Urban Area:

(i) An Application may qualify to receive points if the Development Site is geographically located within an area for which a concerted revitalization plan (plan or CRP) has been developed and published by the municipality.

(ii) A plan may consist of one or two complementary local planning documents that together have been approved by the municipality as a plan to revitalize the specific area. The plan and supporting documentation must be submitted using the CRP Application Packet. No more than two local plans may be submitted for each proposed Development. The concerted revitalization plan may be a Tax Increment Reinvestment Zone (TIRZ) or Tax Increment Finance (TIF) or similar plan. A city- or county-wide comprehensive plan, including a consolidated plan or one-year action plan required to receive HUD funds does not equate to a concerted revitalization plan. However, a comprehensive plan may include plans for specific areas targeted

for revitalization that would qualify so long as that plan meets all requirements of this section.

(iii) The proposed Development must be entirely located within the targeted revitalization area.(iv) The Application must include a copy of the plan or a link to the online plan and a description of where specific information required below can be found in the plan. The plan must meet the criteria described in subclauses (I) and (II) of this clause:

(I) The concerted revitalization plan, or each of the local planning documents that compose the plan, must have been published by the municipality or county in which the Development Site is located.

(II) The plan must be current at the time of Application. (v) If the Application includes an acceptable Concerted Revitalization Plan, up to seven (7) points will be awarded as follows:

(-a-) the proposed Development Site is located within a Qualified Census Tract and has submitted a letter from the appropriate local official for the municipality (or county if the Development Site is completely outside of a municipality) that explicitly identifies the proposed Development as contributing to the concerted revitalization efforts of the municipality or county (as applicable) (7 points); or

(-b-)the proposed Development Site is not located within a Qualified Census Tract and has submitted a letter from the appropriate local official for the municipality (or county if the Development Site is completely outside of a municipality) that explicitly identifies the proposed Development as contributing to the concerted revitalization efforts of the municipality or county (as applicable) (7 points); or

(-c-)the proposed Development Site does not have a letter described in items (-a-) and (-b-) of this subclause (5 points).

(B) For Developments located in a Rural Area, the Rehabilitation or demolition and Reconstruction of a Development that has been leased and occupied at 85% or greater for the six months preceding Application by low income households and which was initially constructed 25 or more years prior to Application submission as either public housing or as affordable housing with support from USDA, HUD, the HOME program, or the CDBG program. The occupancy percentage will not include Units that cannot be occupied due to needed repairs, as confirmed by the SCR or CNA. Demolition and relocation of units must be determined locally to be necessary to comply with the Affirmatively Furthering Fair Housing Rule, or if necessary to create an acceptable distance from Undesirable Site Features or Neighborhood Risk Factors. (7 points)

(e) Criteria promoting the efficient use of limited resources and Applicant accountability.

(1) Financial Feasibility. (§2306.6710(b)(1)(A)) All eligible Applications are awarded twenty-six (26) points, conditioned upon the successful completion of underwriting in accordance with this chapter.

(2) Cost of Development per Square Foot. (§2306.6710(b)(1)(F) and (§2306.67022(b)-(c)~~;~~); §42(m)(1)(C)(iii)) For the purposes of this scoring item, Eligible Building Costs will be defined as Building Costs voluntarily included in Eligible Basis for the purposes of determining a Housing Credit Allocation. Eligible Building Costs will exclude structured parking or commercial space that is not included in Eligible Basis, and voluntary Eligible Hard Costs will include general contractor overhead, profit, and general requirements. The square footage used will be the Net Rentable Area (NRA). The calculations will be based on the cost listed in the Development Cost Schedule and NRA shown in the Rent Schedule. If the proposed Development is a Supportive Housing Development, the NRA will include Common Area up to 75 square feet per Unit, of which at least 50 square feet will be conditioned. The Department will annually compare the ~~proportional cost increases~~increase ~~from~~ in the Consumer Price Indexes for All Urban Consumers ~~October of the prior year to October of the year being calculated based on the Construction Price Index for Multifamily Housing Units Under Construction (US Census Bureau) and increase the square foot cost targets in this item by that annual proportional amount of increase.~~ between the two most recently available full years and adjust the square foot cost targets in this item by that same percentage.

(A) Applications proposing New Construction or Reconstruction or Adaptive Reuse will be eligible for twelve (12) points if one of the following conditions is met:

(i) the voluntary Eligible Building Cost per square foot is less than or equal to $155.12 ~~$150.68~~ per square foot; or

(ii) the voluntary Eligible Hard Cost per square foot is less than or equal to $207.21 ~~$201.28~~ per square foot.

(B) Applications proposing New Construction or Reconstruction will be eligible for eleven (11) points if one of the following conditions is met:

(i) the voluntary Eligible Building Cost per square foot is less than or equal to $165.54 ~~$160.80~~ per square foot; or

(ii) the voluntary Eligible Hard Cost per square foot is less than or equal to $217.63 ~~$211.40~~ per square foot.

(C) Applications proposing Rehabilitation (excluding Reconstruction) will be eligible for points if one of the following conditions is met:

(i) Twelve (12) points for Applications which include voluntary Eligible Hard Costs plus acquisition costs included in Eligible Basis that are less than or equal to $207.21 ~~$201.28~~ per square foot; or

(ii) Twelve (12) points for Applications which include voluntary Eligible Hard Costs plus acquisition costs included in Eligible Basis that are less than or equal to $268.57 ~~$260.88~~ per square foot, located in an Urban Area, and that qualify for 5 or more points under subsection (c)(5)(A) and (B) of this section, related to Opportunity Index; or

(iii) Eleven (11) points for Applications which include voluntary Eligible Hard Costs plus acquisition costs included in Eligible Basis that are less than or equal to $268.57 ~~$260.88~~ per square foot.

(3) Pre-application Participation. (§2306.6704) An Application may qualify to receive up to six (6) points provided a pre-application was submitted by the Pre-Application Final Delivery Date. Applications that meet all of the requirements described in subparagraphs (A) - (K) of this paragraph will qualify for six (6) points:

(A) The total number of Units does not increase by more than 10% from pre-application to Application;

(B) The designation of the proposed Development as Rural or Urban remains the same;

(C) The proposed Development serves the same Target Population;

(D) The pre-application and Application are participating in the same set-asides (At-Risk, USDA, Non-Profit, or Rural);

(E) The Application final score (inclusive of only scoring items reflected on the self-score form) does not vary by more than four (4) points from what was reflected in the pre-application self-score;

(F) If points are claimed related to Underserved Area and/or Proximity to Jobs, the point elections may not change from what was reflected in the pre-application self-score and the supporting documentation for these points must be substantially similar to what was submitted with the Pre-Application;

(G) The Development Site at Application is at least in part the Development Site at pre-application, and the census tract number or numbers listed at pre-application is the same at Application. The site at full Application may not require notification to any person or entity not required to have been notified at pre-application

(H) The distance used to determine the Tie- Breaker established in 10 TAC §11.7(2) remains the same or does not decrease between pre-application and full Application. If closer features to the Development Site are identified that could potentially result in a lower distance used for the Tie- Breaker, Applicants may elect to continue using the higher distance submitted with the Pre-Application in order to not be disqualified from pre-application points;

(I) For Applications funded through the USDA Set-Aside; year of initial construction as a residential Development remains the same or is not earlier;

(J) If a high quality Pre-Kindergarten is to be provided under §11.6(3)(C)(v), the election must be made at pre-application and may not change at full Application.

(K) The pre-application met all applicable requirements.

(4) Leveraging of Private, State, and Federal Resources. (§2306.6725(a)(3))

(A) An Application may qualify to receive up to three (3) points if at least 5% of the total Units are restricted to serve households at or below 30% of AMGI (restrictions elected under other point items may count) and the Housing Tax Credit funding request for the proposed Development meet one of the levels described in clauses (i) - (iv) of this subparagraph:~~. Applications submitted in the USDA or At-Risk Set-Asides that propose 50 or fewer units may add an additional 1% of the Total Housing Development Cost to the levels described in clauses (i) – (iv):~~

(i) the Development leverages CDBG Disaster Recovery, HOPE VI, RAD, or Choice Neighborhoods funding and the Housing Tax Credit Funding Request is less than ~~9~~10% of the Total Housing Development Cost (3 points). The Application must include a commitment of such funding; or

(ii) if the Housing Tax Credit funding request is less than ~~9~~10% of the Total Housing Development Cost (3 points); or

(iii) if the Housing Tax Credit funding request is less than ~~10~~11% of the Total Housing Development Cost (2 points); or

(iv) if the Housing Tax Credit funding request is less than ~~11~~12% of the Total Housing Development Cost (1 point).

(B) The calculation of the percentages stated in subparagraph (A) of this paragraph will be based strictly on the figures listed in the Funding Request and Development Cost Schedule. Should staff issue an Administrative Deficiency that requires a change in either form, then the calculation will be performed again and the score adjusted, as necessary. However, points may not increase based on changes to the Application. In

order to be eligible for points, no more than 50% of the Developer Fee can be deferred. ~~Where costs or financing change after completion of underwriting or award (whichever occurs later), the points attributed to an Application under this scoring item will not be reassessed unless there is clear evidence that the information in the Application was intentionally misleading or incorrect.~~

(5) Extended Affordability. (§§2306.6725(a)(5) and (7); 2306.111(g)(3)(C); 2306.185(a)(1) and (c); 2306.6710(e)(2); and 42(m)(1)(B)(ii)(II)) An Application may qualify to receive up to four (4) points for this item.

(A) Development Owners that agree to extend the Affordability Period for a Development to 45 years total. (4 points)

(B) Development Owners that agree to extend the Affordability Period for a Development to 40 years total. (3 points)

(C) Development Owners that agree to extend the Affordability Period for a Development to 35 years total. (2 points)

(6) Historic Preservation. (§2306.6725(a)(6); §42(m)(1)(C)(x)).

(A) An Application may qualify to receive two~~five~~ (2~~5~~) points if;

(i) For Developments with under 100 total Units at least 55% of the residential Units shall be constructed fully or partially within the Certified Historic Structure.

(ii) For Developments with 100 total Units or more, at least 55 of the residential Units shall be constructed fully or partially within the Certified Historic Structure.

(B) To qualify for points, the Development must receive historic tax credits before or by the issuance of Forms 8609. Each Development may only qualify for these points once. The Application must include either documentation from the Texas Historical Commission that the Property is currently a Certified Historic Structure, or documentation determining preliminary eligibility for Certified Historic Structure status and evidence that the Texas Historic Commission received the request for determination of preliminary eligibility and supporting information on or before February 1 of the current year (2~~5~~ points).

(7) Right of First Refusal. (§2306.6725(b)(1); §42(m)(1)(C)(viii)). An Application may receive points under subparagraphs (A) or (B) of this paragraph.

(A) An Application may qualify to receive (1 point) for Development Owners that will agree to provide a right of first refusal to purchase the Development upon or following the end of the Compliance Period in accordance with Tex. Gov't Code, §2306.6726 and

the Department's rules including §10.407 of this title (relating to Right of First Refusal) and §10.408 of this title (relating to Qualified Contract Requirements).

(B) The Development at the time of LURA execution is single family detached homes on separate lots or is organized as condominiums under Chapter 81 or 82 of the Texas Property Code and commits to offer a right of first refusal to tenants of the property to purchase the dwelling at a selected term but no earlier than the end of the Compliance Period and no later than the Extended Use Period. A de minimis amount of a participating tenant's rent may be attributed to the purchase of a Unit. Such commitment will be reflected in the LURA for the Development. The Applicant must provide a description of how they will implement the 'rent-to-own' activity, how they will make tenants aware of the opportunity, and how they will implement the right at the end of the selected term. If a Development is layered with National Housing Trust Funds, HOME-ARP, or another MFDL source where homeownership is not an eligible activity, the right of first refusal may not be earlier than the end of the Federal Affordability Period. §42(m)(1)(C)(viii). (1 point)

~~(8) Funding Request Amount. The Application requests no more than 100% of the amount of LIHTC available within the subregion or set-aside as determined by the regional allocation formula on or before December 1, 2024. (1 point)~~

(8~~9~~) Readiness to Proceed. The Application includes a certification that site acquisition and building construction permit submission will occur on or before the last day of March of the following year or as otherwise permitted under subparagraph (~~C~~B) of this paragraph. These points are not available in the At-Risk or USDA Set-Asides. (1 point)

~~(A) Applications must include an acknowledgement from all lenders and the syndicator of the required Development Site closing date.~~

(~~B~~A) The Board cannot and will not waive the deadline and will not consider waiver under its general rule regarding waivers. Failure to acquire the site and submit construction permits by the March deadline will result in penalty under 10 TAC §11.9(f), as determined solely by the Board.

(~~C~~B) Applications that remain on the waiting list after awards are made in late July that ultimately receive an award will receive an extension of the March deadline equivalent to the period of time between the late July meeting and the date that the Commitment Notice for the Application is issued.

(f) Factors Affecting Scoring and Eligibility in current and future Application Rounds. Staff may recommend to the Board and the Board may find that an Applicant or Affiliate should be ineligible to compete in the following year's competitive Application Round or that it should be assigned a penalty deduction in the following year's competitive Application Round of no more than two points for each submitted Application (Tex. Gov't Code §2306.6710(b)(2)) because it

meets the conditions for any of the items listed in paragraphs (1) - (4) of this subsection. For those items pertaining to non-statutory deadlines, an exception to the penalty may be made if the Board or Executive Director, as applicable, makes an affirmative finding setting forth that the need for an extension of the deadline was beyond the reasonable control of the Applicant and could not have been reasonably anticipated. Any such matter to be presented for final determination of deduction by the Board must include notice from the Department to the affected party not less than 14 days prior to the scheduled Board meeting. The Executive Director may, but is not required, to issue a formal notice after disclosure if it is determined that the matter does not warrant point deductions. The Executive Director may make a determination that the matter does not warrant point deduction only for paragraph (1) of this subsection. (§2306.6710(b)(2)) Any deductions assessed by the Board for paragraph (1), (2), (3), or (4) of this subsection based on a Housing Tax Credit Commitment from a preceding Application round will be attributable to the Applicant or Affiliate of an Application submitted in the Application round referenced above.

(1) If the Applicant or Affiliate failed to meet the original Carryover submission or 10% Test deadline(s) or has requested an extension of the Carryover submission deadline or the 10% Test deadline (relating to either submission or expenditure).

(2) If the Applicant or Affiliate failed to meet the federal commitment or expenditure requirements, deadlines to enter into a Contract or close a Direct Loan, or did not meet benchmarks of their Contract with the Department.

(3) If the Applicant or Affiliate, in the Competitive HTC round immediately preceding the current round, failed to meet the deadline to both close financing and provide evidence of an executed construction contract under subsection (c)(9) of this section (related to Readiness to Proceed).

(4) If the Developer or Principal of the Applicant has violated or violates the Adherence to Obligations.

§11.10.Third Party Request for Administrative Deficiency for Competitive HTC Applications.

(a) The purpose of the Third Party Request for Administrative Deficiency (RFAD) process is to allow an unrelated person or entity to bring new, material information about an Application to staff's attention. Such Person may request staff to consider whether a matter in an Application in which the Person has no involvement should be the subject of an Administrative Deficiency. While an Administrative Deficiency may be issued as the result of an RFAD, not all RFADs will result in an Administrative Deficiency being issued.

(b) Staff will consider each RFAD received and proceed as it deems appropriate under the applicable rules including, if the Application in question has a noncompetitive score relative to other Applications in the same Set-Aside or subregion or will not be eligible for an award

through the award recommendation methodology as outlined in §11.6(3) of this chapter (related to Competitive HTC Allocation Process), not reviewing the matter further.

(c) If the assertion(s) in the RFAD describe matters that are part of the Application review process, and the RFAD does not contain information not present in the Application, staff will not review or act on it.

(d) The RFAD and any testimony presented to the Board regarding the result of an RFAD may not be used to appeal staff decisions regarding competing Applications (§2306.6715(b)). Any RFAD that questions a staff decision regarding staff's scoring of an Application filed by another Applicant will be disregarded.

(e) Requestors must provide, at the time of filing the request all information that the requestor offers in support of the deficiency. A copy of the request and supporting information must be provided by the requestor directly to the Applicant at the same time it is provided to the Department. Requestors must provide sufficient credible evidence that, if confirmed, would substantiate the deficiency request. Assertions not accompanied by supporting documentation susceptible to confirmation will not be considered. An RFAD that expresses the requestor's opinion will not be considered.

(f) Staff shall provide to the Board a written report summarizing each third party request for administrative deficiency and the manner in which it was addressed. Interested persons may provide testimony on this report before the Board takes any formal action to accept the report. When the Board receives a report on the disposition of RFADs it may, for any staff disposition contained in the report, change the conclusion if it believes the change is necessary to bring the result into compliance with applicable laws and rules as construed by the Board; or if based on public testimony, it believes staff's conclusion should be revisited, it may remand the RFAD to staff for further consideration, which may result in a reaffirmation, reversal, or modification.

(g) The results of a RFAD may not be appealed by the requestor, and testimony to the Board arguing staff's determination will not be considered unless the requestor can show that staff failed to follow the applicable rule.

(h) A scoring notice or termination notice that results from a RFAD may be appealed by the Applicant as further described in §11.902 of this chapter, relating to Appeals Process.

(i) Information received after the RFAD deadline will not be considered by staff or presented to the Board unless the information is of such a matter as to warrant a termination notice.

SUBCHAPTER B. SITE AND DEVELOPMENT REQUIREMENTS AND RESTRICTIONS

10 TAC §11.101

§11.101.Site and Development Requirements and Restrictions.

(a) Site Requirements and Restrictions. The purpose of this section is to identify specific requirements and restrictions related to a Development Site seeking multifamily funding or assistance from the Department.

(1) Floodplain. New Construction or Reconstruction Developments located within a 100 year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site in full compliance with the National Flood Protection Act and all applicable federal and state statutory and regulatory requirements. The Applicant will have to use floodplain maps and comply with regulation as they exist at the time of commencement of construction. Even if not required by such provisions, the Site must be developed so that all finished ground floor elevations are at least one foot

above the floodplain and parking and drive areas are no lower than six inches below the floodplain. If there are more stringent federal or local requirements they must also be met. Applicants requesting NHTF funds from the Department must also meet the federal environmental provisions under 24 CFR §93.301(f)(1)(vi). Applicants requesting HOME, HOME-ARP, or NSP PI funds from the Department must meet the federal environmental provisions under 24 CFR Part 58, as in effect at the time of execution of the Contract between the Department and the Owner. If no FEMA Flood Insurance Rate Maps are available for the proposed Development Site, flood zone documentation must be provided from the local government with jurisdiction identifying the 100 year floodplain. Rehabilitation (excluding Reconstruction) Developments with existing and ongoing federal funding assistance from HUD or USDA are exempt from this requirement, to the extent NHTF is not being requested from the Department. All Developments located within a 100 year floodplain must state in the Tenant Rights and Resource Guide that part or all of the Development Site is located in a floodplain, and that it is encouraged that they consider getting appropriate insurance or take necessary precautions. However, where existing and ongoing federal assistance is not applicable such Rehabilitation (excluding Reconstruction) Developments will be allowed in the 100 year floodplain provided the local government has undertaken and can substantiate sufficient mitigation efforts and such documentation is submitted in the Application or the existing structures meet the requirements that are applicable for New Construction or Reconstruction Developments, as certified to by a Third Party engineer.

(2) Undesirable Site Features.

(A) An Undesirable Site Feature will render an Application ineligible unless acceptable mitigation as determined by staff or the Board is undertaken. For Competitive HTC Applications, if staff identifies an undesirable site feature reflected in clause (i) - (x) of subparagraph (E) and it was not disclosed, the Application shall be terminated by staff. If Department staff identifies what it believes would constitute an undesirable site feature not listed in this paragraph or covered under clause (xi) of subparagraph (E), staff may issue an Administrative Deficiency. In the event that staff cannot reasonably conclude whether a feature is considered undesirable, it may defer to the Board for decision.

(B) Rehabilitation (excluding Reconstruction) Developments with ongoing and existing federal assistance from HUD, USDA, or Veterans Affairs (VA) and Developments encumbered by a TDHCA LURA the earlier of the first day of the Application Acceptance Period for HTC, Application Acceptance Date for Direct Loan, or date the pre-application is submitted (if applicable) may be granted an exemption by staff; however, depending on the undesirable site feature(s) staff may recommend mitigation still be provided as appropriate. Such an exemption must be requested at the time of or prior to the filing of an Application. Historic Developments that would otherwise qualify under §11.9(e)(6) of this chapter (related to Criteria promoting the efficient use of limited resources and

applicant accountability) may be granted an exemption, and such exemption must be requested at the time of or prior to the filing of an Application.

(C) Requests for pre-determinations of Site eligibility prior to pre-application or Application submission will not be binding on full Applications submitted at a later date. For Tax-Exempt Bond Developments where the Department is the Issuer, the Applicant may submit a request for pre-determination at pre-application or for Tax-Exempt Bond Developments utilizing a local issuer a request for a pre-determination may be submitted prior to Application submission. An Applicant should understand that any determination made by staff or the Board at that point in time regarding Site eligibility based on the documentation presented, is preliminary in nature. Should additional information related to any of the Undesirable Site Features become available while the Application is under review, or the information by which the original determination was made changes in a way that could affect eligibility, then such information will be re-evaluated by staff and may result in an Administrative Deficiency or re-evaluation.

(D) If a state or federal cognizant agency would require a new facility under its jurisdiction to have a minimum separation from housing, the Department will defer to that agency and require the same separation for a new housing facility near an existing regulated or registered facility. In addition to these limitations, a Development Owner must ensure that the proposed Development Site and all construction thereon comply with all applicable state and federal requirements regarding separation for safety purposes.

(E) The Undesirable Site Features include those described in clauses (i) - (xi) of this subparagraph. The distances are to be measured from the nearest boundary of the Development Site to the nearest boundary of the property or easement containing the undesirable feature, unless otherwise noted below. Where there is a local ordinance that specifies the proximity of such undesirable feature to a multifamily development that has smaller distances than the minimum distances noted below, then such smaller distances may be used and documentation such as a copy of the local ordinance identifying such distances relative to the Development Site must be included in the Application. Pre-existing zoning does not meet the requirement for a local ordinance.

(i) Development Sites located within 300 feet of junkyards. For purposes of this paragraph, a junkyard shall be defined as stated in Texas Transportation Code §396.001;

(ii) Development Sites located within 300 feet of an active solid waste facility, sanitary landfill facility, waste transfer station, or illegal dumping sites (as such dumping sites are identified by the local municipality);

(iii) Development Sites located within 300 feet of a sexually-oriented business. For purposes of this paragraph, a sexually-oriented business shall be defined in Local

Government Code §243.002, or as zoned, licensed and regulated as such by the local municipality;

(iv) Development Sites located within 500 feet of active railroad tracks, measured from the closest rail to the boundary of the Development Site, unless:

(I) the Applicant provides evidence that the city/community has adopted a Railroad Quiet Zone covering the area within 500 feet of the Development Site;

(II) the Applicant has engaged a qualified Third Party to perform a noise assessment and the Applicant commits to perform sound mitigation in accordance with HUD standards as if they were directly applicable to the Development; or

(III) the railroad in question is commuter or light rail;

(v) Development Sites located within 500 feet of heavy industry (i.e. facilities that require extensive use of land and machinery, produce high levels of external noise such as manufacturing plants, or that maintain fuel storage facilities, to the extent that these qualifying items are consistent with the general characteristics of heavy industry. Gas stations and other similar facilities that are not consistent with the characteristics of heavy industry are not considered an undesirable site feature;

(vi) Development Sites located within 10 miles of a nuclear plant;

(vii) Development Sites in which the buildings are located within the accident potential zones or the runway clear zones of any airport;

(viii) Development Sites that contain one or more pipelines, situated underground or aboveground, which carry highly volatile liquids or Development Sites located adjacent to a pipeline easement (for a pipeline carrying highly volatile liquids), the Application must include a plan for developing near the pipeline(s) and mitigation, if any, in accordance with a report conforming to the Pipelines and Informed Planning Alliance (PIPA);

(ix) Development Sites located within 2 miles of refineries capable of refining more than 100,000 barrels of oil daily;

(x) Development Sites that are located in a Clear Zone, any Accident Potential Zone, or within any Noise Contour of 65 decibels or greater, as reflected in a Joint Land Use Study for any military Installation, except that if the Development Site is located in a Noise Contour between 65 and 70 decibels, the Development Site will not be considered to have an Undesirable Site Feature if the Applicant has engaged a qualified Third Party to perform a noise assessment and the Applicant commits to

perform sound mitigation in accordance with HUD standards as if they were directly applicable to the Development; or

(xi) Any Site deemed unacceptable, which would include, without limitation, those with exposure to an environmental factor that may adversely affect the health and safety of the residents or render the Site inappropriate for housing use and which cannot be adequately mitigated. If staff believe that a Site should be deemed unacceptable under this provision due to information that was not included in the Application, it will provide the Applicant with written notice and an opportunity to respond.

(3) Neighborhood Risk Factors.

(A) A Neighborhood Risk Factor will render an application ineligible unless acceptable mitigation as determined by staff or the board is undertaken. If the Development Site has any of the characteristics described in subparagraph (D) of this paragraph, the Applicant must disclose the presence of such characteristics in the Application submitted to the Department. For Competitive HTC Applications, should staff determine that the Development Site has any of the characteristics described in subparagraph (D) of this paragraph and such characteristics were not disclosed, the Application shall be terminated by staff.

(B) Requests for pre-determinations of Site eligibility prior to pre-application or Application submission will not be binding on full Applications submitted at a later date. For Tax-Exempt Bond Developments where the Department is the Issuer, the Applicant may submit the documentation described under subparagraph (E) of this paragraph at pre-application or for Tax-Exempt Bond Developments utilizing a local issuer a request for a pre-determination may be submitted prior to Application submission. An Applicant should understand that any determination made by staff or the Board at that point in time regarding Site eligibility based on the documentation presented, is preliminary in nature. Should additional information related to any of the Neighborhood Risk Factors become available while the Tax-Exempt Bond Development or Direct Loan only Application is under review, or the information by which the original determination was made changes in a way that could affect eligibility, then such information will be re-evaluated by staff and staff may issue an Administrative Deficiency.

(C) The presence of any characteristics listed in subparagraph (D) of this paragraph will prompt staff to perform an assessment of the Development Site and neighborhood, which may include a site visit. Mitigation to be considered by staff is identified in subparagraph (E) of this paragraph. Preservation of affordable units alone does not present a compelling reason to support a conclusion of eligibility.

(D) The Neighborhood Risk Factors include those noted in clauses (i) - (ii~~i~~) of this subparagraph and additional information as applicable to the neighborhood risk

factor(s) disclosed as provided in subparagraph (E) of this paragraph must be submitted in the Application. In order to be considered an eligible Site despite the presence of Neighborhood Risk Factors, an Applicant must demonstrate actions being taken that would lead staff to conclude that there is a high probability and reasonable expectation the risk factor will be sufficiently mitigated or significantly improved prior to placement in service and that the risk factor demonstrates a positive trend and continued improvement. Conclusions for such reasonable expectation may need to be affirmed by an industry professional, as appropriate, and may be dependent upon the severity of the Neighborhood Risk Factor disclosed.

(i) The Development Site is located within a census tract that has a poverty rate above 40% for individuals (or 55% for Developments in regions 11 and 13). Rehabilitation Developments with ongoing and existing federal assistance from HUD, USDA, or Veterans Affairs (VA), and Developments encumbered by a TDHCA LURA re exempt from this Neighborhood Risk Factor.

(ii) The Development Site is New Construction or Reconstruction and is located in a census tract (or for any adjacent census tract with a boundary less than 500 feet from the proposed Development Site that is not separated from the Development Site by a natural barrier such as a river or lake, or an intervening restricted area, such as a military installation) in an Urban Area and the rate of Part I violent crime is greater than 18 per 1,000 persons (annually) as reported on neighborhoodscout.com. Rehabilitation developments with ongoing and existing federal assistance from HUD, USDA, or Veterans Affairs (VA), and Developments encumbered by a TDHCA LURA are exempt from this Neighborhood Risk Factor.

~~(iii) The Development Site is located within the attendance zone of an elementary school, a middle school or a high school that had a TEA Accountability Rating of "Not Rated: Senate Bill 1365" for 2022.~~

~~(I) In districts with district-wide enrollment or choice districts an Applicant shall use the rating of the closest elementary, middle and high school, respectively, which may possibly be attended by the tenants in determining whether or not disclosure is required. Schools with an application process for admittance, limited enrollment or other requirements that may prevent a child from attending will not be considered as the closest school or the school which attendance zone contains the site.~~

~~(II) School ratings will be determined by the school number, so that in the case where a new school is formed or named or consolidated with another school but is considered to have the same number that rating will be used. A school that has never been rated by the Texas Education Agency will use the district rating.~~

~~(III) If a school is configured to serve grades that do not align with the Texas Education Agency's conventions for defining elementary schools (typically grades~~

~~K-5 or K-6), middle schools (typically grades 6-8 or 7-8) and high schools (typically grades 9-12), the school will be considered to have the lower of the ratings of the schools that would be combined to meet those conventions. In determining the ratings for all three levels of schools, ratings for all grades K-12 must be included, meaning that two or more schools' ratings may be combined. Sixth grade centers will be considered as part of the middle school rating.~~

~~(IV) Elderly Developments, Supportive Housing SRO Developments or Supportive Housing Developments where all Units are Efficiency Units, and Applications with USDA financing for Rehabilitation of existing properties are exempt and are not required to provide mitigation for this subparagraph, but are still required to provide rating information in the Application.~~

~~-~~(E) Information regarding mitigation of neighborhood risk factors should be relevant to the risk factors that are present in the neighborhood. Mitigation must include documentation of efforts underway at the time of Application, and should include the measures described in clauses (i) - (ii~~i~~) of this subparagraph or such other mitigation as the Applicant determines appropriate to support a finding of eligibility. If staff determines that the Development Site cannot be found eligible and the Applicant appeals that decision to the Board, the Applicant may not present new information at the Board meeting.

(i) Mitigation for Developments in a census tract that has a poverty rate that exceeds 40% may include a resolution from the Governing Body of the appropriate municipality or county containing the Development, acknowledging the high poverty rate and authorizing the Development to move forward. If the Development is located in the ETJ, the resolution would need to come from the county.

(ii) Evidence by the most qualified person that the data and evidence establish that there is a reasonable basis to proceed on the belief that the crime data shows, or will show, a favorable trend such that within the next two years Part I violent crime for that location is expected to be less than 18 per 1,000 persons or the data and evidence reveal that the data reported on neighborhoodscout.com does not accurately reflect the true nature of what is occurring and what is actually occurring does not rise to the level to cause a concern to the Board over the level of Part I violent crime for the location. The data and evidence may be based on violent crime data from the city's police department or county sheriff's department, as applicable based on the location of the Development, for the police beat or patrol area within which the Development Site is located, based on the population of the police beat or patrol area that yields a crime rate below the threshold indicated in this section or that would yield a crime rate below the threshold indicated in this section by the time the Development is placed into service. The instances of violent crimes within the police beat or patrol area that encompass the census tract, calculated based on the population of the census tract, may also be used. The data must include

incidents reported during the entire calendar year previous to the year of Application. Violent crimes reported through the date of Application submission may be requested by staff as part of the assessment performed under subparagraph (C) of this paragraph. A written statement from the most qualified person (i.e. Chief of Police or Sheriff (as applicable) or the police officer/detective for the police beat or patrol area containing the proposed Development Site), including a description of efforts by such enforcement agency addressing issues of crime and the results of their efforts may be provided, and depending on the data provided by the Applicant, such written statement may be required, as determined by staff. It is expected that such written statement would also speak to whether there is a reasonable expectation that based on the efforts underway there is crime data that reflects a favorable downward trend in crime rates.

~~(iii) Evidence of mitigation for each of the schools in the attendance zone that has a TEA Accountability Rating of "Not Rated: Senate Bill 1365" for 2022 must meet the requirements of clause (iv) which will be a requirement of the LURA for the duration of the Affordability Period and cannot be used to count for purposes of meeting the threshold requirements under subparagraph (7)(B)(ii) of this paragraph.~~

~~(iv) Acceptable mitigation requires that the Applicant has committed that it will operate an after school learning center that offers at a minimum 15 hours of weekly, organized, on-site educational services provided to elementary, middle and high school children by a dedicated service coordinator or Third-Party entity which includes at a minimum: homework assistance, tutoring, test preparation, assessment of skill deficiencies and provision of assistance in remediation of those deficiencies (e.g., if reading below grade level is identified for a student, tutoring in reading skills is provided), research and writing skills, providing a consistent weekly schedule, provides for the ability to tailor assistance to the age and education levels of those in attendance, and other evidence-based approaches and activities that are designed to augment classroom performance. Up to 20% of the activities offered may also include other enrichment activities such as music, art, or technology.~~

(F) In order for the Development Site to be found eligible, including when mitigation described in subparagraph (E) of this paragraph is not provided in the Application, despite the existence of one or more Neighborhood Risk Factors, the Applicant must explain how the use of Department funds at the Development Site is consistent with the goals in clauses (i) - (iii) of this subparagraph. If the Board grants an Appeal of staff's determination of Site eligibility, the Board shall document the reasons for a determination of eligibility.

(i) Preservation of existing occupied affordable housing units to ensure they are safe and suitable or the new construction of high quality affordable housing units that are subject to federal rent or income restrictions.

(ii) Determination that the risk factor(s) that has been disclosed are not of such a nature or severity that should render the Development Site ineligible based on the assessment and mitigation provided under subparagraphs (C) and (D) of this paragraph.

(iii) No mitigation was provided, or in staff's determination the mitigation was considered unsatisfactory and the Applicant has requested a waiver of the presence of Neighborhood Risk Factors on the basis that the Development is necessary to enable the state, a participating jurisdiction, or an entitlement community to comply with its obligation to affirmatively further fair housing, a HUD approved Conciliation Agreement, or a final and non-appealable court order and such documentation is submitted with the disclosure.

(4) Site and Neighborhood Standards (Direct Loan and HOME-ARP only). A New Construction Development, as defined by the applicable federal fund source, requesting federal funds must meet the Site and Neighborhood Standards in 24 CFR §983.57(e)(2) or (3). A Development requesting NHTF funds that meets the federal definition of reconstruction in 24 CFR §93.2 must also meet these standards.

(b) Development Requirements and Restrictions. The purpose of this subsection is to identify specific restrictions on a proposed Development requesting multifamily funding by the Department.

(1) Ineligible Developments. A Development shall be ineligible if any of the criteria in subparagraphs (A) - (C) of this paragraph apply.

(A) General Ineligibility Criteria include:

(i) Developments such as hospitals, nursing homes, trailer parks, dormitories (or other buildings that will be predominantly occupied by students) or other facilities that are usually classified as transient housing (as provided in Code §42(i)(3)(B)(iii) and (iv));

(ii) any Development with any building(s) with four or more stories that does not include an elevator. Developments where topography or other characteristics of the Site require basement splits such that a tenant will not have to walk more than two stories to fully utilize their Unit and all Development amenities, will not require an elevator;

(iii) a Housing Tax Credit Development that provides on-site continual or frequent nursing, medical, or psychiatric services. Refer to IRS Revenue Ruling 98-47 for clarification of assisted living;

(iv) a Development that proposes population limitations that violate §1.15 of this title (relating to Integrated Housing Rule);

(v) a Development seeking Housing Tax Credits that will not meet the general public use requirement under Treasury Regulation, §1.42-9 or a documented exception thereto;

(vi) a Development utilizing a Direct Loan that is subject to the Housing and Community Development Act, 104(d) requirements and proposing Rehabilitation or Reconstruction, if the Applicant is not proposing at least the one-for-one replacement of the existing Unit mix. Adding additional units would not violate this provision; or

(vii) any New Construction or Reconstruction proposing more than 35.00% efficiency and/or one-Bedroom Units. This requirement will not apply to Elderly or Supportive Housing Developments. For Historic Developments, this requirement will not apply to any units constructed within the Historic structure. For any New Construction or Reconstruction undertaken as part of a Historic Application, those newly constructed or reconstructed Units must meet this standard. The Units that are part of the Historic structure will not be included in the total when determining if the Application meets this requirement.

(viii) Competitive Housing Tax Credit Applications that involve any existing Housing Tax Credit Development that has any building that placed in service on or after January 1, 2006.

(ix) Applications that represent a Total Housing Development Cost of $500,000 or more per Unit.

(x) Competitive Housing Tax Credit Applications that score no points under 10 TAC §11.9(c)(1) and (2).

(B) Ineligibility of Elderly Developments include:

(i) any Elderly Development of two stories or more that does not include elevator service for any Units or Common Areas above the ground floor;

(ii) any Elderly Development with any Units having more than two Bedrooms with the exception of up to three employee Units reserved for the use of the manager, maintenance, or security officer. These employee Units must be specifically designated as such; or

(iii) any New Construction, Reconstruction, or Adaptive Reuse Elderly Development (including Elderly in a Rural Area) proposing more than 70% two-Bedroom Units.

~~(C) Ineligibility of Developments within Certain School Attendance Zones. Due to uncertainty linked to the delayed release of TEA Accountability ratings, this item is suspended. Any Development that falls within the attendance zone of a school that has a TEA Accountability Rating of F for 2023 and a rating of "Not Rated: Senate Bill 1365" for 2022 is ineligible with no opportunity for mitigation. Developments that are encumbered by a TDHCA LURA on the first day of the Application Acceptance Period or at the time of Pre-application (if applicable), an Elderly Development, or a Supportive Housing SRO Development or Supportive Housing Development where all Units are Efficiency Units are exempt. If the Board grants an Appeal of staff's determination of Site eligibility, the Board shall document the reasons for a determination of eligibility.~~

(C~~D~~) Ineligibility of Developments within Areas of High Crime. Any Development involving New Construction or Adaptive Reuse located in an area described in (a)(3)(D)(ii) of this subsection and for which mitigation submitted under subparagraph (D)(ii) of this paragraph still yields a Part I violent crime rate greater than 18 per 1,000 persons (annually) is ineligible with no opportunity for mitigation. If the Board grants an Appeal of staff's determination of Site eligibility, the Board shall document the reasons for a determination of eligibility.

(2) Development Size Limitations. The minimum Development size is 16 Units. Competitive Housing Tax Credit or Multifamily Direct Loan-only Developments involving New Construction or Adaptive Reuse in Rural Areas are limited to a maximum of 80 total Units. Tax-Exempt Bond Developments involving New Construction or Adaptive Reuse in a Rural Area must meet the Development size limitation and corresponding capture rate requirements in §11.302(i)(1)(C) of this chapter (related to Feasibility Conclusion). Rehabilitation Developments do not have a limitation as to the maximum number of Units.

(3) Rehabilitation Costs. Developments involving Rehabilitation must establish a scope of work that will substantially improve the interiors of all units and exterior deferred maintenance, and meet the minimum Rehabilitation amounts identified in subparagraphs (A) - (C) of this paragraph. Such amounts must be maintained through the issuance of IRS Forms 8609. For Developments with multiple buildings that have varying placed in service dates, the earliest date will be used for purposes of establishing the minimum Rehabilitation amounts. Applications must meet the Rehabilitation amounts identified in subparagraphs (A), (B) or (C) of this paragraph. For Tax-Exempt Bond Developments that include existing USDA funding that is continuing or new USDA funding, staff may consider the cost standard under subparagraph (A) of this paragraph on a case-by-case basis.

(A) For Housing Tax Credit Developments with USDA financing the Rehabilitation will involve at least $25,000 per Unit in Building Costs and Site Work.

(B) For Tax-Exempt Bond Developments, less than 20 years old, based on the placed in service date, the Rehabilitation will involve at least $~~20~~25,000 per Unit in Building Costs and Site Work. If such Developments are greater than or equal to 20 years old, based on

the placed in service date, the Rehabilitation will involve at least $35~~30~~,000 per Unit in Building Costs and Site Work.

(C) For all other Developments, the Rehabilitation will involve at least $~~30~~35,000 per Unit in Building Costs and Site Work.

(4) Mandatory Development Amenities. (§2306.187) New Construction, Reconstruction or Adaptive Reuse Units must include all of the amenities in subparagraphs (A) - (O) of this paragraph. Rehabilitation (excluding Reconstruction) Developments must provide the amenities in subparagraphs (D) - (L), (N), and (O) of this paragraph unless stated otherwise. Supportive Housing Developments are not required to provide the amenities in subparagraph (B), (E), (F), (G), (H) or (N) of this paragraph; however, access must be provided to a comparable amenity in a Common Area. All amenities listed below must be at no charge to the residents. Residents must be provided written notice of the applicable required amenities for the Development. The Board may waive one or more of the requirements of this paragraph for Developments that will include Historic Tax Credits, with evidence submitted with the request for amendment that the amenity has not been approved by the Texas Historical Commission or National Park Service, as applicable. Applicants for Multifamily Direct Loans should be aware that certain amenities are not eligible for Direct Loan funding, including without limitation, detached community spaces, furnishings, swimming pools, athletic courts, and playgrounds, as more fully described at §13.3 of this title (relating to General Loan Requirements). Amenities include:

(A) All Units must have connections available using current technology for data and phone;

(B) Laundry connections;

(C) Exhaust/vent fans (vented to the outside) in the bathrooms;

(D) Screens on all operable windows;

(E) Disposal (not required for USDA Rehabilitation);

(F) Energy-Star or equivalently rated dishwasher; Rehabilitation Developments exempt from dishwasher if one was not originally in the Unit;

(G) Energy-Star or equivalently rated refrigerator;

(H) Oven/Range;

(I) Blinds or window coverings for all windows;

(J) At least one Energy-Star or equivalently rated ceiling fan per Unit;

(K) Energy-Star or equivalently rated lighting in all Units;

(L) All areas of the Unit (excluding exterior storage space on an outdoor patio/balcony) must have heating and air-conditioning;

(M) Adequate parking spaces consistent with local code, unless there is no local code, in which case the requirement would be one and a half spaces per Unit for non-Elderly Developments and one space per Unit for Elderly Developments. The minimum number of required spaces must be available to the tenants at no cost. If parking requirements under local code rely on car sharing or similar arrangements, the LURA will require the Owner to provide the service at no cost to the tenants throughout the Affordability Period. If a waiver or variance of local code parking requirements has been requested then evidence to that effect must be included in the Application;

(N) Energy-Star or equivalently rated windows (for Rehabilitation Developments, only if windows are planned to be replaced as part of the scope of work); and

(O) Adequate accessible parking spaces consistent with the requirements of the 2010 ADA Standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" 79 FR 29671, the Texas Accessibility Standards, and if covered by the Fair Housing Act, HUD's Fair Housing Act Design Manual.

(5) Common Amenities.

(A) All Developments must include sufficient common amenities as described in subparagraph (C) of this paragraph to qualify for at least the minimum number of points required in accordance with clauses (i) - (vi) of this subparagraph:

(i) Developments with 16 to 40 Units must qualify for two (2) points;

(ii) Developments with 41 to 76 Units must qualify for four (4) points;

(iii) Developments with 77 to 99 Units must qualify for seven (7) points;

(iv) Developments with 100 to 149 Units must qualify for ten (10) points;

(v) Developments with 150 to 199 Units must qualify for fourteen (14) points; or

(vi) Developments with 200 or more Units must qualify for eighteen (18) points.

(B) These points are not associated with any selection criteria points. The amenities must be for the benefit of all residents and made available throughout normal business hours and maintained throughout the Affordability Period. Residents must be provided

written notice of the elections made by the Development Owner. If fees or deposits in addition to rent are charged for amenities, then the amenity may not be included among those provided to satisfy the requirement. All amenities must meet all applicable accessibility standards, including those adopted by the Department, and where a specific space or size requirement for a listed amenity is not specified then the amenity must be reasonably adequate based on the Development size. Applications for non-contiguous scattered site housing, excluding non-contiguous single family sites, will have the test applied based on the number of Units per individual site and the amenities selected must be distributed proportionately across all sites. A Development composed of non-contiguous single family sites must provide a combination of unit and common amenities to equal the appropriate points under subparagraph (A) of this paragraph for the Development size. In the case of additional phases of a Development any amenities that are anticipated to be shared with the first phase development cannot be claimed for purposes of meeting this requirement for the second phase. The second phase must include enough points to meet this requirement that are provided on the Development Site, regardless of resident access to the amenity in another phase. All amenities must be available to all Units via an accessible route.

(C) The common amenities and respective point values are set out in clauses (i) - (v) of this subparagraph, which are grouped primarily for organizational purposes. Applicants are not required to select a specific number of amenities from each section. An Applicant can only count an amenity once; therefore combined functions (a library which is part of a community room) will only qualify for points under one category:

(i) Community Space for Resident Supportive Services includes:

(I) Except in Applications where more than 10% of the Units in the proposed Development are Supportive Housing SRO Units, an Application may qualify to receive half of the points required under §11.101(b)(5)(A)(i) - (vi) by electing to provide a High Quality Pre-Kindergarten (HQ Pre-K) program and associated educational space at the Development Site. To receive the points the Applicant must commit to all of items (-a-) - (-c-) of this subclause.

(-a-) Space and Design. The educational space for the HQ Pre-K program must be provided on the Development Site and must be a suitable and appropriately designed space for educating children that an independent school district or open-enrollment charter school can utilize to establish and operate a HQ Pre-K program. This space includes at a minimum a bathroom and large closet in the classroom space; appropriate design considerations made for the safety and security of the students; including limited and secure ingress and egress to the classroom space; and satisfaction of the requirements of all applicable building codes for school facilities. The Applicant must provide in the Application a copy of the current school facility code requirements applicable to the Development Site and Owner and

Architect certifications that they understand the associated space and design requirements reflected in those code requirements. The Application must also include acknowledgement by all lenders, equity providers and partners that the Application includes election of these points.

(-b-) Educational Provider Agreement. The Applicant must enter into an agreement, addressing all items as described in subitems (-1-) - (-5-) of this item, and provide evidence of such agreement to the Department on or before submission of the Cost Certification. Lack of evidence of such agreement by the deadline will be cause for rescission of the Carryover Agreement for Competitive HTC Applications.

(-1-) The agreement must be between the Owner and an Educational Provider.

(-2-) The agreement must reflect that at the Development Site the Educational Provider will provide a HQ Pre-K program, in accordance with Texas Education Code Chapter 29, Subchapter E-1, at no cost to residents of the proposed Development and that is available for general public use, meaning students other than those residing at the Development may attend.

(-3-) Such agreement must reflect a provision that the option to operate the HQ Pre-K program in the space at the Development Site will continue to be made available to the school or provider until such time as the school or provider wishes to withdraw from the location. This provision will not limit the Owner's right to terminate the agreement for good cause.

(-4-) Such agreement must set forth the responsibility of each party regarding payment of costs to use the space, utility charges, insurance costs, damage to the space or any other part of the Development, and any other costs that may arise as the result of the operation of the HQ Pre-K program.

(-5-) The agreement must include provision for annual renewal, unless terminated under the provisions of item (-c-) of this subclause.

(-c-) If an Educational Provider who has entered into an agreement becomes defunct or elects to withdraw from the agreement and provision of services at the location, as provided for in subitem (-b-)(-3-) of this subclause, the Owner must notify the Texas Commissioner of Education at least 30 days prior to ending the agreement to seek out any other eligible parties listed in subitem (-b-)(-1-) of this subclause above. If another interested open-

enrollment charter school or school district is identified by the Texas Commissioner of Education or the Owner, the Owner must enter into a subsequent agreement with the interested open-enrollment charter school or school district and continue to offer HQ Pre-K services. If another interested provider cannot be identified, and the withdrawing provider certifies to the Department that their reason for ending the agreement is not due to actions of the Owner, the Owner will not be considered to be in violation of its commitment to the Department. If the Owner is not able to find a provider, they must notify the Commissioner annually of the availability of the space.

(II) Multifunctional learning and care center(s) or conference room(s) with the appropriate furnishings to deliver the Resident Supportive Services pertaining to classes or care for children and selected by the Development Owner. The room(s) devoted to meeting this requirement must equal 15 square feet times the total number of Units, but need not exceed 2,000 square feet in total. This space must be separate from any other community space but may include a full kitchen. The room(s) must include storage space, such as closets or cabinetry (4 points).

(III) Multifunctional learning and care center(s) or conference room(s) with the appropriate furnishings to deliver the Resident Supportive Services pertaining to classes or care for adults and selected by the Development Owner. The room(s) devoted to meeting this requirement must equal 10 square feet times the total number of Units, but need not exceed 1,000 square feet in total. This space must be separate from any other community space but may include a full kitchen. The room(s) must include storage space, such as closets or cabinetry (2 points).

(IV) Service provider office in addition to leasing offices (1 point).

(ii) Safety amenities include:

(I) Controlled gate access for entrance and exit areas, intended to provide access that is limited to the Development's tenancy (1 point).

(II) Secured Entry (applicable only if all Unit entries are within the building's interior) (1 point).

(III) Twenty-four hour, seven days a week monitored camera/security system in each building. Monitoring may be on-site or off-site (2 points).

(IV) Twenty-four hour, seven days a week recorded camera / security system in each building (1 point).

(V) The provision of a courtesy patrol service that, at a minimum, answers after-hour resident phone calls regarding noise and crime concerns or apartment rules violations and that can dispatch to the apartment community a courtesy patrol officer in a timely manner (3 points).

(iii) Health/Fitness/Play amenities include:

(I) Accessible walking/jogging path, equivalent to the perimeter of the Development or a length that reasonably achieves the same result, separate from a sidewalk and in addition to required accessible routes to Units or other amenities (1 point).

(II) Furnished fitness center. Equipped with a variety of fitness equipment (at least one item for every 40 Units). Choose from the following: stationary bicycle, elliptical trainer, treadmill, rowing machine, universal gym, multi-functional weight bench, stair-climber, dumbbell set, or other similar equipment. Equipment shall be commercial use grade or quality. Fitness center must be located indoors or be a designated room with climate control and allow for after-hours access. (1 point).

(III) Furnished fitness center. Equipped with a variety of fitness equipment (at least one item for every 20 Units). Choose from the following: stationary bicycle, elliptical trainer, treadmill, rowing machine, universal gym, multi-functional weight bench, stair-climber, dumbbell set, or other similar equipment. Equipment shall be commercial use grade or quality. Fitness center must be located indoors or be a designated room with climate control and allow for after-hours access. (2 points).

(IV) One Children's Playscape Equipped for five to 12 year olds, or one Tot Lot (2 points). Must be covered with a shade canopy or awning, intended to keep equipment cool, and provide shade and ultraviolet protection. This item can only be selected if subclause (V) of this clause is not selected.

(V) Two Children's Playscapes Equipped for five to 12 year olds, two Tot Lots, or one of each (4 points). Must be covered with a shade canopy or awning, intended to keep equipment cool, and provide shade and ultraviolet protection. This item can only be selected if subclause (IV) of this clause is not selected.

(VI) Horseshoe pit; putting green; shuffleboard court; pool table; ping pong table; or similar equipment in a dedicated location accessible to all residents to play such games (1 point).

(VII) Swimming pool with after-hours access (5 points).

(VIII) Splash pad/water feature play area (3 points).

(IX) Sport Court or field (including, but not limited to, Tennis, Basketball, Volleyball, Pickleball, Soccer, or Baseball Field) (2 points).

(iv) Design / Landscaping amenities include:

(I) Full perimeter fencing that contains the parking areas and all amenities (excludes guest or general public parking areas) (2 points).

(II) Enclosed community sun porch or covered community porch/patio (1 point).

(III) Dog Park area that is fully enclosed (the perimeter fencing may be used for part of the enclosure) and intended for tenant owned dogs to run off leash (requires that the Development allow dogs) (2 points).

(IV) Shaded rooftop or structural viewing deck of at least 500 square feet (2 points).

(V) Porte-cochere (1 point).

(VI) Lighted pathways along all accessible routes (1 point).

(VII) a resident-run community garden with annual soil preparation and mulch provided by the Owner and access to water (which may be subject to local water usage restrictions) (1 point).

(v) Community Resources amenities include:

(I) Community laundry room with at least one washer and dryer for every 40 Units (2 points).

(II) Barbecue grill and picnic table with at least one of each for every 50 Units (1 point). Grill must be permanently installed (no portable grills).

(III) Business center with workstations and seating internet access, 1 printer and at least one scanner which may be integrated with the printer, and either 2 desktop computers or laptops available to check-out upon request (2 points).

(IV) Furnished Community room (2 points).

(V) Library with an accessible sitting area (separate from the community room) (1 point).

(VI) Activity Room stocked with supplies (Arts and Crafts, board games, etc.) (2 points).

(VII) Community Dining Room with full or warming kitchen furnished with adequate tables and seating (3 points).

(VIII) Community Theater Room equipped with a 52 inch or larger screen or projection with surround sound equipment; DVD player or a streaming service at no cost to residents; and seating (3 points).

(IX) High-speed Wi-Fi with advanced telecommunications capacity as determined under 47 U.S.C. 1302 or more with coverage throughout the clubhouse or community building (1 point).

(X) High-speed Wi-Fi with advanced telecommunications capacity as determined under 47 U.S.C. 1302 with coverage throughout the Development (2 points).

(XI) Bicycle parking that allows for, at a minimum, one bicycle for every five Units, within reasonable proximity to each residential building that allows for bicycles to be secured with lock (lock not required to be provided to tenant) (1 point).

(XII) Package Lockers or secure package room. Automated Package Lockers or secure package room provided at a location within the complex that can be accessed by residents 24/7 and at no charge to the resident. To qualify, there would need to be at least one locker for every eight residential units (2 points).

(XIII) Recycling Service (includes providing a storage location and service for pick-up) (1 point).

(XIV) Community car vacuum station (1 point).

(XV) Access to onsite bike sharing services, provided tenants have short-term, autonomous access to community-owned bicycles, with at least one bicycle per 25 Units (1 point).

(XVI) A covered outdoor area with seating to be used as a waiting area for public transportation (1 point).

(6) Unit Requirements.

(A) Unit Sizes. Developments proposing New Construction or Reconstruction will be required to meet the minimum sizes of Units as provided in clauses (i) - (v) of this subparagraph. These minimum requirements are not associated with any selection

criteria. Developments proposing Rehabilitation (excluding Reconstruction) or Supportive Housing Developments will not be subject to the requirements of this subparagraph. If the Development involves both Rehabilitation and Reconstruction or New Construction, the Reconstruction or New Construction Units must meet these requirements. The requirements are:

(i) four hundred fifty (450) square feet for an Efficiency Unit;

(ii) five hundred fifty (550) square feet for a one Bedroom Unit;

(iii) eight hundred (800) square feet for a two Bedroom Unit;

(iv) one thousand (1,000) square feet for a three Bedroom Unit; and

(v) one thousand, two-hundred (1,200) square feet for a four Bedroom Unit.

(B) Unit, Development Construction, and Energy and Water Efficiency Features. Housing Tax Credit Applicants may select amenities for the score of an Application under this section, but must maintain the points associated with those amenities by maintaining the amenity selected or providing substitute amenities with equal or higher point values. Tax-Exempt Bond Developments must include enough amenities to meet a minimum of nine (9) points. Direct Loan Applications not layered with Housing Tax Credits must include enough amenities to meet a minimum of five (5) points. The amenity shall be for every Unit at no extra charge to the tenant. The points selected at Application and corresponding list of amenities will be required to be identified in the LURA, and the points selected at Application must be maintained throughout the Affordability Period. Applications involving scattered site Developments must have a specific amenity located within each Unit to count for points. Rehabilitation Developments and Supportive Housing Developments will start with a base score of five (5) points. Rehabilitation Developments that also include New Construction will not start with a base score, and must include enough amenities to meet a minimum of nine (9) points. At least two (2) points must be selected from clause (iii), Energy and Water Efficiency Features, of this subparagraph.

(i) Unit Features include:

(I) Covered entries (0.5 point);

(II) Nine foot ceilings in living room and all Bedrooms (at minimum) (1 point);

(III) Microwave ovens (0.5 point);

(IV) Self-cleaning or continuous cleaning ovens (0.5 point);

(V) Storage room or closet, of approximately 9 square feet or greater, separate from and in addition to Bedroom, entryway or linen closets and which does not need to be in the Unit but must be on the Property site (0.5 point);

(VI) Covered patios or covered balconies (0.5 point);

(VII) High Speed Internet service to all Units (can be wired or wireless; required equipment for either must be provided) (1 point);

(VIII) Built-in (recessed into the wall) shelving unit (0.5 point);

(IX) Breakfast Bar (a space, generally between the kitchen and dining area, that includes an area for seating although actual seating such as bar stools does not have to be provided) (0.5 point);

(X) Walk-in closet in at least one Bedroom (0.5 point);

(XI) 48-inch upper kitchen cabinets (1 point);

(XII) Kitchen island (0.5 points);

(XIII) Kitchen pantry with shelving (may include the washer/dryer unit for Rehabilitation Developments only) (0.5 point);

(XIV) Natural stone or quartz countertops in kitchen and bath (1 point);

(XV) Double vanity in at least one bathroom (0.5 point); and

(XVI) Hard floor surfaces in over 50% of unit NRA (0.5 point).

(ii) Development Construction Features include:

(I) Covered parking (may be garages or carports, attached or freestanding) and include at least one covered space per Unit (1.5 points);

(II) Thirty year roof (0.5 point);

(III) Greater than 30% stucco or masonry (includes stone, cultured stone, and brick but excludes cementitious and metal siding) on all building exteriors; the percentage calculation may exclude exterior glass entirely (2 points);

(IV) Electric Vehicle Charging Station (0.5 points);

(V) An Impact Isolation Class (IIC) rating of at least 55 and a Sound Transmission Class (STC) rating of 60 or higher in all Units, as certified by the architect or engineer of record (3 points); and

(VI) Green Building Features. Points under this item are intended to promote energy and water conservation, operational savings and sustainable building practices. Four (4) points may be selected from only one of the categories described in items (-a-) - (-d-) of this subclause. If the Development involves scattered sites, there must be green building features incorporated into each site in order to qualify for these points.

(-a-) Enterprise Green Communities. The Development must incorporate, at a minimum, all items necessary to obtain Enterprise Green Communities certification applicable to the construction type (i.e. New Construction, Rehabilitation, etc.) as provided in the most recent version of the Enterprise Green Communities Criteria found at http://www.greencommunitiesonline.org.

(-b-) Leadership in Energy and Environmental Design (LEED). The Development must incorporate, at a minimum, all of the applicable criteria necessary to obtain a LEED Certification, regardless of the rating level achieved (i.e., Certified, Silver, Gold or Platinum).

(-c-) ICC/ASHRAE - 700 National Green Building Standard (NGBS). The Development must incorporate, at a minimum, all of the applicable criteria necessary to obtain a NGBS Green Certification, regardless of the rating level achieved (i.e. Bronze, Silver, Gold, or Emerald).

(-d-) 2018 International Green Construction Code.

(iii) Energy and Water Efficiency Features include:

(I) Energy-Star or equivalently rated refrigerator with icemaker (0.5 point);

(II) Energy-Star or equivalently rated laundry equipment (washers and dryers) for each individual Unit; must be front loading washer and dryer in required accessible Units (2 points);

(III) Recessed LED lighting or LED lighting fixtures in kitchen and living areas (1 point);

(IV) Energy-Star or equivalently rated ceiling fans in all Bedrooms (0.5 point);

(V) EPA WaterSense or equivalent qualified toilets in all bathrooms (0.5 point);

(VI) EPA WaterSense or equivalent qualified showerheads and faucets in all bathrooms (0.5 point);

(VII) 15 SEER HVAC, or in Region 13, an efficient evaporative cooling system. For Rehabilitation (excluding Reconstruction) where such systems are not being replaced as part of the scope of work, a radiant barrier in the attic is provided, (1 point);

(VIII) 16 SEER HVAC, for New Construction or Rehabilitation (1.5 points);

(IX) A rainwater harvesting/collection system or locally approved greywater collection system (0.5 points);

(X) Wi-Fi enabled, Energy-Star or equivalently rated "smart" thermostats installed in all units (1 point); and

(XI) Solar panels installed, with a sufficient number of panels to reach a rated power output of at least 300 watts for each Low-Income Unit. (2 points).

(7) Resident Supportive Services. The resident supportive services include those listed in subparagraphs (A) - (E) of this paragraph, which are grouped primarily for organizational purposes. Applicants are not required to select a specific number of services from each section. Tax Exempt Bond Developments must select a minimum of eight points; Direct Loan Applications not layered with Housing Tax Credits must include enough services to meet a minimum of four points. The points selected and complete list of supportive services will be included in the LURA and the timeframe by which services are offered must be in accordance with §10.619 of this title (relating to Monitoring for Social Services) and maintained throughout the Affordability Period. The Owner may change, from time to time, the services offered; however, the overall points as selected at Application must remain the same. A Development Owner may be required to substantiate such service(s) if requested by staff. Should the QAP in subsequent years provide different services than those listed in subparagraphs (A) - (E) of this paragraph, the Development Owner may request an Amendment as provided in §10.405(a)(2) of this chapter (relating to Amendments and Extensions). The services provided should be those that will directly benefit the Target Population of the Development. Residents must be provided written notice of the elections made by the Development Owner. No fees may be charged to the residents for any of the services, there must be adequate space for the intended services and services offered should be accessible to all (e.g. exercises classes must be offered in a manner that would enable a person with a disability to participate). Unless otherwise specified, services must be provided on-site or transportation to those off-site services identified on the list must be provided. The same service may not be used for more than one scoring item. These services are intended to be provided by a qualified and reputable provider in the specified industry such that the experience and background of the provider demonstrates sufficient knowledge to be providing the service. In general, on-site leasing staff or property

maintenance staff would not be considered a qualified provider. Where applicable, the services must be documented by a written agreement with the provider. Unless otherwise noted in a particular clause, courses and services must be offered by an onsite instructor(s).

(A) Transportation Supportive Services include:

(i) shuttle, at least three days a week, to a grocery store and pharmacy or a major, big-box retailer that includes a grocery store and pharmacy, OR a daily shuttle, during the school year, to and from nearby schools not served by a school bus system for children who live at the Development (3.5 points); and

(ii) monthly transportation to community/social events such as mall trips, community theatre, bowling, organized tours, etc. (1 point).

(B) Children Supportive Services include:

(i) provide a High Quality Pre-Kindergarten (HQ Pre-K) program and associated educational space at the Development Site meeting the requirements of paragraph (5)(C)(i)(I) of this subsection. (Half of the points required under this paragraph); and

(ii) Twelve hours of weekly, organized, on-site services provided to K-12 children by a dedicated service coordinator or third-party entity. Services include after-school and summer care and tutoring, recreational activities, character building programs, mentee opportunities, test preparation, and similar activities that promote the betterment and growth of children and young adults (3.5 points).

(C) Adult Supportive Services include:

(i) Four hours of weekly, organized, in-person, hybrid, or virtual classes accessible to participants from a Common Area on site to an adult audience by persons skilled or trained in the subject matter being presented, such as English as a second language classes, computer training, financial literacy courses, homebuyer counseling, health education courses, certification courses, GED preparation classes, resume and interview preparatory classes, general presentations about community services and resources, and any other course, class, or presentation that may equip residents with new skills that they may wish to develop (3.5 points);

(ii) annual income tax preparation (offered by an income tax prep service) or IRS-certified VITA (Volunteer Income Tax Assistance) program (offered by a qualified individual) that also emphasizes how to claim the Earned Income Tax Credit (1 point);

(iii) contracted career training and placement partnerships with local worksource offices, culinary programs, or vocational counseling services; may include resident

training programs that train and hire residents for job opportunities inside the development in areas like leasing, tenant services, maintenance, landscaping, or food and beverage operation (2 points);

(iv) external partnerships for provision of weekly substance abuse meetings at the Development Site (1 point);

(v) reporting rent payments to credit bureaus for any resident who affirmatively elects to participate, which will be a requirement of the LURA for the duration of the Affordability Period (2 points); and

(vi) participating in a non-profit healthcare job training and placement service that includes case management support and other need-based wraparound services to reduce barriers to employment and support Texas healthcare institution workforce needs (2 points).

(vii) An eviction prevention program operated by a case manager. The case manager may be an employee of the owner or a third-party social service provider and shall be responsible for no more than 50 cases at a time. On at least a monthly basis, the case manager will obtain contact information and past due balances for households that are at risk of eviction for nonpayment of rent. For households that voluntarily choose to participate, the case manager shall offer an eviction holdoff agreement providing a minimum of 6 months for the household to resolve the past due balance and forgiving any late fees associated with that balance, regardless of whether they have been paid, should the agreement be fulfilled. During the eviction holdoff period, the case manager will offer to meet with the household at least once every other week. The case manager will identify resources in the community that provide emergency rental assistance and other financial support and assist the household in applying for these programs (5 points).

(D) Health Supportive Services include:

(i) food pantry consisting of an assortment of non-perishable food items and common household items (i.e. laundry detergent, toiletries, etc.) accessible to residents at least on a monthly basis or upon request by a resident. While it is possible that transportation may be provided to a local food bank to meet the requirement of this resident service, the resident must not be required to pay for the items they receive at the food bank (2 points);

(ii) annual health fair provided by a health care professional (1 point);

(iii) weekly exercise classes (offered at times when most residents would be likely to attend) (2 points); and

(iv) contracted onsite occupational or physical therapy services for Elderly Developments or Developments where the service is provided for Persons with Disabilities and documentation to that effect can be provided for monitoring purposes (2 points).

(E) Community Supportive Services include:

(i) partnership with local law enforcement or local first responders to provide quarterly on-site social and interactive activities intended to foster relationships with residents (such activities could include playing sports, having a cook-out, swimming, card games, etc.) (2 points);

(ii) Notary Services during regular business hours (§2306.6710(b)(3)) (1 point);

(iii) twice monthly arts, crafts, and other recreational activities (e.g. Book Clubs and creative writing classes) (1 point);

(iv) twice monthly on-site social events (i.e. potluck dinners, game night, sing-a-longs, movie nights, birthday parties, holiday celebrations, etc.) (1 point);

(v) specific service coordination services offered by a qualified Owner or Developer, qualified provider or through external, contracted parties for seniors, Persons with Disabilities or Supportive Housing (3 points);

(vi) weekly home chore services (such as valet trash removal, assistance with recycling, furniture movement, etc., and quarterly preventative maintenance including light bulb replacement) for Elderly Developments or Developments where the service is provided for Persons with Disabilities and documentation to that effect can be provided for monitoring purposes (2 points);

(vii) any of the programs described under Title IV-A of the Social Security Act (42 U.S.C. §§601, et seq.) which enables children to be cared for in their homes or the homes of relatives; ends the dependence of needy families on government benefits by promoting job preparation, work and marriage; prevents and reduces the incidence of unplanned pregnancies; and encourages the formation and maintenance of two-parent families (1 point);

(viii) a part-time resident services coordinator with a dedicated office space at the Development or a contract with a third-party to provide the equivalent of 15 hours or more of weekly resident supportive services at the Development (2 points); and

(ix) provision, by either the Development Owner or a community partner, of an education tuition- or savings-match program or scholarships to residents who may attend college (2 points).

(8) Development Accessibility Requirements. All Developments must meet all specifications and accessibility requirements as identified in subparagraphs (A) - (F) of this paragraph and any other applicable state or federal rules and requirements. The accessibility requirements are further identified in the Certification of Development Owner as provided in the Application.

(A) The Development shall comply with the accessibility requirements under Federal law and as further defined in Chapter 1, Subchapter B of this title (relating to Accessibility Requirements). (§§2306.6722; 2306.6730).

(B) All New Construction, Reconstruction, or Adaptive Reuse of standalone single-family Units of one or more stories must comply with the construction standards in Tex. Gov't Code §2306.514(a)(1)-(3).~~Regardless of building type, all Units accessed by the ground floor or by elevator (affected units) must comply with the visitability requirements in clauses (i) - (iii) of this subparagraph. Design specifications for each item must comply with the standards of the Fair Housing Act Design Manual. Buildings occupied for residential use on or before March 13, 1991 are exempt from this requirement. If the townhome Units of a Rehabilitation Development do not have a bathroom on the ground floor, the Applicant will not be required to add a bathroom to meet the requirements of clause (iii) of this subparagraph. Visitability requirements include:~~

~~(i) All common use facilities must be in compliance with the Fair Housing Design Act Manual;~~

~~(ii) To the extent required by the Fair Housing Design Act Manual, there must be an accessible or exempt route from common use facilities to the affected units; and~~

~~(iii) Each affected unit must include the features in subclauses (I) - (V) of this clause:~~

~~(I) At least one zero-step, accessible entrance;~~

~~(II) At least one bathroom or half-bath with toilet and sink on the entry level. The layout of this bathroom or half-bath must comply with one of the specifications set forth in the Fair Housing Act Design Manual;~~

~~(III) The bathroom or half-bath must have the appropriate blocking relative to the toilet for the later installation of a grab bar, if ever requested by the tenant of that Unit;~~

~~(IV) There must be an accessible route from the entrance to the bathroom or half-bath, and the entrance and bathroom must provide usable width; and~~

~~(V) Light switches, electrical outlets, and thermostats on the entry level must be at accessible heights.~~

(C) The Development Owner is and will remain in compliance with state and federal laws, including but not limited to, fair housing laws, including Chapter 301, Property Code, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), the Fair Housing Amendments Act of 1988 (42 U.S.C. §§3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. §§2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. §§12101 et seq.); the Rehabilitation Act of 1973 (29 U.S.C. §§701 et seq.); Fair Housing Accessibility; the Texas Fair Housing Act; and that the Development is designed consistent with the Fair Housing Act Design Manual produced by HUD, and the Texas Accessibility Standards. (§2306.257; §2306.6705(7))

(D) All Applications proposing Rehabilitation (including Reconstruction) will be treated as substantial alteration, in accordance with Chapter 1, Subchapter B of this title (relating to Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act).

(E) For all Developments other than Direct Loan Developments, for the purposes of determining the appropriate distribution of accessible Units across Unit Types, assuming all the Units have similar features only the number of Bedrooms and Ff~~f~~ull Bb~~b~~athrooms will be used to define the Unit Type, but accessible Units must have an equal or greater square footage than the square footage offered in the smallest non-accessible Unit with the same number of Bedrooms and Ff~~f~~ull Bb~~b~~athrooms. For Direct Loan Developments, for purposes of determining the appropriate distribution of accessible Units across Unit Types, the definition of Unit Type will be used. However, a single story Unit may be substituted for a townhome Unit, if the single story Unit contains the same number of Bedrooms and Full Bb~~b~~athrooms/Half Bathrooms (as applicable), and has an equal or greater square footage.

(F) Alternative methods of calculating the number of accessible Units required in a Development must be approved by the Department prior to award or allocation.

SUBCHAPTER C. APPLICATION SUBMISSION REQUIREMENTS, INELIGIBILITY CRITERIA, BOARD DECISIONS AND WAIVER OF RULES

10 TAC §§11.201 - 11.207

§11.201.Procedural Requirements for Application Submission.

This subchapter establishes the procedural requirements for Application submission. Only one Application may be submitted for a Development Site in an Application Round. While the Application Acceptance Period is open or prior to the Application deadline, an Applicant may withdraw an Application and subsequently file a new Application utilizing the original pre-application fee (as applicable) that was paid as long as no substantive evaluation was performed by the Department and the re-submitted Application relates to the same Development Site, consistent with §11.9(e)(3) of this chapter (relating to Criteria promoting the efficient use of limited resources and applicant accountability). Withdrawal of an Application is permanent. Applicants are subject to the schedule of fees as set forth in §11.901 of this chapter (relating to Fee Schedule).

(1) General Requirements.

(A) An Applicant requesting funding from the Department must submit an Application in order to be considered for an award. An Application must be complete (including all required exhibits and supporting materials) and submitted by the required program deadline. If an Application, including the corresponding Application fee as described in

§11.901 of this chapter, is not submitted to the Department on or before the applicable deadline, the Applicant will be deemed not to have made an Application; provided, however, that errors in the calculation of applicable fees may be cured via an Administrative Deficiency. The deficiency period for curing fee errors will be 5:00 p.m. on the third business day following the date of the deficiency notice and may not be extended. Failure to cure such an error timely will be grounds for termination.

(B) Applying for multifamily funds from the Department is a technical process that must be followed completely. As a result of the competitive nature of some funding sources, an Applicant should proceed on the assumption that deadlines are fixed and firm with respect to both date and time and cannot be waived except where authorized and for truly extraordinary circumstances, such as the occurrence of a significant natural disaster that makes timely adherence impossible. If checks or original Carryover Allocation Agreements are physically delivered to the Department, it is the Applicant's responsibility to be within the Department's doors by the appointed deadline. All Applications and all related materials are to be delivered electronically pursuant to the *Multifamily Programs Procedures Manual.* Applicants are strongly encouraged to submit the required items well in advance of established deadlines. Applicants must ensure that all documents are legible, properly organized and tabbed, and that materials are fully readable by the Department.

(C) The Applicant must timely upload a PDF copy and Excel copy of the complete Application to the Department's secure web transfer server. The PDF copy and Excel copy of the Application must match. If variations exist between the two copies, an Administrative Deficiency will be issued for the Applicant to identify which document to rely on. Each copy must be in a single file and individually bookmarked as further described in the *Multifamily Programs Procedures Manual*. Additional files required for Application submission outside the Uniform Application must also be uploaded to the secure web transfer server. It is the responsibility of the Applicant to confirm the upload to the Department's secure web transfer server was successful and to do so in advance of the deadline. If an Applicant can view the files that were uploaded, then that shall serve as an indication that the Application was uploaded and received by the Department. Staff, may, as a courtesy, confirm that the Application files were uploaded, but shall not be obligated or required to confirm such submission. Where there are instances of computer problems, mystery glitches, etc. that prevent the Application from being received by the Department prior to the deadline, the Application may be terminated.

(D) Applications must include materials addressing all of the items enumerated in this chapter and other chapters as applicable. If an Applicant does not believe that a specific item should be applied, the Applicant must include, in its place, a statement identifying the required item, stating that it is not being supplied, and a statement as to why the Applicant does not believe it should be required.

(2) Filing of Application for Tax-Exempt Bond Developments. Applications must be submitted to the Department as described in either subparagraph (A) or (B) of this paragraph. Applications

will be required to satisfy the requirements of this chapter and applicable Department rules that coincide with the year the Certificate of Reservation is issued. Those Applications that receive a Traditional Carryforward Designation will be subject to the QAP and applicable Department rules in place at the time the Application is received by the Department, unless determined otherwise by staff. Regardless of the timing associated with notification by the TBRB that an application is next in line to receive a Certificate of Reservation and the corresponding deadline to submit the Application pursuant to 34 TAC §190.3(b)(13), it is the Department's expectation that the requirements in this chapter are adhered to, and that care and attention are given to the compilation of the Application, or the Application may be terminated. Depending on the timing associated with the release of the online Multifamily Management System, in lieu of submitting the Application as described herein for Priority 1 and 2 applications, staff may allow an Applicant to submit an Intent to Apply for 4% Housing Tax Credits form, and the required Application Fee, to meet the requirement to have the Certificate of Reservation issued by the TBRB. ~~Applications that intend to request other Department funding (e.g. Multifamily Direct Loan, HOME-ARP, etc) will require a minimum 120-day review period by staff before targeting a Board meeting date for consideration. If, at the time of Application submission, other Department funding is over-subscribed, the submitted Application cannot include a request for such funds.~~

(A) Lottery Applications. At the option of the bond issuer, an Applicant may participate in the TBRB lottery for private activity bond volume cap. Applicants should refer to the TBRB website or discuss with their issuer or TBRB staff, the deadlines regarding lottery participation and the timing for the issuance of the Certificate of Reservation based on lottery results. Depending on the Priority designation of the application filed with TBRB, the Application submission requirements to the Department under clauses (i) - (iii) of this subparagraph must be met. For those that participate in the Lottery but are not successful (i.e. a Certificate of Reservation will not be issued in January, but at some other time), the Application may not be submitted until a Certificate of Reservation has been issued (i.e. Priority 3 applications) or TBRB has sent an email stating the application is next in line (i.e. Priority 0, Priority 1 or Priority 2), but the Certificate of Reservation cannot be issued until the Application is submitted.

(i) Priority 0 applications for supplemental bond allocations: If an Applicant is seeking additional private activity bond volume cap pursuant to Tex. Gov't Code §1372.0321(a)~~H.B. 1766 for purposes of meeting the 50% Test~~, upon notice from the TBRB that the Application is next in line to receive a Certificate of Reservation, a complete Application will not be required to be submitted and staff will notify TBRB accordingly. However, if there are changes to the Development that are different from what the Department originally approved that would constitute an amendment under §10.405 of this title (relating to Amendments and Extensions) a request for an Amendment must be submitted to the Department. Staff will not re-issue the Determination Notice associated with supplemental bond allocations.

(ii) Priority 1 or 2 applications: If the Certificate of Reservation will be issued in January, the Applicant may submit the complete Application, including all required Third Party Reports, accompanied by the Application Fee described in §11.901 of this chapter, within the timeframe allowed under the TBRB notice. Alternatively, upon notification from TBRB that an Applicant is next in line to receive a Reservation the Applicant may choose to only submit the complete Application (excluding all required Third Party Reports), for purposes of meeting TBRB requirements to have the Certificate of Reservation issued. In this case, the Application will not be scheduled for a Board meeting or target date for the issuance of the Determination Notice, as applicable, until such time the Third Party Reports have been submitted, which should be on the fifth of the month. The Application may be scheduled for a Board meeting at which the decision to have the Determination Notice issued would be made, or the target date for the issuance of the Determination Notice, as applicable, approximately 90 days following the submission of such Third Party Reports. If the fifth day falls on a weekend or holiday, the submission deadline shall be on the next business day. For Third Party Reports that are submitted after the fifth of the month, it will be staff's discretion as to which Board meeting the Application will be presented, or target date for the issuance of the Determination Notice, as applicable. The Application must be submitted using the Uniform Application released by the Department for the upcoming program year.

(iii) Priority 3 applications: Once the Certificate of Reservation has been issued, the same Application submission requirements as indicated in clause (ii) of this subparagraph apply. Specifically, an Applicant may submit the Application including or excluding the Third Party Reports, however, only after the Application is considered complete (i.e. Application Fee and all Third Party Reports) will staff schedule the Application for a Board meeting or target date for the issuance of the Determination Notice. The timing of when a Priority 3 Application is submitted to the Department is up to the Applicant and if not submitted on the fifth of the month, it will be staff's discretion as to which Board meeting the Application will be presented, or target date for the administrative issuance of the Determination Notice, as applicable.

(B) Non-Lottery Applications or Applications Not Successful in Lottery.

(i) Applications designated as Priority 1 or 2 by the TBRB must submit the Application Fee described in §11.901 of this chapter and the complete Application, with the exception of the Third Party Reports, before the Certificate of Reservation can be issued by the TBRB. The Third Party Reports, if not submitted with the Application to meet the TBRB submission requirement, must then be submitted on the fifth day of the month and the Application may be scheduled for a Board meeting at which the decision to have the Determination Notice issued would be made, or the target date for the administrative issuance of the Determination Notice, as applicable, approximately 90 days following such submission deadline. If the fifth day falls on a weekend or holiday, the submission deadline shall be on the next business day. If the Third Party Reports are submitted on a date other than the fifth of the month, it will be at staff's discretion as to

which Board meeting the Application will be presented, or what will be the target date for the administrative issuance of the Determination Notice, as applicable. Applicants may not submit the Application until staff receives notice from TBRB that the application is next in line to receive a Certificate of Reservation; or

(ii) An Application designated as Priority 3 will not be accepted until after the TBRB has issued a Certificate of Reservation and may be submitted on the fifth day of the month. Priority 3 Application submissions must be complete, including all Third Party Reports and the required Application Fee described in §11.901 of this chapter, before they will be considered accepted by the Department and meeting the submission deadline for the applicable Board meeting date or administrative issuance of the Determination Notice, as applicable.

(C) Generally, the Department will require at least 90 days to review an Application unless staff can complete its evaluation in sufficient time for earlier consideration. If the Application is layered with other Department funds the Department will require at least 120 days to complete its evaluation. If, at the time of Application submission, other Department funding is over-subscribed, the submitted Application cannot include a request for such funds. An Applicant should expect this timeline to apply regardless of whether the Board will need to approve the issuance of the Determination Notice or it is determined that staff can issue the Determination Notice administratively for a particular Application. Applicants should be aware that unusual financing structures, portfolio transactions, the need to resolve Administrative Deficiencies and changes made by an Applicant after the Application has been reviewed by staff may require additional time to review. In instances where an Application necessitates more staff time to review than normal, where an Application is suspended due to the inability to resolve Administrative Deficiencies by the original deadline, or an extension to respond to an Administrative Deficiency is requested, staff is not obligated to ensure the Application meets the original target date for a Board Meeting or administrative issuance of a Determination Notice, as applicable. Moreover, such review period may be longer depending on the volume of Applications under review and statutory program timing constraints associated with such Applications. The prioritization of Applications will be subject to the review priority established in paragraph (5) of this section.

(D) Withdrawal of Certificate of Reservation. Applications under review by the Department that have the Certificate of Reservation withdrawn and for which a new Certificate of Reservation is not expected to be issued within a reasonable amount of time, as determined by staff, the Department will consider the Application withdrawn and the Applicant will be provided notice to that effect. Once a new Certificate of Reservation is issued, it will be at the Department's discretion to determine whether the existing Application can still be utilized for purposes of review or if a new Application, including payment of another Application Fee, must be submitted. The Department will not prioritize the processing of the new Application over other Applications under review once a new Certificate of Reservation is issued, regardless of the stage of review the Application was in

prior to the withdrawal of the Certificate of Reservation, or that it maintain the originally selected Board meeting or targeted administrative issuance date for the Determination Notice, as applicable.

(E) Direct Loan Applications must be submitted in accordance with the requirements in this chapter, §13.5 (relating to the Application and Award Process), and the applicable Notice of Funding Availability (NOFA).

(F) The Department has contracted with a third party for the development of an online Multifamily Management System (MMS), which may enable for the online submission of Applications. The Department may invite a limited number of Applicants to submit Applications through that system. Should that occur, staff may provide reasonable relief from non-statutory deadlines and other requirements of this chapter to facilitate that testing. No advantage will be provided to Applicants that participate in this testing.

(3) Withdrawal of Application. An Applicant may withdraw an Application prior to or after receiving an award of funding by submitting to the Department written notice of the withdrawal. To the extent a Direct Loan award is returned after Board approval, penalties may be imposed on the Applicant and Affiliates in accordance with §13.11(a) of this title (relating to Post Award Requirements).

(4) Competitive Evaluation Process. Applications believed likely to be competitive will undergo a program review for compliance with submission requirements and selection criteria, as applicable. In general, Application reviews by the Department shall be conducted based upon the likelihood that an Application will be competitive for an award based upon the region, set-aside, self score, received date, or other ranking factors. Thus, non-competitive or lower scoring Applications may never be reviewed. The Director of Multifamily Finance will identify those Applications that will receive a full program review based upon a reasonable assessment of each Application and its relative position to other Applications, but no Application with a competitive ranking shall be skipped or otherwise overlooked. This initial assessment may be a high level assessment, not a full assessment. The Real Estate Analysis division shall underwrite Applications that received a full program review and remain competitive to determine financial feasibility and an appropriate funding amount. In making this determination, the Department will use §11.302 of this chapter (relating to Underwriting Rules and Guidelines) and §13.6 of this title (relating to Multifamily Direct Loan Rule) as applicable. The Department may have an external party perform all or part of the underwriting evaluation and components thereof to the extent it determines appropriate. The expense of any external underwriting shall be paid by the Applicant prior to the commencement of the aforementioned evaluation pursuant to §11.901(5) of this chapter (relating to Fee Schedule, Appeals and other Provisions). The reviews by the Multifamily Finance Division and the Real Estate Analysis Division will be conducted to meet the requirements of the Program or NOFA under which the Application was submitted. Applications will undergo a previous participation review in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation) and a Development Site may be evaluated by the Department or its agents through a physical site inspection or site visit, (which

may include neighboring areas), independent of or concurrent with a site visit that may be performed in conjunction with §11.101(a)(3) (relating to Neighborhood Risk Factors). The Department may provide a scoring notice reflecting such score to the Applicant which will trigger appeal rights and corresponding deadlines pursuant to Tex. Gov't Code §2306.6715 and §11.902 of this chapter (relating to Appeals Process). For an Application for which the selection criteria are reviewed, the scoring notice for the Application will be sent to the Applicant no later than 21 days prior to the final Board approval of awards.

(5) Order of review of Applications under various Programs. This paragraph identifies how ties or other matters will be handled when dealing with de-concentration requirements, capture rate calculations, and general order of review of Applications submitted under different programs.

(A) De-concentration. Priority will be established based on the earlier date associated with an Application. The dates that will be used to establish priority are as follows:

(i) for Tax-Exempt Bond Developments, the issuance date of the Certificate of Reservation issued by the TBRB; or in instances where there is a Traditional Carryforward Designation associated with an Application the Department will utilize the date the complete HTC Application associated with the Traditional Carryforward Designation is submitted to the Department;

(ii) for all other Developments, the date the Application is considered received by the Department; and

(iii) notwithstanding the foregoing, after July 31 of the current program year, a Tax-Exempt Bond Development with a Certificate of Reservation from the TBRB will take precedence over any Housing Tax Credit Application from the current Application Round on the waiting list.

(B) General Review Priority. Order of reviews of Applications under various multifamily programs will be established based on Department staff's consideration of any statutory timeframes associated with a program or Application in relation to the volume of Applications being processed.

(6) Deficiency Process. The purpose of the deficiency process is to allow an Applicant to provide clarification, explanation, or non-material missing information to resolve inconsistencies in the original Application or to assist staff in an efficient and effective review of the Application. The deficiency process does not require staff to request information from the Applicant in order to complete the Application. Applicants are encouraged to utilize manuals or other materials produced by staff, as additional guidance in conjunction with the rules to provide appropriate support for each item substantiating a claim or representation, such as claims for points, qualification for set-asides, or meeting of threshold and eligibility requirements. Because the review of an Application occurs in several phases, deficiency notices may be issued during any

of these phases. Staff will send the deficiency notice via an e-mail to the Applicant and one other contact party if identified in the Application. It is the Applicant's responsibility to ensure that e-mails sent from TDHCA staff to the Applicant or contact are not electronically blocked or redirected by a security feature as they will be considered to be received once they are sent. The time period for responding to a deficiency notice commences on the first business day following the deficiency notice date. Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period and may also be sent in response to reviews on post-award submissions. Responses are required to be submitted electronically as a PDF or multiple PDF files and must be uploaded to the Application's ServU http file. Emailed responses will not be accepted. A review of the response provided by the Applicant may reveal that issues initially identified as an Administrative Deficiency are actually determined to be beyond the scope of an Administrative Deficiency process, meaning they are Material Deficiencies not susceptible to being resolved. Department staff may in good faith provide an Applicant confirmation that an Administrative Deficiency response has been received or that such response is satisfactory. Communications from staff that the response was satisfactory do not establish any entitlement to points, eligibility status, or to any presumption of having fulfilled any requirements. Final determinations regarding the sufficiency of documentation submitted to cure a Deficiency as well as the distinction between material and non-material missing information are reserved for the Department staff and Board.

(A) It is critical that the use of the deficiency process not unduly slow the review process, and since the process is intended to clarify or explain matters or obtain at the Department's request missing information, there is an expectation that a party responding to an Administrative Deficiency will be able to respond immediately. It is the responsibility of a person who receives a deficiency to address the matter in a timely manner so that staff has the ability to review the response by the close of business on the date by which resolution must be complete and the deficiency fully resolved. Merely submitting materials prior to that time places the responsibility on the responding party that if the materials do not fully resolve the matter there may be adverse consequences such as point deductions, suspension, or termination. Extensions relating to Administrative Deficiency deadlines may only be extended up to five days if documentation needed to resolve the item is needed from a Third Party, the documentation involves Third Party signatures needed on certifications in the Application, or an extension is requested as a reasonable accommodation. A Deficiency response may not contain documentation that did not exist prior to submission of the pre-application or Full Application, as applicable, except as specifically allowed by 10 TAC §11.1(d)(2).

(B) Deficiencies for Competitive HTC Applications. Unless an extension has been timely requested and granted prior to the deadline, if a deficiency is not fully resolved to the satisfaction of the Department by 5:00 p.m. on the fifth business day following the date of the deficiency notice, then five (5) points shall be deducted from the selection criteria score for each additional day the deficiency remains unresolved. Points deducted for failure to timely respond to a deficiency will not impact the Pre-Application score. If deficiencies are not resolved by 5:00 p.m. on the seventh business day following the date of the deficiency

notice, then the Application shall be terminated, subject to the Applicant's right to appeal. An Applicant may not change or supplement any part of an Application in any manner after the filing deadline or while the Application is under consideration for an award, and may not add any set-asides, increase the requested credit amount, revise the Unit mix (both income levels and Bedroom mixes), or adjust their self-score except in response to a direct request from the Department to do so as a result of an Administrative Deficiency. (§2306.6708(b); §2306.6708) Applicants may not use the Deficiency Process to increase a scoring item's points or to change any aspect of the proposed Development, financing structure, or other element of the Application. To the extent that the review of deficiency documentation or the imposing of point reductions for late responses alters the score assigned to the Application, such score will be reflected in the updated application log published on the Department's website or a Scoring Notice may be issued.

(C) Deficiencies for Tax-Exempt Bond Developments. Unless an extension has been requested prior to the deadline, deficiencies must be resolved to the satisfaction of the Department by 5:00 p.m. on the fifth business day following the date of the deficiency notice. Applications with unresolved deficiencies after 5:00 p.m. on the fifth business day following the date of the deficiency notice will be suspended from further processing and the Applicant will be provided with notice to that effect. If, on the fifth business day following the date of the suspension notice, there are deficiencies that remain unresolved, the Application will be terminated and the Applicant will be provided notice to that effect. If an Applicant appeals a staff termination to the Board, Board decisions on terminations are final and an Applicant will not be allowed to re-apply under the same Certificate of Reservation due to the limited timeframe allowed under the existing Reservation.

(D) Deficiencies for Direct Loan-only Applications. Deficiencies must be resolved to the satisfaction of the Department by 5:00 p.m. on the fifth business day following the date of the deficiency notice. Applications with unresolved deficiencies after 5:00 p.m. on the fifth business day following the date of the deficiency notice will be suspended from further processing and the Applicant will be provided with notice to that effect. If, on the fifth business day following the date of the suspension notice, there are deficiencies that remain unresolved, the Application may be terminated and the Applicant will be provided notice to that effect. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved during the suspension period, the date by which the final deficient item is submitted shall be the new Application Acceptance Date pursuant to §13.5(c) of this title (relating to Multifamily Direct Loan Rule). Applicants should be prepared for additional time needed for completion of staff reviews as described in paragraph (2)(B) of this section. Should an Applicant still desire to move forward with the Development after Termination, a completely new Application must be submitted, along with a new Application Fee, as applicable, pursuant to rule. All of the deficiencies noted in the original deficiency notice must be incorporated into the re-submitted Application, which will have a new Application Acceptance Date.

(7) Limited Reviews. If, after the submission of the Application, an Applicant identifies an error in the Application that could likely be the subject of a Deficiency, the Applicant may request a limited review of the specific and limited issues in need of clarification or correction. The issue may not relate to the score of an Application. This limited review may only cover the specific issue and not the entire Application. If the limited review results in the identification of an issue that requires correction or clarification, staff will request such through the Deficiency process as stated in paragraph (6) of this section, if deemed appropriate. A limited review is intended to address:

(A) Clarification of issues that Department staff would have difficulty identifying due to the omission of information that the Department may have access to only through Applicant disclosure, such as a prior removal from a tax credit transaction or participation in a Development that is not identified in the previous participation portion of the Application; or

(B) Technical correction of non-material information that would cause an Application deemed non- competitive to be deemed competitive and, therefore, subject to a staff review. For example, failure to mark the Nonprofit Set-Aside in an Application that otherwise included complete submission of documentation for participation in the Nonprofit Set-Aside.

(8) Challenges to Opposition. Any written statement from a Neighborhood Organization expressing opposition to an Application may be challenged if it is contrary to findings or determinations, including zoning determinations, of a municipality, county, school district, or other local Governmental Entity having jurisdiction or oversight over the finding or determination. If any such comment is challenged, the challenger must declare the basis for the challenge and submit such challenge by the Challenges to Neighborhood Organization Opposition Delivery Date as identified in §11.2 of this chapter and no later than May 1 of the current year for Competitive HTC Applications. The Neighborhood Organization expressing opposition will be given seven calendar days to provide any information related to the issue of whether their assertions are contrary to the findings or determinations of a local Governmental Entity. All such materials and the analysis by staff will be provided to a fact finder, chosen by the Department, for review and a determination. The fact finder will not make determinations as to the accuracy of the statements presented, but only regarding whether the statements are contrary to findings or determinations of a local Governmental Entity. The fact finder's determination will be final and may not be waived or appealed.

§11.202.Ineligible Applicants and Applications.

The purpose of this section is to identify those situations in which an Application or Applicant may be considered ineligible for Department funding and subsequently terminated. Such matters may be brought to the attention of staff by anyone, including members of the general

public. The items listed in this section include those requirements in Code, §42, Tex. Gov't Code, Chapter 2306, and other criteria considered important by the Department, and does not represent an exhaustive list of ineligibility criteria that may otherwise be identified in applicable rules, federal statutes or regulations, or a specific program NOFA. The Application may include, or Department staff may request, documentation or verification of compliance with any requirements related to the eligibility of an Applicant, Application, Development Site, or Development. One or more of the matters enumerated in paragraph (1) of this section may also serve as a basis for debarment, or the assessment of administrative penalties, and nothing herein shall limit the Department's ability to pursue any such matter. Failure to provide disclosure may be cause for termination.

(1) Applicants. An Applicant may be considered ineligible if any of the criteria in subparagraphs (A) - (N) of this paragraph apply to those identified on the organizational chart for the Applicant, Developer and Guarantor. An Applicant is ineligible if the Applicant, Developer, or Guarantor:

(A) Has been or is barred, suspended, or terminated from participation in a state or Federal program, including those listed in the U.S. government's System for Award Management (SAM); (§2306.0504)

(B) Has been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within 15 years preceding the received date of Application or Pre-Application submission (if applicable);

(C) Is, at the time of Application, subject to an order in connection with an enforcement or disciplinary action under state or federal securities law or by FINRA; subject to a federal tax lien (other than a contested lien for which provision has been made); or the subject of a proceeding in which a Governmental Entity has issued an order to impose penalties, suspend funding, or take adverse action based on an allegation of financial misconduct or uncured violation of material laws, rules, or other legal requirements governing activities considered relevant by the Governmental Entity;

(D) Has materially breached a contract with a public agency, and, if such breach is permitted to be cured under the contract, has been given notice of the breach and a reasonable opportunity to cure, and failed to cure that breach within the time specified in the notice of breach;

(E) Has misrepresented to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Developer's participation in contracts with the agency, and the amount of financial assistance awarded to the Developer by the agency;

(F) Has been found by the Board to be ineligible based on a previous participation review performed in accordance with Chapter 1 Subchapter C of this title (relating to Previous Participation Review);

(G) Is delinquent in any loan, fee, or escrow payments to the Department in accordance with the terms of the loan, as amended, or is otherwise in default with any provisions of such loans, and for which no repayment plan has been approved by the Department;

(H) Has failed to cure any past due fees owed to the Department within the time frame provided by notice from the Department and at least 10 days prior to the Board meeting at which the decision for an award is to be made;

(I) Would be prohibited by a state or federal revolving door or other standard of conduct or conflict of interest statute, including Tex. Gov't Code §2306.6733, or a provision of Tex. Gov't Code, Chapter 572, from participating in the Application in the manner and capacity they are participating;

(J) Has, without prior approval from the Department, had previous Contracts or Commitments that have been partially or fully Deobligated during the 12 months prior to the submission of the Application, and through the date of final allocation due to a failure to meet contractual obligations, and the Person is on notice that such Deobligation results in ineligibility under this chapter;

(K) Has provided false or misleading documentation or made other intentional or negligent material misrepresentations or omissions in or in connection with an Application (and certifications contained therein), Commitment or Determination Notice, or Direct Loan Contract for a Development;

(L) Was the Owner or Affiliate of the Owner of a Department assisted rental Development for which the federal affordability requirements were prematurely terminated and the affordability requirements have not been re-affirmed or Department funds repaid;

(M) Fails to disclose, in the Application, any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction, that has terminated voluntarily or involuntarily within the past 10 years, or plans to or is negotiating to terminate, their relationship with any other affordable housing development. The disclosure must identify the person or persons and development involved, the identity of each other development, and contact information for the other Principals of each such development, a narrative description of the facts and circumstances of the termination or proposed termination, and any appropriate supporting documents. An Application may be referred to the Board for a determination of a person's fitness to be involved as a Principal with respect to an Application, which may include a staff recommendation, using the factors described in clauses (i) - (v) of this subparagraph as considerations:

(i) the amount of resources in a Development and the amount of the benefit received from the Development;

(ii) the legal and practical ability to address issues that may have precipitated the termination or proposed termination of the relationship;

(iii) the role of the person in causing or materially contributing to any problems with the success of the development;

(iv) the person's compliance history, including compliance history on other developments; and

(v) any other facts or circumstances that have a material bearing on the question of the person's ability to be a compliant and effective participant in their proposed role as described in the Application; ~~or~~

(N) Fails to disclose in the Application any voluntary compliance agreement or similar agreement with any governmental agency that is the result of negotiation regarding noncompliance of any affordable housing Development with any requirements. Any such agreement impacting the proposed Development or any other affordable housing Development controlled by the Applicant must be disclosed; or~~.~~

(O) Controls an existing Housing Tax Credit Development that has been approved by the Governing Board for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events two or more times and that has not yet placed in service. Controlling multiple existing Housing Tax Credits Developments that have been approved under 10 TAC §11.6(5) one time each will not trigger this ineligibility criteria.

(2) Applications. An Application shall be ineligible if any of the criteria in subparagraphs (A) - (C) of this paragraph apply to the Application:

(A) A violation of Tex. Gov't Code §2306.1113, exists relating to Ex Parte Communication. An ex parte communication occurs when an Applicant or Person representing an Applicant initiates substantive contact (i.e. any contact other than permitted social contact) with a board member, or vice versa, in a setting other than a duly posted and convened public meeting, in any manner not specifically permitted by Tex. Gov't Code §2306.1113(b). Such action is prohibited. For Applicants seeking funding after initial awards have been made, such as waiting list Applicants, the ex parte communication prohibition remains in effect so long as the Application remains eligible for funding. The ex parte provision does not prohibit the Board from participating in social events at which a Person with whom communications

are prohibited may, or will be present; provided that no matters related to any Application being considered by the Board may be discussed;

(B) The Application is submitted after the Application submission deadline (time or date); is missing multiple parts of the Application; or has a Material Deficiency; or

(C) For any Development utilizing Housing Tax Credits or Tax-Exempt Bonds:

(i) at the time of Application or at any time during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is or has been a person covered by Tex. Gov't Code §2306.6703(a)(1);

(ii) if the Application is represented or communicated about by a Person that would prompt the violations covered by Tex. Gov't Code §2306.6733; or

(iii) the Applicant proposes to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless the exceptions in Tex. Gov't Code §2306.6703(a)(2) are met.

§11.203.Public Notifications. (§2306.6705(9)).

A certification, as provided in the Application, that the Applicant met the requirements and deadlines identified in paragraphs (1) - (3) of this section must be submitted with the Application. For Applications utilizing Competitive Housing Tax Credits, notifications generally must not be older than three months from the first day of the Application Acceptance Period. For Tax-Exempt Bond Developments and Direct Loan Applications, notifications generally must not be older than three months prior to the date the complete Application is submitted. If notifications were made in order to satisfy requirements of pre-application submission (if applicable to the program) for the same Application, then no additional notification is required at Application. Should the jurisdiction of the official holding any position or role described in paragraph (2) of this section change between the submission of a pre-application and the submission of an Application in a manner that results in the Development being within a new jurisdiction, Applicants are required to notify the new entity no later than the Full Application Delivery Date.

(1) Neighborhood Organization Notifications.

(A) The Applicant must identify and notify all Neighborhood Organizations on record with the county or the state as of 30 days prior to the beginning of the Application Acceptance Period and whose boundaries include the entire proposed Development Site. As used in this section, "on record with the state" means on record with the Secretary of State.

(B) The Applicant must list, in the certification form provided in the pre-application and Application, all Neighborhood Organizations on record with the county or state as of 30 days prior to the beginning of the Application Acceptance Period and whose boundaries include the proposed Development Site.

(2) Notification Recipients. No later than the date the Application is submitted, notification must be sent to all of the entities identified in subparagraphs (A) - (H) of this paragraph. Developments located in an Extra Territorial Jurisdiction (ETJ) of a city are required to notify both city and county officials. The notifications may be sent by e-mail, fax or mail with return receipt requested or similar tracking mechanism. A template for the notification is included in the Application Notification Template provided in the Application. Evidence of notification is required in the form of a certification provided in the Application. The Applicant is required to retain proof of delivery in the event it is requested by the Department. Evidence of proof of delivery is demonstrated by a signed receipt for mail or courier delivery and confirmation of receipt by recipient for fax and e-mail. Officials to be notified are those in office at the time the Application is submitted; however, a mailed notification that is addressed to the entity or officeholder rather than a specific person is acceptable so long as it is mailed to the correct address and otherwise meets all requirements. Note that between the time of pre-application (if made) and full Application, the boundaries of their jurisdictions may change. Meetings and discussions do not constitute notification. Recipients include:

(A) Neighborhood Organizations on record with the state or county as of 30 days prior to the beginning of the Application Acceptance Period whose boundaries include the entire Development Site;

(B) Superintendent of the school district in which the Development Site is located;

(C) Presiding officer of the board of trustees of the school district in which the Development Site is located;

(D) Mayor of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction);

(E) All elected members of the Governing Body of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction);

(F) Presiding officer of the Governing Body of the county in which the Development Site is located;

(G) All elected members of the Governing Body of the county in which the Development Site is located; and

(H) State Senator and State Representative of the districts whose boundaries include the Development Site.

(3) Contents of Notification.

(A) The notification must include, at a minimum, all information described in clauses (i) - (ix) of this subparagraph:

(i) the Applicant's name, address, individual contact name, and phone number;

(ii) the Development name, address, city and county;

(iii) a statement indicating the program(s) to which the Applicant is applying with the Texas Department of Housing and Community Affairs;

(iv) whether the Development proposes New Construction, Reconstruction, Adaptive Reuse or Rehabilitation;

(v) the physical type of Development being proposed (e.g. single family homes, duplex, apartments, high-rise etc.);

(vi) the total number of Units proposed and total number of Low-Income Units proposed;

(vii) the residential density of the Development, i.e., the number of Units per acre;

(viii) information on how and when an interested party or Neighborhood Organization can provide input to the Department; and

(ix) Information on any proposed property tax exemption.

(B) The notification may not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification may not create the impression that the proposed Development will target, provide a preference, or serve a Target Population exclusively, unless such population limitation, targeting, or preference is documented in the Application, and is or will be in full compliance with all applicable state and federal laws, including state and federal fair housing laws; and

(C) Notifications or any other communications may not contain any statement that violates Department rules, statute, code, or federal requirements.

§11.204.Required Documentation for Application Submission.

The purpose of this section is to identify the threshold documentation that is required at the time of Application submission, unless specifically indicated or otherwise required by

Department rule. Unless stated otherwise, all documentation identified in this section must not be dated more than six (6) months prior to the close of the Application Acceptance Period or the date of Application submission as applicable to the program.

(1) Certification, Acknowledgement, and Consent of Development Owner. A certification of the information in this subchapter as well as Subchapter B of this chapter must be executed by the Development Owner and addresses the specific requirements associated with the Development. The Person executing the certification is responsible for ensuring all individuals referenced therein are in compliance with the certification and that they have given it with all required authority and with actual knowledge of the matters certified.

(A) The Development will adhere to the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere to local building codes or, if no local building codes are in place, then to the most recent version of the International Building Code.

(B) This Application and all materials submitted to the Department constitute records of the Department subject to Tex. Gov't Code, Chapter 552. Any person signing the Certification acknowledges that they have the authority to release all materials for publication on the Department's website, that the Department may publish them on the Department's website and release them in response to a request for public information, and make other use of the information as authorized by law.

(C) All representations, undertakings and commitments made by Applicant in the Application process expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. If any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and the residents of the Development, including enforcement by administrative penalties for failure to perform (consistent with Chapter 2, Subchapter C of this title, relating to Administrative Penalties), in accordance with the Land Use Restriction Agreement.

(D) The Development Owner has read and understands the Department's fair housing educational materials posted on the Department's website as of the beginning of the Application Acceptance Period.

(E) The Development Owner agrees to implement a plan to use Historically Underutilized Businesses (HUB) in the development process consistent with the Historically Underutilized Business Guidelines for contracting with the State of Texas. The Development Owner will be

required to submit a report of the success of the plan as part of the cost certification documentation, in order to receive IRS Forms 8609 or, if the Development does not have Housing Tax Credits, release of retainage.

(F) The Applicant will attempt to ensure that at least 30% of the construction and management businesses with which the Applicant contracts in connection with the Development are Minority Owned Businesses as further described in Tex. Gov't Code §2306.6734.

(G) The Development Owner will specifically market to veterans through direct marketing or contracts with veteran's organizations and will specifically market to the public housing authority (PHA) waitlists for any PHA in the city and/or county the Development is located within and the PHA of any City within 5 miles of the Development. The Development Owner will be required to identify how they will specifically market to veterans and the PHA waiting lists and report to the Department in the annual housing report on the results of the marketing efforts to veterans and PHA waiting lists. Exceptions to this requirement must be approved by the Department.

(H) The Development Owner will comply with any and all notices required by the Department.

(I) If the Development has an existing LURA with the Department, the Development Owner will comply with the existing restrictions.

(J) The Development Owner acknowledges that all Applications are subject to a review for compliance with applicable accessibility standards, including those proposing the Rehabilitation of an existing Development.

(2) Applicant Eligibility Certification. A certification of the information in this subchapter as well as Subchapter B of this chapter must be executed by any individuals required to be listed on the organizational chart and also meeting the definition of Control. The certification must identify the various criteria relating to eligibility requirements associated with multifamily funding from the Department, including but not limited to the criteria identified under §11.202 of this chapter (relating to Ineligible Applicants and Applications).

(3) Engineer/Architect Certification Form. The certification, addressing all of the accessibility requirements applicable to the Development Site, must be executed by the Development engineer or accredited architect after careful review of the Department's accessibility requirements, and including Tex. Gov't Code §2306.6722 and §2306.6730.

(4) Notice, Hearing, and Resolution for Tax-Exempt Bond Developments. In accordance with Tex. Gov't Code, §2306.67071, the following actions must take place with respect to the filing of an Application and any Department consideration for a Tax-Exempt Bond Development.

(A) Prior to submission of an Application to the Department, an Applicant must provide notice of the intent to file the Application in accordance with §11.203 of this chapter (relating to Public Notifications (§2306.6705(9)).

(B) The Governing Body of a municipality must hold a hearing if the Development Site is located within a municipality or the extra territorial jurisdiction (ETJ) of a municipality. The Governing Body of a county must hold a hearing unless the Development Site is located within a municipality. For Development Sites located in an ETJ the county and municipality must hold hearings; however, the county and municipality may arrange for a joint hearing. The purpose of the hearing(s) must be to solicit public input concerning the Application or Development and the hearing(s) must provide the public with such an opportunity. The Applicant may be asked to substantively address the concerns of the public or local government officials.

(C) An Applicant must submit to the Department a resolution of no objection from the applicable Governing Body. Such resolution(s) must specifically identify the Development whether by legal description, address, Development name, Application number or other verifiable method. For an Application with a Development Site that is:

(i) within a municipality, the Applicant must submit a resolution from the Governing Body of that municipality;

(ii) within the ETJ of a municipality, the Applicant must submit both:

(I) A resolution from the Governing Body of that municipality; and

(II) A resolution from the Governing Body of the county; or

(iii) within a county and not within a municipality or the ETJ of a municipality, a resolution from the Governing Body of the county.

(D) For purposes of meeting the requirements of subparagraph (C) of this paragraph, the resolution(s) must be submitted no later than the Resolutions Delivery Date described in §11.2(b) of this chapter (relating to Tax-Exempt Bond Dates and Deadlines). An acceptable, but not required, form of resolution may be obtained in the Multifamily Programs Procedures Manual. Applicants should ensure that the resolutions all have the appropriate references and certifications or the resolution may be determined by staff to be invalid. The representations regarding the Development made to the applicable Governing Body to obtain the resolution must remain accurate, as reflected in the submitted Application. If material aspects of the Development have changed from when the Governing Body adopted the resolution, it is incumbent upon the Applicant to obtain a new resolution in order to satisfy this requirement. No resolutions older than four years will be accepted. The resolution(s) must certify that:

(i) notice has been provided to the Governing Body in accordance with Tex. Gov't Code §2306.67071(a);

(ii) the Governing Body has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development;

(iii) the Governing Body has held a hearing at which public comment may be made on the proposed Development in accordance with Tex. Gov't Code §2306.67071(b); and

(iv) after due consideration of the information provided by the Applicant and public comment, the Governing Body does not object to the proposed Application.

(5) Designation as Rural or Urban.

(A) Each Application must identify whether the Development Site is located in an Urban Area or Rural Area of a Uniform State Service Region. The Department shall make available a list of Places meeting the requirements of Tex. Gov't Code §2306.004(28-a)(A) and (B), for designation as a Rural Area and those that are an Urban Area in the Site Demographics Characteristics Report. Some Places are municipalities. For any Development Site located in the ETJ of a municipality and not in a Place, the Application shall have the Rural Area or Urban Area designation of the municipality whose ETJ within which the Development Site is located. For any Development Site not located within the boundaries of a Place or the ETJ of a municipality, the applicable designation is that of the closest Place.

(B) Certain areas located within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area can request a Rural designation from the Department for purposes of receiving an allocation Housing Tax Credits (§2306.6740). In order to apply for such a designation, a letter must be submitted from a duly authorized official of the political subdivision or census designated place addressing the factors outlined in clauses (i) - (vi) of this subparagraph. Photographs and other supporting documentation are strongly encouraged. In order for the area to be designated Rural by the Department for the current Application Round, such requests must be made no later than December 15 of the previous year. If staff is able to confirm the findings outlined in the request, the Rural designation will be granted without further action and will remain in effect until such time that the population as described in clause (i) of this subparagraph exceeds 25,000. In the event that staff is unable to confirm the information contained in the request, the Applicant will be given an opportunity to supplement their case. If, after receiving any supplemental information, staff still cannot confirm the rural nature of the Application, a recommendation for denial will be presented to the Board. The factors include:

(i) the population of the political subdivision or census designated place does not exceed 25,000;

(ii) the characteristics of the political subdivision or census designated place and how those differ from the characteristics of the area(s) with which it shares a contiguous boundary;

(iii) the percentage of the total border of the political subdivision or census designated place that is contiguous with other political subdivisions or census designated places designated as urban. For purposes of this assessment, less than 50% contiguity with urban designated places is presumptively rural in nature;

(iv) the political subdivision or census designated place contains a significant number of unimproved roads or relies on unimproved roads to connect it to other places;

(v) the political subdivision or census designated place lacks major amenities commonly associated with urban or suburban areas; and

(vi) the boundaries of the political subdivision or census designated place contain, or are surrounded by, significant areas of undeveloped or agricultural land. For purposes of this assessment, significant being more than one-third of the total surface area of political subdivision/census designated place, or a minimum of 1,000 acres immediately contiguous to the border.

(6) Financing Requirements.

(A) Non-Department Debt Financing. Interim and permanent financing sufficient to fund the proposed Total Housing Development Cost less any other funds requested from the Department must be included in the Application. For any Development that is a part of a larger development plan on the same site, the Department may request and evaluate information related to the other components of the development plan in instances in which the financial viability of the Development is in whole or in part dependent upon the other portions of the development plan. Any local, state or federal financing identified in this section which restricts household incomes at any level that is lower than restrictions required or elected in accordance with this Chapter or Chapter 13 of this title (relating to Multifamily Direct Loan) must be identified in the rent schedule and the local, state or federal income restrictions must include corresponding rent levels in accordance with Code §42(g) if the Development will receive housing tax credits. Financing amounts must be consistent throughout the Application and acceptable documentation shall include those described in clauses (i) - (iv) of this subparagraph.

(i) Financing is in place as evidenced by:

(I) a valid and binding loan agreement; and

(II) a valid recorded deed(s) of trust lien on the Development in the name of the Development Owner as grantor in favor of the party providing such financing.

(ii) Term sheets for interim and permanent loans issued by a lending institution or mortgage company must:

(I) be current, non-expired, and have been signed or otherwise acknowledged by the lender;

(II) be addressed to the Development Owner or Affiliate;

(III) for a permanent loan, include a minimum loan term of 15 years with at least a 30 year amortization or for non-amortizing loan structures a term of not less than 30 years;

(IV) include either a committed and locked interest rate, or the lender estimated underwritten interest rate;

(V) include the “up to” principal amount of the loan; and

(VI) include and address any other material terms and conditions applicable to the financing. The term sheet may be conditional upon the completion of specified due diligence by the lender and upon the award of tax credits, if applicable;

(iii) For Developments proposing to refinance an existing USDA Section 514, 515, or 516 loan, a letter from the USDA confirming the outstanding loan balance on a specified date and confirming that the Preliminary Assessment Tool has been submitted by the Applicant to USDA. The loan amount that is reported on the Schedule of Sources (tab 31 in the MF Uniform Application) and that is used to determine the acquisition cost must be the Applicant's estimate of the projected outstanding loan balance at the time of closing as calculated on the USDA Principal Balance Amortization exhibit.

(iv) For Direct Loan Applications or Tax-Exempt Bond Developments with TDHCA as the issuer that utilize FHA financing, the Application shall include the applicable pages from the HUD Application for Multifamily Housing Project. If the HUD Application has not been submitted at the time the Application is submitted then a statement to that effect should be included in the Application along with an estimated date for submission. Applicants should be aware that staff's underwriting of an Application will not be finalized and presented to the Board until staff has evaluated the HUD Application relative to the Application.

(B) Gap Financing. Any anticipated federal, state, local or private gap financing, whether soft or hard debt, must be identified and described in the Application. Applicants must provide evidence that an application for such gap financing has been made to an available fund source. Acceptable documentation may include a letter from the funding entity confirming

receipt of an application or a term sheet from the lending agency which clearly describes the amount and terms of the financing. Other Department funding requested with Housing Tax Credit Applications must be on a concurrent funding period with the Housing Tax Credit Application, and no term sheet is required for such a request. A term loan request must comply with the applicable terms of the NOFA under which an Applicant is applying.

(C) Owner Contributions. If the Development will be financed in part with a capital contribution or debt by the General Partner, Managing General Partner, any other partner or investor that is not a partner providing the syndication equity, a Guarantor or a Principal in an amount that exceeds 5% of the Total Housing Development Cost, a letter from a Third Party CPA must be submitted that verifies the capacity of the contributor to provide the capital from funds that are not otherwise committed or pledged. Additionally, a letter from the contributor's bank(s) or depository(ies) must be submitted confirming sufficient funds are readily available to the contributor. The contributor must certify that the funds are and will remain readily available at Commitment and until the required investment is completed. Regardless of the amount, all capital contributions other than syndication equity will be deemed to be a part of, and therefore added to, the Deferred Developer Fee for feasibility purposes under §11.302(i)(2) of this chapter (relating to Underwriting Rules and Guidelines) or where scoring is concerned, unless the contribution is a seller note equal to or less than the acquisition price of the subject Development, the Development is a Supportive Housing Development, the Development is not supported with Housing Tax Credits, or the ownership structure includes a nonprofit organization with a documented history of fundraising sufficient to support the development of affordable housing.

(D) Equity Financing. (§2306.6705(2) and (3)) If applicable to the program, the Application must include a term sheet from a syndicator that, at a minimum, includes:

(i) an estimate of the amount of equity dollars expected to be raised for the Development;

(ii) the amount of Housing Tax Credits requested for allocation to the Development Owner;

(iii) pay-in schedules;

(iv) syndicator consulting fees and other syndication costs. No syndication costs should be included in the Eligible Basis; and

(E) Financing Narrative. (§2306.6705(1)) A narrative should be submitted that describes any special, complex, or unique aspects of the financing plan for the Development, including as applicable any operating subsidies, project-based assistance, replacement reserves, or interest rate swaps; and the status (dates and deadlines) for applications, approvals and

closings, etc. associated with the term sheets for soft or other government sources, including the funding source; and any refinancing or loan assumptions for USDA loans, etc. For Applicants requesting Direct Loan funds and 9% LIHTC, Match, as applicable, must be documented with a letter from the anticipated provider of Match indicating the provider's willingness and ability to make a financial commitment should the Development receive an award of Direct Loan funds.

(7) Operating and Development Cost Documentation.

(A) Fifteen-year Pro forma. All Applications must include a 15-year pro forma estimate of operating expenses (or longer, if required by the NOFA), in the form provided by the Department. Any "other" debt service included in the pro forma must include a description.

(B) Utility Allowances. This exhibit, as provided in the Application, must be submitted along with documentation from the source of the utility allowance estimate used in completing the Rent Schedule provided in the Application. This exhibit must clearly indicate which utility costs are included in the estimate and must comply with the requirements of §10.614 of this title (relating to Utility Allowances), including deadlines for submission. Where the Applicant uses any method that requires Department review, documentation indicating that the requested method has been granted by the Department must be included in the Application. Applicants that are uncertain about the applicability of a Utility Allowance to the proposed Development are encouraged to contact the Department as early as possible prior to submitting the Application for guidance.

(C) Operating Expenses. This exhibit, as provided in the Application, must be submitted indicating the anticipated operating expenses associated with the Development. Any expenses noted as "other" in any of the categories must include a description. "Miscellaneous" or other nondescript designations are not acceptable.

(D) Rent Schedule. This exhibit, as provided in the Application, must meet the requirements of clauses (i) - (vi) of this subparagraph. The income and corresponding rent restrictions will be reflected in the LURA for the duration of the Affordability Period and for Tax-Exempt Bond Developments, in accordance with the Applicant's election under Tex. Gov't Code §1372.0321. The requirements are:

(i) indicate the type of Unit restriction based on the Unit's rent and income restrictions;

(ii) reflect the rent and utility limits available at the time the Application is submitted;

(iii) reflect gross rents that cannot exceed the maximum rent limits unless documentation of project-based rental assistance is provided and rents are consistent with such assistance and applicable legal requirements;

(iv) have a Unit mix and net rentable square footages that are consistent with the site plan and architectural drawings;

(v) if applying for Direct Loan funds:

(I) Direct Loan-restricted Units will generally be designated "floating" unless specifically disallowed under the program specific rules or as specifically allowed in a NOFA;

(II) if HOME, TCAP RF, and/or NSP PI are the anticipated fund source, the Application must have at least 90% of the Direct Loan-restricted Units be available to households or families whose incomes do not exceed 60% of the Area Median Income;

(III) in which HOME or TCAP RF are the anticipated fund source have at least 20% of the Direct Loan-restricted Units available to households or families whose incomes do not exceed 50% of the Area Median Income;

(IV) in which NHTF is the anticipated fund source, have 100% of the Direct Loan-restricted Units available to households or families whose incomes do not exceed the greater of 30% of the Area Median Income or whose income is at or below the poverty line;

(V) in which NSP PI is the anticipated fund source, have at least 25% of the Direct Loan-restricted Units available to households or families whose incomes do not exceed 50% of the Area Median Income;

(VI) in which HOME-ARP is the anticipated fund source, during the State Affordability Period have at least 20% of the Direct Loan-restricted Units for households and families whose incomes do not exceed 60% of the Area Median Income and 100% of the Direct Loan-restricted Units for households and families whose incomes do not exceed 80% of the Area Median Income; and

(vi) if proposing to elect income averaging, Units restricted by any fund source other than housing tax credits must be specifically identified, and all restricted Units, regardless of fund source, must be included in the average calculation.

(E) Development Costs. This exhibit, as provided in the Application, must include the contact information for the person providing the cost estimate and must meet the requirements of clauses (i) and (ii) of this subparagraph. For Applications that include a scope of work that contains a combination of new construction and rehabilitation activities, the Application must include a separate development cost schedule exhibit for only the costs attributed to the portion of rehabilitation activities.

(i) Applicants must provide a detailed cost breakdown of projected Site Work costs (excluding site amenities), if any, prepared by a Third Party engineer. If Site Work costs (excluding site amenities) exceed $20,000 per Unit and are included in Eligible Basis, a letter must be provided from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis.

(ii) If costs for Off-Site Construction are included in the budget as a line item, or embedded in the site acquisition contract, or referenced in the utility provider letters, then an Off-Site Cost Breakdown prepared by a Third Party engineer must be provided. The certification from a Third Party engineer must describe the necessity of the off-site improvements, including the relevant requirements of the local jurisdiction with authority over building codes and the source of their cost estimate. If any Off-Site Construction costs are included in Eligible Basis, a letter must be provided from a certified public accountant allocating which portions of those costs should be included in Eligible Basis. If off-site costs are included in Eligible Basis based on PLR 200916007, a statement of findings from a CPA must be provided which describes the facts relevant to the Development and affirmatively certifies that the fact pattern of the Development matches the fact pattern in PLR 200916007.

(F) Rental Assistance/Subsidy. (§2306.6705(4)) If rental assistance, an operating subsidy, an annuity, or an interest rate reduction payment is proposed to exist or continue for the Development, any related contract or other agreement securing those funds. Such documentation shall, at a minimum, identify the source and annual amount of the funds, the number of units receiving the funds, and the term and expiration date of the contract or other agreement.

(G) Occupied Developments. The items identified in clauses (i) - (vi) of this subparagraph must be submitted with any Application where any structure on the Development Site is occupied at any time after the Application Acceptance Period begins or if the Application proposes the demolition of any housing occupied at any time after the Application Acceptance Period begins. If the Application includes a request for Direct Loan funds, Applicants must follow the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and other HUD requirements including Section 104(d) of the Housing and Community Development Act. HUD Handbook 1378 provides guidance and template documents. Failure to follow URA or 104(d) requirements will make the proposed Development ineligible for Direct Loan funds and may lead to penalty under §13.11(b) of this title (relating to Multifamily Direct Loan Rule). If one or more of the items described in clauses (i) - (vi) of this subparagraph is not applicable based upon the type of occupied structures on the Development Site, the Applicant must provide an explanation of such non- applicability. Applicant must submit:

(i) ~~at least one of the items identified in subclauses (I) - (IV) of this clause~~The items identified in subclause (I) below. If (I) cannot be submitted, explain the reason and submit (II). Proceed in this manner through subclause (IV):

(I) Historical monthly operating statements of the Existing Residential Development for 12 consecutive months ending not more than three months from the first day of the Application Acceptance Period; or

(II) The two most recent consecutive annual operating statement summaries; or

(III) The most recent consecutive six months of operating statements and the most recent available annual operating summary; or

(IV) All monthly or annual operating summaries available; and

(ii) a rent roll not more than six months old as of the first day the Application Acceptance Period that discloses the terms and rate of the lease, rental rates offered at the date of the rent roll, Unit mix, and any vacant units;

(iii) a written explanation of the process used to notify and consult with the tenants in preparing the Application; (§2306.6705(6))

(iv) a relocation plan outlining relocation requirements and a budget with an identified funding source; (§2306.6705(6))

(v) any documentation necessary for the Department to facilitate, or advise an Applicant with respect to or to ensure compliance with the URA and any other relocation laws or regulations as may be applicable; and

(vi) if applicable, evidence that the relocation plan has been submitted to all appropriate legal or governmental agencies or bodies. (§2306.6705(6))

(8) Architectural Drawings. All Applications must include the items identified in subparagraphs (A) - (D) of this paragraph, unless specifically stated otherwise, and must be consistent with all applicable exhibits throughout the Application. The drawings must have a legible scale and show the dimensions of each perimeter wall and floor heights.

(A) For all Developments a site plan must be submitted that includes the items identified in clauses (i) - (xii) of this subparagraph:

(i) states the size of the site on its face;

(ii) includes a Unit and building type table matrix that is consistent with the Rent Schedule and Building/Unit Configuration forms provided in the Application;

(iii) includes a table matrix specifying the square footage of Common Area space on a building by building basis;

(iv) identifies all residential and common buildings in place on the Development Site and labels them consistently with the Rent Schedule and Building/Unit Type Configuration forms provided in the Application;

(v) shows the locations (by Unit and floor) of mobility and hearing/visual accessible Units (unless included in residential building floor plans);

(vi) clearly delineates the flood plain boundary lines or states there is no floodplain;

(vii) indicates placement of detention/retention pond(s) or states there are no detention ponds;

(viii) describes, if applicable, how flood mitigation or other required mitigation will be accomplished;

(ix) indicates the location and number of parking spaces, garages, and carports;

(x) indicates the location and number of accessible parking spaces, garages, and carports, including van accessible spaces;

(xi) includes information regarding local parking requirements; and

(xii) indicates compliant accessible routes or if a route is not accessible a cite to the provision in the Fair Housing Design Manual providing for its exemption.

(B) Building floor plans must be submitted for each building type. Building floor plans must include the locations of the accessible Units and must also include square footage calculations for balconies, breezeways, corridors and any other areas not included in net rentable area.

(C) Unit floor plans for each Unit Type must be included in the Application and must include the square footage. Unit floor plans must be submitted for the accessible Units. Applications for Adaptive Reuse are only required to include Unit floor plans for each distinct floor plan such as one-Bedroom, or two-Bedroom, and for all floor plans that vary in Net Rentable Area by 10% from the typical floor plan.

(D) Elevations must be submitted for each side of each building type (or include a statement that all other sides are of similar composition as the front) and include a percentage estimate of the exterior composition and proposed roof pitch. Applications for Rehabilitation may submit photographs if the Unit configurations are not being altered and post-renovation drawings must be submitted if Unit configurations are proposed to be altered.

(9) Site Control.

(A) Evidence that the Development Owner has Site Control must be submitted. If the evidence is not in the name of the Development Owner, then an Affiliate of the Development Owner must have Site Control that allows for an ability to assign the Site Control to the Development Owner. All of the sellers of the proposed Property for the 36 month period prior to the first day of the Application Acceptance Period and their relationship, if any, to members of the Development Team must be identified at the time of Application. The Department may request documentation at any time after submission of an Application of the Development Owner's ability to compel title of any Affiliated property acquisition(s) and the Development Owner must be able to promptly provide such documentation or the Application, award, or Commitment may be terminated. The Department acknowledges and understands that the Property may have one or more encumbrances at the time of Application submission and the Department will take into account whether any such encumbrance is reasonable within the legal and financial ability of the Development Owner to address without delaying development on the timeline contemplated in the Application. To meet the requirements of subparagraph (B) of this paragraph, Tax-Exempt Bond Developments that do not include a request for Direct Loan or include the Department as the bond issuer, must certify in the Application that the Site Control submitted with the TBRB application for the Certificate of Reservation to be issued is still valid. Tax-Exempt Bond Developments involving Acquisition and Rehabilitation or identity of interest land acquisitions must submit Site Control documents in order to verify the site acquisition cost as required in §11.302 of this chapter.

(B) In order to establish Site Control, one of the items described in clauses (i) - (iii) of this subparagraph must be provided. In the case of land donations, Applicants must demonstrate that the entity donating the land has Site Control as evidenced through one of the items described in clauses (i) - (iii) of this subparagraph or other documentation acceptable to the Department. Site Control items include:

(i) a recorded warranty deed vesting indefeasible title in the Development Owner or, if transferrable to the Development Owner, an Affiliate of the Owner, with corresponding executed settlement statement (or functional equivalent for an existing lease with at least 45 years remaining); or

(ii) a contract or option for lease with a minimum term of 45 years that includes a price; address or legal description; proof of consideration in the form specified in the contract; and expiration date; or

(iii) a contract for sale or an option to purchase that includes a price; address or legal description; proof of consideration in the form specified in the contract; and expiration date.

(C) If the acquisition can be characterized as an identity of interest transaction, as described in §11.302 of this chapter (relating to Underwriting Rules and Guidelines), then the

documentation required as further described therein must be submitted in addition to that of subparagraph (B) of this paragraph.

(D) If ingress and egress to a public right of way are not part of the Property described in the site control documentation, the Applicant must provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement by the time of Commitment, Determination Notice or Contract (as applicable).

(E) If control of the entire proposed Development Site requires that a plat or right of way be vacated to remove a right of way or similar dedication, evidence that the vacation/re-platting process has started must be included in the Application, and evidence of control of the entire Development Site must be provided by the time of Commitment or Contract (as applicable).

(10) Zoning. (§2306.6705(5)) Acceptable evidence of zoning for all Developments must include one of subparagraphs (A) - (D) of this paragraph. In instances where annexation of a Development Site occurs while the Application is under review, the Applicant must submit evidence of appropriate zoning with the Commitment or Determination Notice. Letters evidencing zoning status must be no more than 6 months old at Application submission, except where such evidence is for an area where there is no zoning and such letters must be updated annually by the political subdivision.

(A) No Zoning Ordinance in Effect. The Application must include a letter from a local government official with appropriate jurisdiction stating that the Development is located within the boundaries of a political subdivision that has no zoning. This requirement does not apply to a Development Site located entirely in the unincorporated area of a county, and not within the ETJ of a municipality.

(B) Zoning Ordinance in Effect. The Application must include a letter from a local government official with appropriate jurisdiction stating the Development is permitted under the provisions of the zoning ordinance that applies to the location of the Development.

(C) Requesting a Zoning Change, or a Specific or Special Use Permit. The Application must include evidence in the form of a letter from a local government official with jurisdiction over zoning matters that the Applicant or Affiliate has made formal application for a required zoning change and that the jurisdiction has received a release whereby the Applicant has agreed to hold the political subdivision and all other parties harmless in the event the appropriate zoning is not granted. Documentation of final approval of appropriate zoning, including any necessary specific or special use permits,must be submitted to the Department with the Commitment or Determination Notice.

(D) Zoning for Rehabilitation Developments. In an area with zoning, the Application must include documentation of current zoning. If the Property is currently conforming but with an overlay that would make it a non-conforming use as presently zoned, the Application must include a letter from a local government official with appropriate jurisdiction which addresses the items in clauses (i) - (v) of this subparagraph:

(i) a detailed narrative of the nature of non-conformance;

(ii) the applicable destruction threshold;

(iii) that it will allow the non-conformance;

(iv) Owner's rights to reconstruct in the event of damage; and

(v) penalties for noncompliance.

(11) Title Commitment/Policy. A title commitment or title policy must be submitted that includes a legal description that is consistent with the Site Control. If the title commitment or policy is dated more than six months prior to the date of Application submission or the first day of the Application Acceptance Period for Competitive HTC Applications, then a letter from the title company indicating that nothing further has transpired during the six-month period on the commitment or policy must be submitted. Tax-Exempt Bond Developments that do not include a request for Direct Loan or include the Department as the bond issuer are exempt from this requirement.

(A) The title commitment must list the name of the Development Owner as the proposed insured and list the seller or lessor as the current owner of the Development Site.

(B) The title policy must show that the ownership (or leasehold) of the Development Site is vested in the name of the Development Owner.

(12) Ownership Structure and Previous Participation.

(A) The Department assumes that the Applicant will be able to form any one or more business entities, such as a limited partnership, that are to be engaged in the ownership of a Development as represented in the Application, and that all necessary rights, powers, and privileges including, but not limited to, Site Control will be transferable to that entity. The formation of the ownership entity, qualification to do business (if needed), and transfer of any such rights, powers, and privileges must be accomplished as required in this chapter and Chapters 12 and 13, as applicable.

(B) Organizational Charts. A chart must be submitted that clearly illustrates the organizational structure of the proposed Development Owner and of any Developer and Guarantor, identifying all Principals thereof and providing the names and ownership

percentages of all Persons having an ownership interest in the Development Owner, Developer and Guarantor, as applicable, whether directly or through one or more subsidiaries, whether or not they have Control. Persons having Control over the Development should be specifically identified on the chart. Individual board members and executive directors of nonprofit entities, governmental bodies, and corporations, as applicable, must be included in this exhibit and trusts must list all beneficiaries that have the legal ability to control or direct activities of the trust and are not just financial beneficiaries. ~~In the case of Housing Tax Credit Applications only in which private equity fund investors are passive investors in the sponsorship entity, the fund manager, managing member or authorized representative of the fund who has the ability to Control, should be identified on the organizational chart, and a full list of investors is not required.~~Notwithstanding the foregoing, in the case of Housing Tax Credit Applications only if the entity is owned by a fund regulated by the U.S. Securities and Exchange Commission, no Natural Person is required to be listed or sign any applications The List of Organizations form, as provided in the Application, must include all Persons identified on the organizational charts, and further identify which of those Persons listed exercise Control of the Development.

(C) Previous Participation. Evidence must be submitted that each ~~individual and~~ entity shown on the organizational charts described in subparagraph (B) of this paragraph and each individual who exercises Control over the Development has provided a copy of the completed previous participation information to the Department. Individual Principals of such entities identified on the organizational chart and on the List of Organizations form, must provide the previous participation information, unless excluded from such requirement pursuant to Chapter 1 Subchapter C of this title (relating to Previous Participation Review~~-~~). The information must include a list of all Developments that are, or were, previously under ownership or Control of the Applicant or each Principal, including any Person providing the required experience. All participation in any Department funded or monitored activity, including non-housing activities, as well as Housing Tax Credit developments or other programs administered by other states using state or federal programs must be disclosed. The individuals providing previous participation information must authorize the parties overseeing such assistance to release compliance histories to the Department.

(D) Direct Loan and 811 PRA. In addition to the information required in (B) and (C) of this subparagraph, if the Applicant is applying for Direct Loan funds or claiming points for serving tenants with special housing needs through participation in 811 PRA then the Applicant must also include the definitions of Person, Affiliate, Principal, and Control found in 2 CFR Part 180 and 2424, when completing the organizational chart and the Previous Participation information. In addition, for 811 PRA, if claiming points for an Existing Development(s) the organizational chart for the Existing Development(s) must also be included in the Application.

(13) Nonprofit Ownership. Applications that involve a §501(c)(3) or (4) nonprofit, housing finance corporation or public facility corporation as the General Partner or Owner shall submit the documentation identified in subparagraph (A) or (B) of this paragraph, as applicable. Additionally, a resolution approved at a regular meeting of the majority of the board of directors of the nonprofit, indicating their awareness of the organization's participation in each specific Application, and naming all members of the board and employees who may act on its behalf, must be provided. For Tax-Exempt Bond Developments, if the bond issuer is the sole member of the General Partner, a copy of the executed inducement resolution will meet the resolution requirement in this paragraph.

(A) Competitive HTC Applications for the Nonprofit Set-Aside. Applications for Competitive Housing Tax Credits involving a §501(c)(3) or (4) nonprofit General Partner and which meet the Nonprofit Set-Aside requirements, must submit all of the documents described in clauses (i) to (v) of this subparagraph and indicate the nonprofit status on the carryover documentation and IRS Forms 8609. (§2306.6706) Applications that include an affirmative election to not be treated under the Nonprofit Set-Aside and a certification that they do not expect to receive a benefit in the allocation of tax credits as a result of being Affiliated with a nonprofit, only need to submit the documentation in subparagraph (B) of this paragraph. Required documents include:

(i) An IRS determination letter which states that the nonprofit organization has been determined by the Internal Revenue Service to be tax-exempt under §501(c)(3) or (4) of the Code;

(ii) The Nonprofit Participation exhibit as provided in the Application, including a list of the names and contact information for all board members, directors, and officers;

(iii) A Third Party legal opinion stating:

(I) That the nonprofit organization is not Affiliated with or Controlled by a for-profit organization and the basis for that opinion;

(II) That the nonprofit organization is eligible, as further described, for a Housing Credit Allocation from the Nonprofit Set-Aside pursuant to Code, §42(h)(5) and the basis for that opinion;

(III) That one of the exempt purposes of the nonprofit organization is to provide low-income housing;

(IV) That the nonprofit organization prohibits a member of its board of directors, other than a chief staff member serving concurrently as a member of the board, from receiving material compensation for service on the board. If the Application includes a request for Community Housing Development Corporation (CHDO) funds,

no member of the board may receive compensation, including the chief staff member;

(V) That the Qualified Nonprofit Development will have the nonprofit entity or its nonprofit Affiliate or subsidiary be the Developer or co-Developer as evidenced in the development agreement; and

(VI) That the nonprofit organization has the ability to do business as a nonprofit in Texas;

(iv) a copy of the nonprofit organization's most recent financial statement as prepared by a Certified Public Accountant; and

(v) evidence in the form of a certification that a majority of the members of the nonprofit organization's board of directors principally reside:

(I) in this state, if the Development is located in a Rural Area; or

(II) not more than ninety (90) miles from the Development, if the Development is not located in a Rural Area.

(B) All Other Applications. Applications that involve a §501(c)(3) or (4) nonprofit, housing finance corporation or public facility corporation as the General Partner or Owner must submit an IRS determination letter which states that the nonprofit organization has been determined by the Internal Revenue Service to be tax-exempt under §501(c)(3) or (4) of the Code; and the Nonprofit Participation exhibit as provided in the Application. If the Application involves a nonprofit that is not exempt from taxation under §501(c)(3) or (4) of the Code, then they must disclose in the Application the basis of their nonprofit status. Housing finance corporations or public facility corporations that do not have such IRS determination letter shall submit documentation evidencing creation under their respective chapters of the Texas Local Government Code and corresponding citation for an exemption from taxation.

(14) Feasibility Report. This report, compiled by the Applicant or Third Party Consultant, and prepared in accordance with this paragraph, which reviews site conditions and development requirements of the Development and Development Site, is required and must meet all of the criteria provided in subparagraphs (A) to (F) of this paragraph. For Acquisition and Rehabilitation Applications that are only requesting 9% Housing Tax Credits, or 4% Housing Tax Credits for which the Department is not the bond issuer, only subparagraph (D) of this paragraph is required to be submitted. If an Application involves Acquisition and Rehabilitation along with other activities, the Feasibility Report is required for the entire Development. Tax-Exempt Bond Developments where the Department is the bond issuer, or Direct Loan Applications, a report that meets all of the criteria provided in subparagraphs (A) to (F) of this paragraph must be submitted.

(A) For all Applications, careful focus and attention should be made regarding any atypical items materially impacting costs or the successful and timely execution of the Development plan. The report must also include the following statement, "any person signing this Report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law."

(B) An Executive Summary must provide a narrative overview of the Development in sufficient detail that would help a reviewer of the Application better understand the site, the site plan, off site requirements (including discussion of any seller contributions or reimbursements), any other unique development requirements, and their impact on Site Work and Off- Site Construction costs. It should specifically describe any atypical or unusual factors that will impact site design or costs, including but not limited to: Critical Water Quality Zones, habitat protection requirements, construction for environmental conditions (wind, hurricane, flood), and local design restrictions.

(C) The Report should contain a general statement regarding the level of due diligence that has been done relating to site development (including discussions with local government development offices). Where ordinances or similar information is required, provide website links rather than copies of the ordinance. Additionally, it should contain:

(i) a summary of zoning requirements;

(ii) subdivision requirements;

(iii) property identification number(s) and millage rates for all taxing jurisdictions;

(iv) development ordinances;

(v) fire department requirements;

(vi) site ingress and egress requirements; and

(vii) building codes, and local design requirements impacting the Development.

(D) Survey as defined by the Texas Society of Professional Surveyors in their Manual of Practice for Land Surveying in Texas (Category 1A - Land Title Survey or Category 1B - Standard Land Boundary Survey). Surveys (excluding those for Rehabilitation Developments) may not be older than 24 months from the beginning of the Application Acceptance Period.

(E) Preliminary site plan for New Construction or Adaptive Reuse Developments prepared by the civil engineer with a statement that the plan materially adheres to all applicable zoning, site development, and building code ordinances. The site plan must identify all

structures, site amenities, parking spaces and driveways, topography (using either existing seller topographic survey or U.S. Geological Survey (USGS)/other database topography), site drainage and detention, water and waste water utility tie-ins, general placement of retaining walls, set- back requirements, and any other typical or locally required items. Off-site improvements required for utilities, detention, access or other requirement must be shown on the site plan or ancillary drawings.

(F) Architect or civil engineer prepared statement describing the entitlement, site development permitting process and timing, building permitting process and timing, and an itemization specific to the Development of total anticipated impact, site development permit, building permit, and other required fees.

§11.205.Required Third Party Reports.

The Environmental Site Assessment, Scope and Cost Review, Appraisal (if applicable), and the Market Analysis must be submitted no later than the Third Party Report Delivery Date as identified in §11.2(b) of this chapter (relating to Tax-Exempt Bond and Direct Loan Development Dates and Deadlines). For Competitive HTC Applications, the Environmental Site Assessment, Scope and Cost Review, Appraisal (if applicable), and the Primary Market Area map (with definition based on census tracts, and site coordinates in decimal degrees, area of PMA in square miles, and list of census tracts included) must be submitted no later than the Full Application Delivery Date as identified in §11.2(a) of this title (relating to Competitive HTC Deadlines Program Calendar) and the Market Analysis must be submitted no later than the Market Analysis Delivery Date as identified in §11.2(a) of this chapter. For Competitive HTC Applications, if the reports, in their entirety, are not received by the deadline, the Application may be terminated. An electronic copy of the report in the format of a single file containing all information and exhibits clearly labeled with the report type, Development name and Development location are required. All Third Party reports must be prepared in accordance with Subchapter D of this chapter (relating to Underwriting and Loan Policy). The Department may request additional information from the report provider or revisions to the report as needed. In instances of non-response by the report provider, the Department may substitute in-house analysis. The Department is not bound by any opinions expressed in the report.

(1) Environmental Site Assessment. This report, required for all Developments and prepared in accordance with the requirements of §11.305 of this chapter (relating to Environmental Site Assessment Rules and Guidelines), must not be dated more than 12 months prior to the date of Application submission for non-Competitive Applications, or the first day of the Application Acceptance Period for Competitive HTC Applications. If this timeframe is exceeded, then a letter or updated report must be submitted, dated not more than six months prior to the date of Application submission or the first day of the Application Acceptance Period for Competitive HTC Applications from the Person or organization which prepared the initial assessment confirming that the site has been re-inspected and reaffirming the conclusions of the initial report or identifying the changes since the initial report.

(A) Existing Developments funded by USDA will not be required to supply this information; however, it is the Applicant's responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements.

(B) If the report includes a recommendation that an additional assessment be performed, then a statement from the Applicant must be submitted with the Application indicating that those additional assessments and recommendations will be performed prior to closing. If the assessments require further mitigating recommendations, then evidence indicating that the mitigating recommendations have been carried out must be submitted at cost certification.

(2) Market Analysis. The Market Analysis, required for all Developments and prepared in accordance with the requirements of §11.303 of this chapter (relating to Market Analysis Rules and Guidelines), must not be dated more than six months prior to the date of Application submission or the first day of the Application Acceptance Period for Competitive HTC Applications. If the report is older than six months, but not more than 12 months prior to the date of Application submission or the first day of the Application Acceptance Period for Competitive HTC Applications, the Qualified Market Analyst that prepared the report may provide a statement that reaffirms the findings of the original Market Analysis. The statement may not be dated more than six months prior to the date of Application submission, or Application Acceptance Date for Direct Loan Applications, or the first day of the Application Acceptance Period for Competitive HTC Applications and must be accompanied by the original Market Analysis.

(A) For Acquisition/Rehabilitation or Reconstruction projects that meet the following criteria, a comprehensive market study as outlined in IRS Section 42(m)(1)(A)(iii) shall mean a location map and a written statement by a disinterested Qualified Market Analyst certifying that the project meets these criteria:

(i) All of the Units in the project contain existing project based rental assistance that will continue for at least the Compliance Period, an existing Department LURA, or the subject rents are at or below 50% AMGI rents;

(ii) The Units are at least 80% occupied at time of Application; and

(iii) Existing tenants have a leasing preference or right to return to the Development as stated in a relocation plan.

(B) The report must be prepared by a disinterested Qualified Market Analyst approved by the Department in accordance with the approval process outlined in §11.303 of this chapter.

(C) Applications with USDA financing proposing Rehabilitation with residential structures at or above 80% occupancy at the time of Application submission, the appraisal, required for

Rehabilitation Developments and Identity of Interest transactions prepared in accordance with §11.304 of this chapter (relating to Appraisal Rules and Guidelines), will satisfy the requirement for a Market Analysis; however, the Department may request additional information as needed. (§2306.67055; §42(m)(1)(A)(iii))(D). It is the responsibility of the Applicant to ensure that this analysis forms a sufficient basis for the Applicant to be able to use the information obtained to ensure that the Development will comply with fair housing laws.

(3) Scope and Cost Review (SCR). This report, required for Rehabilitation (excluding Reconstruction) and Adaptive Reuse Developments and prepared in accordance with the requirements of §11.306 of this chapter (relating to Scope and Cost Review Guidelines), must not be dated more than six months prior to the date of Application submission or the first day of the Application Acceptance Period for Competitive HTC Applications. If the report is older than six months, but not more than 12 months prior to the date of Application submission or the first day of the Application Acceptance Period for Competitive HTC Applications, the report provider may provide a statement that reaffirms the findings of the original SCR. The statement may not be dated more than six months prior to the date of Application submission or the first day of the Application Acceptance Period for Competitive HTC Applications and must be accompanied by the original SCR. For Developments which require a capital needs assessment from USDA the capital needs assessment may be substituted for the SCR and may be more than six months old, as long as USDA has confirmed in writing that the existing capital needs assessment is still acceptable and it meets the requirements of §11.306 of this chapter. All Rehabilitation Developments financed with Direct Loans must also submit a capital needs assessment estimating the useful life of each major system. This assessment must include a comparison between the local building code and the International Existing Building Code of the International Code Council. The report must be accompanied by the Department's SCR Supplement in the form of an excel workbook as published on the Department's website. For Rehabilitation (excluding Reconstruction) and Adaptive Reuse Tax-Exempt Bond Developments that do not include a request for Direct Loan or where the Department is not the bond issuer, a Scope and Cost Review prepared by a Third Party is not required. The application must include a Scope of Work Narrative as described in §11.306(j) of this chapter (relating to Scope and Cost Review Guidelines).

(4) Appraisal. This report prepared in accordance with the requirements of §11.304 of this chapter (relating to Appraisal Rules and Guidelines), is required for any Application claiming any portion of the building acquisition in Eligible Basis, and Identity of Interest transactions pursuant to Subchapter D of this chapter. The Appraisal must not be dated more than six months prior to the date of Application submission, the Application Acceptance Date for Direct Loan Applications, or the first day of the Application Acceptance Period for Competitive HTC Applications. For Developments that require an appraisal from USDA, the appraisal may be more than six months old, as long as USDA has confirmed in writing that the existing appraisal is still acceptable. Notwithstanding the foregoing, if the Application contains a Market Analysis and the appraisal is not required to fulfill purposes other than establishing the value of land or

buildings, an appraisal is not required if no acquisition costs are entered in the development cost schedule.

§11.206.Board Decisions (§§2306.6725(c);2306.6731; and 42(m)(1)(A)(iv)).

The Board's decisions regarding awards or the issuance of Determination Notices, if applicable, shall be based upon the Department's staff and the Board's evaluation of the proposed Developments' consistency with, and fulfillment of, the criteria and requirements set forth in this chapter, Chapter 13 of this title (relating to the Multifamily Direct Loan Rule) and other applicable Department rules and other applicable state, federal and local legal requirements, whether established in statute, rule, ordinance, NOFA, official finding, or court order. The Board shall document the reasons for each Application's selection, including any discretionary factors used in making its determination, including good cause, and the reasons for any decision that conflicts with the recommendations made by Department staff. Good cause includes the Board's decision to apply discretionary factors where authorized. The Department reserves the right to reduce the amount of funds requested in an Application, condition the Housing Tax Credit or Direct Loan recommendation, or terminate the Application based on the Applicant's inability to demonstrate compliance with program requirements.

§11.207.Waiver of Rules.

An Applicant may request a waiver from the Board in writing at or prior to the submission of the pre-application (if applicable) or the Application or subsequent to an award. Waiver requests on Competitive HTC Applications will not be accepted between submission of the Application and any award for the Application. Staff may identify and initiate a waiver request to remedy an error in the QAP or other Multifamily rules, provide necessary relief in response to a natural disaster, or address facets of an Application or Development that have not been contemplated. The Applicant must submit plans for mitigation or alternative solutions with the waiver request. Any such request for waiver submitted by an Applicant must be specific to an actual proposed Development and must be submitted to the Department in the format required in the Multifamily Programs Procedures Manual. Any waiver, if granted, shall apply solely to the Application and shall not constitute a general modification or waiver of the rule involved. All waiver requests must meet the requirements of paragraphs (1) and (2) of this section.

(1) A waiver request made at or prior to pre-application or Application must establish that the need for the waiver is not within the control of the Applicant or is due to an overwhelming need. A recommendation for a waiver may be subject to the Applicant's provision of alternative design elements or amenities of a similar nature or that serve a similar purpose. Waiver requests for items that were elected to meet scoring criteria or where the Applicant was

provided a menu of options to meet the requirement will not be considered to satisfy this paragraph, unless the Applicant demonstrates that all potential options have been exhausted.

(2) The waiver request must establish how, by granting the waiver, it better serves the policies and purposes articulated in Tex. Gov't Code §§2306.001, 2306.002, 2306.359, and 2306.6701, (which are general in nature and apply to the role of the Department and its programs, including the Housing Tax Credit program) than not granting the waiver.

(3) The Board may not grant a waiver to provide directly or implicitly any Forward Commitments, unless due to extenuating and unforeseen circumstances as determined by the Board. The Board may not waive any requirement contained in statute. The Board may grant a waiver that is in response to a natural, federally declared disaster that occurs after the adoption of the Qualified Allocation Plan to the extent authorized by a governor declared disaster proclamation suspending statutory or regulatory requirements.

SUBCHAPTER D. UNDERWRITING AND LOAN POLICY

10 TAC §§11.301 - 11.306

§11.301.General Provisions.

This subchapter applies to the underwriting, Market Analysis, appraisal, Environmental Site Assessment, Direct Loan, and Scope and Cost Review standards employed by the Department. This subchapter provides rules for the underwriting review of an affordable housing Development's financial feasibility and economic viability that ensures the most efficient allocation of resources while promoting and preserving the public interest in ensuring the long-term health of an awarded Application and the Department's portfolio. In addition, this subchapter guides staff in making recommendations to the Executive Director and the Board to help ensure procedural consistency in the determination of Development feasibility (Texas Government Code §§2306.081(c), 2306.185, and 2306.6710(d)). Due to the unique characteristics of each Development, the interpretation of the rules and guidelines described in this subchapter is subject to the discretion of the Department and final determination by the Board.

§11.302.Underwriting Rules and Guidelines.

(a) General Provisions.

(1) Pursuant to Tex. Gov't Code §2306.148 and §2306.185(b), the Board is authorized to adopt underwriting standards as set forth in this section. Furthermore, for Housing Credit Allocation, Code §42(m)(2), requires the tax credits allocated to a Development not to exceed the amount necessary to assure feasibility. Additionally, 24 CFR Parts 92 and 93, as further described in CPD Notices 15-11 and 21-10 require the Department to adopt rules and standards to determine the appropriate Multifamily Direct Loan feasibility. The rules adopted pursuant to the Tex. Gov't Code and the Code are developed to result in an Underwriting Report (Report) used by the Board in decision making with the goal of assisting as many Texans as possible by providing no more financing than necessary based on an independent analysis of Development feasibility. The Report generated in no way guarantees or purports to warrant the actual performance, feasibility, or viability of the Development.

(2) Oversourcing of Funds. The total amount of Department-allocated funds combined with any additional soft funds that are specifically provided for the financing of affordable housing from other units of government may not exceed the total cost of all non-market Units at the development, calculated on a per-unit basis. For purposes of this subsection, soft funds include any grants, below-market interest rate loans, or similar funds with a total cost to the Applicant that is below commercial-rate financing, but does not include payable loans provided at commercial rates with deferred payments. If the Department determines that a Development is oversourced in accordance with this subsection, the Applicant will be required to reduce the soft funds provided by other units of government so as to no longer be oversourced.

(b) Report Contents. The Report provides a synopsis and reconciliation of the Application information submitted by the Applicant. For the purpose of this subchapter the term Application includes additional documentation submitted after the initial award of funds that is relevant to any subsequent reevaluation. The Report contents will be based upon information that is provided in accordance with and within the timeframes set forth in this chapter, Chapters 11, 12, or 13, or in a Notice of Funds Availability (NOFA), as applicable.

(c) Recommendations in the Report. The conclusion of the Report, if being recommended, includes a recommended award of funds or Housing Credit Allocation Amount and states any feasibility or other conditions to be placed on the award. The award amount is based on the lesser of the amounts determined using the methods in paragraphs (1) - (3) of this subsection:

(1) Program Limit Method. For Housing Credit Allocations, this method is based upon calculation of Eligible Basis after applying all cost verification measures and program limits as described in this section. The Applicable Percentage used is defined in §11.1(d) of this chapter (relating to Definitions). For Department programs other than Housing Tax Credits, this method is based upon calculation of the funding limit in current program rules or NOFA at the time of underwriting.

(2) Gap Method. This method evaluates the amount of funds needed to fill the gap created by Total Housing Development Cost less total non-Department-sourced funds or Housing Tax Credits. In making this determination, the Underwriter resizes any anticipated Deferred Developer Fee downward (but not less than zero) before reducing the amount of Department funds or Housing Tax Credits. In the case of Housing Tax Credits, the syndication proceeds needed to fill the gap in permanent funds are divided by the syndication rate to determine the amount of Housing Tax Credits. In making this determination and based upon specific conditions set forth in the Report, the Underwriter may assume adjustments to the financing structure (including treatment of a Cash Flow loan as if fully amortizing over its term) or make adjustments to any Department financing, such that the cumulative Debt Coverage Ratio (DCR) conforms to the standards described in this section. For Housing Tax Credit Developments at cost certification, timing adjusters may be considered as a reduction to equity proceeds for this purpose. Timing adjusters must be consistent with and documented in the original partnership agreement (at admission of the equity partner) but relating to causes outside of the Developer's or Owner's control. The equity partner must provide a calculation of the amount of the adjuster to be used by the Underwriter.

(3) The Amount Requested. The amount of funds that is requested by the Applicant. For Housing Tax Credit Developments (exclusive of Tax-Exempt Bond Developments) this amount is limited to the amount requested in the original Application documentation.

(d) Operating Feasibility. The operating feasibility of a Development funded by the Department is tested by analyzing its Net Operating Income (NOI) to determine the Development's ability to pay debt service and meet other financial obligations throughout the Affordability Period. NOI is determined by subtracting operating expenses, including replacement reserves and taxes, from rental and other income sources.

(1) Income. In determining the first year stabilized pro forma, the Underwriter evaluates the reasonableness of the Applicant's income pro forma by determining the appropriate rental rate per unit based on subsidy contracts, program limitations including but not limited to Utility Allowances, actual rents supported by rent rolls and Market Rents and other market conditions. Miscellaneous income, vacancy and collection loss limits as set forth in subparagraphs (B) and (C) of this paragraph, respectively, are used unless well-documented support is provided and independently verified by the Underwriter.

(A) Rental Income. The Underwriter will review the Applicant's proposed rent schedule and determine if it is consistent with the representations made throughout the Application. The Underwriter will independently calculate a Pro Forma Rent for comparison to the Applicant's estimate in the Application.

(i) Market Rents. The Underwriter will use the Market Analyst's conclusion of Market Rent if reasonably justified and supported by the attribute adjustment matrix of Comparable Units as described in §11.303 of this chapter (relating to Market

Analysis Rules and Guidelines). Independently determined Market Rents by the Underwriter may be used based on rent information gained from direct contact with comparable properties, whether or not used by the Market Analyst and other market data sources. For a Development that contains less than 15% unrestricted units, the Underwriter will limit the Pro Forma Rents to the lesser of Market Rent or the Gross Program Rent at 80% AMI.

(ii) Gross Program Rent. The Underwriter will use the Gross Program Rents for the year that is most current at the time the underwriting begins. When underwriting for a simultaneously funded competitive round, all Applications are underwritten with the Gross Program Rents for the same year. If Gross Program Rents are adjusted by the Department after the close of the Application Acceptance Period, but prior to publication of the Report, the Underwriter may adjust the Effective Gross Income (EGI) to account for any increase or decrease in Gross Program Rents for the purposes of determining the reasonableness of the Applicant's EGI.

(iii) Contract Rents. The Underwriter will review rental assistance contracts to determine the Contract Rents currently applicable to the Development. Documentation supporting the likelihood of continued rental assistance is also reviewed. The Underwriter will take into consideration the Applicant's intent to request a Contract Rent increase. At the discretion of the Underwriter, the Applicant's proposed rents may be used as the Pro Forma Rent, with the recommendations of the Report conditioned upon receipt of final approval of such an increase. Tenant-based vouchers or tenant-based rental assistance are not included as Income.

(iv) Utility Allowances. The Utility Allowances used in underwriting must be in compliance with all applicable federal guidance, and §10.614 of this title (relating to Utility Allowances). Utility Allowances must be calculated for individually metered tenant paid utilities.

(v) Net Program Rents. Gross Program Rent less Utility Allowance.

(vi) Actual Rents for existing Developments will be reviewed as supported by a current rent roll. For Unstabilized Developments, actual rents will be based on the most recent units leased with occupancy and leasing velocity considered. Actual rents may be adjusted by the Underwriter to reflect lease-up concessions and other market considerations.

(vii) Collected Rent. Represents the monthly rent amount collected for each Unit Type. For rent- assisted units, the Contract Rent is used. In absence of a Contract Rent, the lesser of the Net Program Rent, Market Rent or actual rent is used.

(B) Miscellaneous Income. All ancillary fees and miscellaneous secondary income, including but not limited to, late fees, storage fees, laundry income, interest on deposits, carport and garage rent, washer and dryer rent, telecommunications fees, and other miscellaneous income, are anticipated to be included in a $5 to $30 per Unit per month range. Projected income from tenant-based rental assistance will not be considered. Exceptions may be made at the discretion of the Underwriter and must be supported by either the normalized operating history of the Development or other existing comparable properties within the same market area.

(i) The Applicant must show that a tenant will not be required to pay the additional fee or charge as a condition of renting a Unit and must show that the tenant has a reasonable alternative.

(ii) The Applicant's operating expense schedule should reflect an itemized offsetting line-item associated with miscellaneous income derived from pass-through utility payments, pass-through water, sewer and trash payments, and cable fees.

(iii) Collection rates of exceptional fee items will generally be heavily discounted.

(iv) If an additional fee is charged for the optional use of an amenity, any cost associated with the construction, acquisition, or development of the hard assets needed to produce the amenity must be excluded from Eligible Basis.

(C) Vacancy and Collection Loss. The Underwriter uses a normalized vacancy rate of 7.5% (5% vacancy plus 2.5% for collection loss). 100% project-based rental subsidy developments (not including employee-occupied units) may be underwritten at a combined 5% vacancy rate.

(D) Effective Gross Income (EGI). EGI is the total of Collected Rent for all Units plus Miscellaneous Income less Vacancy and Collection Loss. If the Applicant's pro forma EGI is within 5% of the EGI independently calculated by the Underwriter, the Applicant's EGI is characterized as reasonable in the Report; however, for purposes of calculating the underwritten DCR the Underwriter's pro forma will be used unless the Applicant's pro forma meets the requirements of paragraph (3) of this subsection.

(2) Expenses. In determining the first year stabilized operating expense pro forma, the Underwriter evaluates the reasonableness of the Applicant's expense estimate based upon the characteristics of each Development, including the location, utility structure, type, the size and number of Units, and the Applicant's management plan. Historical, stabilized and certified financial statements of an existing Development or Third Party quotes specific to a Development will reflect the strongest data points to predict future performance. The Underwriter may review actual operations on the Applicant's other properties monitored by the Department, if any, or review the proposed management company's comparable properties. The Department's database of properties located in the same market area or

region as the proposed Development also provides data points; expense data from the Department's database is available on the Department's website. Data from the Institute of Real Estate Management's (IREM) most recent Conventional Apartments-Income/Expense Analysis book for the proposed Development's property type and specific location or region may be referenced. In some cases local or project-specific data such as PHA Utility Allowances and property tax rates are also given significant weight in determining the appropriate line item expense estimate. Estimates of utility savings from green building components, including on-site renewable energy, must be documented by an unrelated contractor or component vendor.

(A) General and Administrative Expense. (G&A)--Accounting fees, legal fees, advertising and marketing expenses, office operation, supplies, and equipment expenses. G&A does not include partnership related expenses such as asset management, accounting or audit fees. Costs of tenant services are not included in G&A.

(B) Management Fee. Fee paid to the property management company to oversee the operation of the Property and is most often based upon a percentage of EGI as documented in an existing property management agreement or proposal. The Underwriter will use the Applicant's proposed Management Fee if it is within the range of 4% to 6% of EGI. A proposed fee outside of this range must be documented.

(C) Payroll Expense. Compensation, insurance benefits, and payroll taxes for on-site office, leasing and maintenance staff. Payroll does not include Third-Party security or tenant services contracts. Staffing specific to tenant services, security or other staffing not related to customary property operations should be itemized and included in other expenses or tenant services expense.

(D) Repairs and Maintenance Expense. Materials and supplies for the repairs and maintenance of the Development including Third-Party maintenance contracts. This line-item does not include costs that are customarily capitalized that would result from major replacements or renovations.

(E) Utilities Expense. Gas and electric energy expenses paid by the Development. Estimates of utility savings from green building components, including on-site renewable energy, must be documented by an unrelated contractor or component vendor.

(F) Water, Sewer, and Trash Expense (WST). Includes all water, sewer and trash expenses paid by the Development.

(G) Insurance Expense. Cost of Insurance coverage for the buildings, contents, and general liability, but not health or workman's compensation insurance.

(H) Property Tax. Includes real property and personal property taxes but not payroll taxes.

(i) An assessed value will be calculated based on the capitalization rate published by the county taxing authority. If the county taxing authority does not publish a capitalization rate, a capitalization rate of 10% or a comparable assessed value may be used.

(ii) Other assessed values or property tax estimates may be used based on development specific factors as determined by the Underwriter.

(iii) If the Applicant proposes a property tax exemption or Payment in Lieu of Taxes (PILOT) agreement the Applicant must provide documentation in accordance with §10.402(d) of this title (relating to Documentation Submission Requirements at Commitment of Funds). At the underwriter's discretion, such documentation may be required prior to Commitment or Determination Notice if deemed necessary.

(I) Replacement Reserves. Periodic deposits to a reserve account to pay for the future replacement or major repair of building systems and components (generally items considered capitalized costs). The Underwriter will use a minimum reserve of $250 per Unit for New Construction and Reconstruction Developments and $300 per Unit for all other Developments. The Underwriter may require an amount above $300 for the Development based on information provided in the Scope and Cost Review (SCR) or, for existing USDA developments, an amount approved by USDA. The Applicant's assumption for reserves may be adjusted by the Underwriter if the amount provided by the Applicant is insufficient to fund capital needs as documented by the SCR during the first fifteen (15) years of the long term pro forma. Higher reserves may be used if documented by a primary lender or syndicator.

(J) Other Operating Expenses. The Underwriter will include other reasonable, customary and documented property-level operating expenses such as audit fees, security expense, telecommunication expenses (tenant reimbursements must be reflected in EGI) and TDHCA's compliance fees. For Developments financed by USDA, a Return to Owner (RTO) may be included as an operating expense in an amount consistent with the maximum approved by USDA or an amount determined by the Underwriter. This category does not include depreciation, interest expense, lender or syndicator's asset management fees, or other ongoing partnership fees.

(K) Resident Services. Resident services are not included as an operating expense or included in the DCR calculation unless:

(i) There is a documented financial obligation on behalf of the Owner with a unit of state or local government to provide resident supportive services at a specified dollar amount. The state or local government documentation must be provided in

the Application and the dollar amount of the financial obligation must be included in the DCR calculation on the 15-year pro forma at Application. ; or

(ii) The Applicant demonstrates a history of providing comparable supportive services and expenses at existing affiliated properties within the local area.; and

(iii) On-site staffing or pro ration of staffing for coordination of services only, and not the provision of services, can be included as a supportive services expense.

(L) Total Operating Expenses. The total of expense items described in subparagraphs (A) - (K) of this paragraph (relating to Operating Feasibility). If the Applicant's total expense estimate is within 5% of the final total expense figure calculated by the Underwriter, the Applicant's figure is characterized as reasonable in the Report; however, for purposes of calculating DCR, the Underwriter's independent calculation will be used unless the Applicant's first year stabilized pro forma meets the requirements of paragraph (3) of this subsection.

(3) Net Operating Income (NOI). The difference between the EGI and total operating expenses. If the Applicant's first year stabilized NOI figure is within 5% of the NOI calculated by the Underwriter, the Applicant's NOI is characterized as reasonable in the Report; however, for purposes of calculating the first year stabilized pro forma DCR, the Underwriter's calculation of NOI will be used unless the Applicant's first year stabilized EGI, total operating expenses, and NOI are each within 5% of the Underwriter's estimates. For Housing Tax Credit Developments at cost certification, actual NOI will be used as adjusted for stabilization of rents and extraordinary lease-up expenses. Permanent lender and equity partner stabilization requirements documented in the loan and partnership agreements will be considered in determining the appropriate adjustments and the NOI used by the Underwriter. For Tax-Exempt Bond Developments that do not include a request for Direct Loan or where the Department is not the bond issuer, the Underwriter will not develop independent estimates of EGI, Total Operating Expenses, or NOI. The Applicant's NOI will generally be characterized as reasonable, subject to review for compliance with Underwriting Rules and Guidelines.

(4) Debt Coverage Ratio. DCR is calculated by dividing NOI by the sum of the debt service payments on all permanent or foreclosable lien(s) with scheduled and periodic payment requirements, including any required debt service on a Direct Loan subject to the applicable Notice of Funding Availability (NOFA) or other program requirements, and any on-going loan related fees such as credit enhancement fees or loan servicing fees. If executed loan documents do not exist, loan terms including principal and interest payments are calculated based on the terms indicated in the most current term sheet(s). Otherwise, actual terms indicated in the executed loan documents will be used. Unusual or non-traditional financing structures may also be considered.

(A) Interest Rate. The rate documented in the term sheet(s) or loan document(s) will be used for debt service calculations. Term sheets indicating a variable interest rate must provide the base rate index or methodology for determining the variable rate index and any component rates comprising an all-in interest rate. The term sheet(s) must state the lender's underwriting interest rate assumption, or the Applicant must submit a separate statement from the lender with an estimate of the interest rate as of the date of such statement. At initial underwriting, the Underwriter may adjust the underwritten interest rate assumption based on market data collected on similarly structured transactions or rate index history. Private Mortgage Insurance premiums and similar fees are not included in the interest rate but calculated on outstanding principal balance and added to the total debt service payment.

(B) Amortization Period. For purposes of calculating DCR, the permanent lender's amortization period will be used if not less than 30 years and not more than 40 years. Up to 50 years may be used for federally sourced or insured loans. For permanent lender debt with amortization periods less than 30 years, 30 years will be used. For permanent lender debt with amortization periods greater than 40 years, 40 years will be used. For non-Housing Tax Credit transactions a lesser amortization period may be used if the Direct Loans will be fully amortized over the same period as the permanent lender debt.

(C) Repayment Period. For purposes of projecting the DCR over a 30 year period for Developments with permanent financing structures with balloon payments in less than 30 years, the Underwriter will carry forward debt service based on a full amortization at the interest rate stated in the term sheet(s).

(D) Acceptable Debt Coverage Ratio Range. Except as set forth in clauses (i) or (ii) of this subparagraph, the acceptable first year stabilized pro forma DCR must be between a minimum of 1.15 and a maximum of 1.35 (maximum of 1.50 for Housing Tax Credit Developments at cost certification).

(i) If the DCR is less than the minimum, the recommendations of the Report may be based on a reduction to debt service and the Underwriter will make adjustments to the financing structure in the priority order presented in subclauses (I) - (IV) of this clause subject to Direct Loan NOFA requirements and program rules:

(I) A reduction to the interest rate of a Direct Loan;

(II) An increase in the amortization period of a Direct Loan;

(III) A reduction in the principal amount of a Direct Loan; and

(IV) An assumed reduction in the permanent loan amount for non-Department funded loans based upon the rates and terms in the permanent loan term

sheet(s) as long as they are within the ranges in subparagraphs (A) and (B) of this paragraph.

(ii) If the DCR is greater than the maximum, the recommendations of the Report may be based on an increase to debt service and the Underwriter will make adjustments to the assumed financing structure in the priority order presented in subclauses (I) - (III) of this clause subject to Direct Loan NOFA requirements and program rules:

(I) an increase to the interest rate of a Direct Loan up to the lesser of the maximum interest rate pursuant to a Direct Loan NOFA or the interest rate on any senior permanent debt or if no senior permanent debt a market rate determined by the Underwriter based on current market interest rates;

(II) or a decrease in the amortization period on a Direct Loan but not less than 30 years; and

(III) an assumed increase in the permanent loan amount for non-Department proposed financing based upon the rates and terms in the permanent loan term sheet as long as they are within the ranges in subparagraphs (A) and (B) of this paragraph.

(iii) For Housing Tax Credit Developments, a reduction in the recommended Housing Credit Allocation Amount may be made based on the Gap Method described in subsection (c)(2) of this section as a result of an increased debt assumption, if any.

(iv) In order to comply with TDHCA's agreement with HUD, Developments financed with a Direct Loan subordinate to FHA financing will have to meet a combined DCR of 1.0 using 75% of surplus cash after the senior debt service is deducted from Net Operating Income (NOI). To calculate the combined DCR:

(FHA senior debt service + ((1st year NOI - FHA senior debt service)*75%))) / (FHA senior debt service + amortized MDL debt service)

A mathematical example is provided in the Multifamily Procedures Manual.

(v) The Underwriter may limit total debt service that is senior to a Direct Loan to produce an acceptable DCR on the Direct Loan and may limit total debt service if the Direct Loan is the senior primary debt.

(5) Long Term Pro forma. The Underwriter will create a 30-year operating pro forma using the criteria provided in subparagraphs (A) to (C) of this paragraph:

(A) The Underwriter's or Applicant's first year stabilized pro forma as determined by paragraph (3) of this subsection.

(B) A 2% annual growth factor is utilized for income and a 3% annual growth factor is utilized for operating expenses except for management fees that are calculated based on a percentage of each year's EGI.

(C) Adjustments may be made to the long term pro forma if satisfactory support documentation is provided by the Applicant or as independently determined by the Underwriter.

(e) Total Housing Development Costs. The Department's estimate of the Total Housing Development Cost will be based on the Applicant's Development cost schedule to the extent that costs can be verified to a reasonable degree of certainty with documentation from the Applicant and tools available to the Underwriter. For New Construction Developments, the Underwriter's total cost estimate will be used unless the Applicant's Total Housing Development Cost is within 5% of the Underwriter's estimate. The Department's estimate of the Total Housing Development Cost for Rehabilitation Developments or Adaptive Reuse Developments will be based on the estimated cost provided in the SCR for the scope of work as defined by the Applicant and §11.306(a)(5) of this chapter (relating to SCR Guidelines); the Underwriter may make adjustments to the SCR estimated costs. If the Applicant's cost estimate is utilized and the Applicant's line item costs are inconsistent with documentation provided in the Application or program rules, the Underwriter may make adjustments to the Applicant's Total Housing Development Cost. For Competitive Housing Tax Credit Applications, the Underwriter will adjust an Applicant's cost schedule line item to meet program rules. Underwriter will not make subsequent adjustments to the application to meet feasibility requirements as a result of the initial adjustment required to meet program rules.

(1) Acquisition Costs. All appraised values must be based on as-is values at the time of Application as further stated in §11.304 of this chapter (relating to Appraisal Rules and Guidelines).

(A) Land, Acquisition and Rehabilitation, Reconstruction, and Adaptive Reuse Acquisition.

(i) For a non-identity of interest acquisition with no building acquisition cost in basis or when the acquisition is not part of the Direct Loan eligible cost and not subject to the appraisal requirements in the Uniform Relocation Assistance and Act of 1970, the underwritten acquisition cost will be the amount(s) reflected in the Site Control document(s) for the Property. At Cost Certification, the acquisition cost used will be the actual amount paid as verified by the settlement statement.

(ii) For an identity of interest acquisition or when required by the Uniform Relocation Assistance and Acquisition Act of 1970 the underwritten acquisition cost will be the lesser of the amount reflected in the Site Control documents for the property or the appraised value as determined by an appraisal that meets the requirements of §11.304 of this chapter (relating to Appraisal Rules and Guidelines).

An appraisal is not required if the land or buildings are donated to the proposed Development, and no costs of acquisition appear on the Development Cost Schedule. For an identity of interest transaction where the most recent arms-length transaction occurred within five years of the application submission date, the settlement statement for the most recent third party acquisition must be included with the site control documents.

An acquisition will be considered an identity of interest transaction when an Affiliate of the seller is an Affiliate of, or a Related Party to, any Owner at any level of the Development Team or a Related Party lender; and

(I) is the current owner in whole or in part of the Property as of the first date of the Application Acceptance Period or the Application Acceptance Date for Direct Loans; or

(II) has or had within the prior 36 months the legal or beneficial ownership of the property or any portion thereof or interest therein regardless of ownership percentage, control or profit participation prior to the first day of the Application Acceptance Period or in the case of a tax-exempt bond or 4% tax credit application the Application Date.

(iii) TDHCA prohibits cash-out to a related-party seller in an identity of interest transaction (This section does not apply to Existing Developments funded by USDA). For purposes of this paragraph, cash-out is defined as the as-is restricted appraised value minus the payoff of any third-party debt unrelated to the seller and minus the principal balance of any seller note to remain in place post-acquisition. Holding costs and operating expenses, such as broker fees, property taxes, deferred maintenance, or deferred management fees, shall not be considered in calculating or justifying seller cash-out.

At Application, amortization schedules and projected loan balances at closing for all existing unrelated third-party debt are required to substantiate the calculation of cash-out and to support Department underwriting. All seller notes in identity of interest transactions must comply with the following requirements:

(I)The term sheet and note must be cash-flow contingent, with no required payments unless surplus cash is available;

(II) The term sheet and note must have no debt coverage ratio (DCR) requirements for payment eligibility;

(III) The term sheet and LPA must state that the seller note is paid after deferred developer fee.

(iv~~ii~~) For all identity of interest acquisitions, the cost used at cost certification will be limited to the acquisition cost underwritten in the initial Underwriting of the Application.

(~~i~~v) In cases where more land will be acquired (by the Applicant or a Related Party) than will be utilized as the Development Site and the remainder acreage is not accessible for use by tenants or dedicated as permanent and maintained green space, the value ascribed to the proposed Development Site will be prorated based on acreage from the total cost reflected in the Site Control document(s) or the appraisal, if an appraisal is required. An appraisal containing segregated values for the total acreage to be acquired, the acreage for the Development Site and the remainder acreage may be used by the Underwriter in making a proration determination based on relative value. The Underwriter will not utilize a prorated value greater than the total amount in the Site Control document(s).

(B) USDA Rehabilitation Developments. The underwritten acquisition cost for developments financed by USDA will be the transfer value approved by USDA.

(C) Eligible Basis on Acquisition of Buildings. Building acquisition cost included in Eligible Basis is limited to the appraised value of the buildings, exclusive of land value, as determined by an appraisal that meets the requirements of §11.304 of this chapter (relating to Appraisal Rules and Guidelines). If the acquisition cost in the Site Control documents is less than the appraised value, Underwriter will utilize the land value from the appraisal and adjust the building acquisition cost accordingly.

(2) Off-Site Costs. The Underwriter will only consider costs of Off-Site Construction that are well documented and certified to by a Third Party engineer on the required Application forms with supporting documentation.

(3) Site Work Costs. The Underwriter will only consider costs of Site Work, including site amenities, that are well documented and certified to by a Third Party engineer on the required Application forms with supporting documentation.

(4) Building Costs.

(A) New Construction and Reconstruction. The Underwriter will use the Marshall and Swift Residential Cost Handbook, other comparable published Third-Party cost estimating data sources, historical final cost certifications of previous Housing Tax Credit developments and other acceptable cost data available to the Underwriter to estimate Building Cost. Generally, the "Average Quality" multiple, townhouse, or single family costs, as appropriate, from the Marshall and Swift Residential Cost Handbook or other comparable published Third-Party data source, will be used based upon details provided in the Application and particularly building plans and elevations. Costs for multi- level parking structures must be supported by a cost estimate from a Third Party contractor

with demonstrated experience in structured parking construction. The Underwriter will consider amenities, specifications and development types not included in the Average Quality standard. The Underwriter may consider a sales tax exemption for nonprofit General Contractors.

(B) Rehabilitation and Adaptive Reuse.

(i) The Applicant must provide a scope of work and narrative description of the work to be completed. The narrative should speak to all Off-Site Construction, Site Work, and building components including finishes and equipment, and development amenities. The narrative should be in sufficient detail so that the reader can understand the work and it must generally be arranged consistent with the line-items on the SCR Supplement and must also be consistent with the Development Cost Schedule of the Application.

(ii) The Underwriter will use cost data provided on the SCR Supplement if adequately described and substantiated in the SCR report as the basis for estimating Total Housing Development Costs.

(5) Contingency. Total contingency, including any soft cost contingency, will be limited to a maximum of 7% of Building Cost plus Site Work and Off-Site Construction for New Construction and Reconstruction Developments, and 10% of Building Cost plus Site Work and Off-Site Construction for Rehabilitation and Adaptive Reuse Developments. For Housing Tax Credit Developments, the percentage is applied to the sum of the eligible Building Cost, eligible Site Work costs and eligible Off-Site Construction costs in calculating the eligible contingency cost.

(6) General Contractor Fee. General Contractor fees include general requirements, contractor overhead, and contractor profit. General requirements include, but are not limited to, on-site supervision or construction management, off-site supervision and overhead, jobsite security, equipment rental, storage, temporary utilities, and other indirect costs. General Contractor fees are limited to a total of 14% on Developments with Hard Costs of $3 million or greater, the lesser of $420,000 or 16% on Developments with Hard Costs less than $3 million and greater than $2 million, and the lesser of $320,000 or 18% on Developments with Hard Costs at $2 million or less. Any contractor fees to Affiliates or Related Party subcontractors regardless of the percentage of the contract sum in the construction contract (s) will be treated collectively with the General Contractor Fee limitations. Any fees paid to an organization to achieve a sales tax exemption will be included in the General Contactor Fee. Any General Contractor fees above this limit will be excluded from Total Housing Development Costs. For Housing Tax Credit Developments, the percentages are applied to the sum of the Eligible Hard Costs in calculating the eligible contractor fees. For Developments also receiving financing from USDA, the combination of builder's general requirements, builder's overhead, and builder's profit should not exceed the lower of TDHCA or USDA requirements. Additional fees for ineligible costs will be

limited to the same percentage of ineligible Hard Costs but will not be included in Eligible Basis.

(7) Developer Fee.

(A) For Housing Tax Credit Developments, the Developer Fee included in Eligible Basis cannot exceed 15% of the project's eligible costs, less Developer Fee, for Developments proposing 50 Units or more and 20% of the project's eligible costs, less Developer Fee, for Developments proposing 49 Units or less. If the Development is an additional phase, proposed by any Principal of the existing tax credit Development, the Developer Fee may not exceed 15%, regardless of the number of Units.

(B) For Housing Tax Credit Developments, any additional Developer Fee claimed for ineligible costs will be limited to the same percentage but applied only to ineligible Hard Costs. Any Developer Fee above this limit will be excluded from Total Housing Development Costs. All fees to Affiliates or Related Parties for work or guarantees determined by the Underwriter to be typically completed or provided by the Developer or Principal(s) of the Developer will be considered part of Developer Fee. All costs for general and administrative expenses for the Developer, including, but not limited to, travel, dining, and courier fees will be considered part of the Developer Fee.

(C) For Housing Tax Credit Developments, Eligible Developer Fee is multiplied by the appropriate Applicable Percentage depending on whether it is attributable to acquisition or rehabilitation basis.

(D) For non-Housing Tax Credit Developments, the percentage can be up to 7.5%, but is based upon Total Housing Development Cost less the sum of the fee itself, land costs, the costs of permanent financing, excessive construction period financing described in paragraph (8) of this subsection, reserves, and any identity of interest acquisition cost.

(8) Financing Costs. All fees required by the construction lender, permanent lender and equity partner must be indicated in the term sheets. Eligible construction period interest is limited to the lesser of actual eligible construction period interest, or the interest on one year's fully drawn construction period loan funds at the construction period interest rate indicated in the term sheet(s). For tax-exempt bond transactions up to 24 months of interest may be included. Any excess over this amount will not be included in Eligible Basis. Construction period interest on Related Party or Affiliate construction loans is only included in Eligible Basis with documentation satisfactory to the Underwriter that the loan will be at a market interest rate, fees and loan terms and the Related Party lender can demonstrate that it is routinely engaged in construction financing to unrelated parties.

(9) Reserves. Except for the underwriting of a Housing Tax Credit Development at cost certification, the Underwriter will utilize the amount presented in the Applicant's Development Cost Schedule up to twelve months of stabilized operating expenses plus debt

service (up to twenty-four months for USDA or HUD-financed rehabilitation transactions). Reserve amounts exceeding these limits will be excluded from Total Housing Development Costs. Pursuant to §10.404(c) of this title (relating to Operative Reserve Accounts), and for the underwriting of a Housing Tax Credit Development at cost certification, operating reserves that will be maintained for a minimum period of five years and documented in the Owner's partnership agreement or the permanent lender's loan documents will be included as a development cost.

(10) Soft Costs. Eligible soft costs are generally costs that can be capitalized in the basis of the Development for tax purposes. The Underwriter will evaluate and apply the allocation of these soft costs in accordance with the Department's prevailing interpretation of the Code. Generally, the Applicant's costs are used; however the Underwriter will use comparative data and Third Party CPA certification as to the capitalization of the costs to determine the reasonableness of all soft costs. This includes any one-time fees or payments, excluding any upfront ground lease payments, to a Housing Finance Corporation, Public Finance Corporation, Housing Authority, or Non-Profit that is part of the project ownership structure or is otherwise involved in the project to qualify for a property tax exemption. For Tax-Exempt Bond Developments that do not include a request for Direct Loan or where the Department is not the bond issuer, the Underwriter will not develop independent estimates for Building Cost or Soft Costs. The Applicant's Total Housing Development Cost and Total Eligible Cost will generally be characterized as reasonable, subject to review for compliance with Underwriting Rules and Guidelines.

(11) Additional Tenant Amenities. For Housing Tax Credit Developments and after submission of the cost certification package, the Underwriter may consider costs of additional building and site amenities (suitable for the Target Population being served) proposed by the Owner in an amount not to exceed 1.5% of the originally underwritten Hard Costs. The additional amenities must be included in the LURA.

(f) Development Team Capacity and Development Plan.

(1) The Underwriter will evaluate and report on the overall capacity of the Development Team by reviewing aspects, including but not limited to those identified in subparagraphs (A) - (D) of this paragraph:

(A) Personal credit reports for development sponsors, Developer Fee recipients and those individuals anticipated to provide guarantee(s) in cases when warranted. The Underwriter may evaluate the credit report and identify any bankruptcy, state or federal tax liens or other relevant credit risks for compliance with eligibility and debarment requirements as found in Chapter 2 of this title (relating to Enforcement);

(B) Quality of construction, Rehabilitation, and ongoing maintenance of previously awarded housing developments by review of construction inspection reports,

compliance on-site visits, findings of NSPIRE violations and other information available to the Underwriter;

(C) For Housing Tax Credit Developments, repeated or ongoing failure to timely submit cost certifications, requests for and clearance of final inspections, and timely response to deficiencies in the cost certification process; and

(D) Adherence to obligations on existing or prior Department funded developments with respect to program rules and documentation.

(2) While all components of the Development plan may technically meet the other individual requirements of this section, a confluence of serious concerns and unmitigated risks identified during the underwriting process may result in an Application being determined to be infeasible by the Underwriter. Any recommendation made under this subsection to deny an Application for a Grant, Direct Loan or Housing Credit Allocation is subject to Appeal as further provided for in §11.902 of this chapter (relating to Appeals).

(g) Other Underwriting Considerations. The Underwriter will evaluate additional feasibility elements as described in paragraphs (1) - (4) of this subsection.

(1) Interim Operating Income. Interim operating income listed as a source of funds must be supported by a detailed lease-up schedule and analysis.

(2) Floodplains. The Underwriter evaluates the site plan, floodplain map, survey and other information provided to determine if any of the buildings, drives, or parking areas reside within the 100-year floodplain. If such a determination is made by the Underwriter, the Report will include a condition that:

(A) The Applicant must pursue and receive a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR-F); or

(B) The Applicant must identify the cost of flood insurance for the buildings within the 100-year floodplain and certify that the flood insurance will be obtained; and

(C) The Development must be proposed to be designed to comply with the QAP, Program Rules and NOFA, and applicable Federal or state requirements.

(3) Proximity to Other Developments. The Underwriter will identify in the Report any Developments funded or known and anticipated to be eligible for funding within one linear mile of the subject. Distance is measured in a straight line from nearest boundary point to nearest boundary point.

(4) Direct Loans. In accordance with the requirements of 24 CFR §§92.250 and 93.300(b), a request for a Direct Loan will not be recommended for approval if the DCR exceeds 1.50 any

year during the longer of the term of the Direct Loan or the Federal Affordability Period, unless the Applicant elects to commit 25% of annual Cash Flow to a special reserve account, in accordance with §10.404(d) of this title, for any year the DCR is over 1.50. Annual Cash Flow will be calculated after deducting any payment due to the Developer on a deferred developer fee loan and any scheduled payments on cash flow loans. The Department will calculate the total special reserve amount based on the Cash Flow at Direct Loan Closing underwriting. The deposits into the special reserve account must be made annually from 25% of remaining annual cash flow until the total special reserve amount is reached. Alternatively, Applicant may request the Direct Loan interest rate be increased by Underwriter at Direct Loan Closing underwriting if financially feasibility is still met. If the Direct Loan is not recommended for approval, the remaining feasibility considerations under this section will be based on a revised sources schedule that does not contain the Direct Loan. This standard will also be used when the Development Owner is seeking approval for a request for a subordination agreement or a refinance, except the total special reserve amount will be based on the Cash Flow reflected in the underwriting at that time. A special reserve account is not eligible for Developments layered with FHA financing that is subject to HUD's Multifamily Accelerated Processing Guide.

(h) Work Out Development. Developments that are underwritten subsequent to Board approval in order to refinance or gain relief from restrictions may be considered infeasible based on the guidelines in this section, but may be characterized as "the best available option" or "acceptable available option" depending on the circumstances and subject to the discretion of the Underwriter as long as the option analyzed and recommended is more likely to achieve a better financial outcome for the property and the Department than the status quo.

(i) Feasibility Conclusion. A Development will be characterized as infeasible if paragraph (1) or (2) of this subsection applies. The Development will be characterized as infeasible if one or more of paragraphs (3) or (4) of this subsection, applies unless paragraph (5)(B) of this subsection also applies.

(1) Gross Capture Rate, AMGI Band Capture Rates, and Individual Unit Capture Rate. The method for determining capture rates for a Development is defined in §11.303 of this chapter (relating to Market Analysis Rules and Guidelines). The Underwriter will verify the conclusions of the capture rates and may, at their discretion, use independently acquired demographic data to calculate demand and may make a determination of the capture rates based upon an analysis of the Sub-market. The Development:

(A) Is characterized as an Elderly Development and the Gross Capture Rate or any AMGI bad capture rate exceeds 10%; or

(B) Is outside a Rural Area and targets the general population, and the Gross Capture Rate or any AMGI band capture rate exceeds 10% (or 15% for Tax-Exempt Bond Developments located in an MSA (as defined in the HTC Site Demographics Characteristics Report) with a population greater than one million if the average

physical occupancy is 92.5% or greater for all stabilized affordable housing developments located within a 20 minute drive time, as supported by the Market Analyst, from the subject Development); or

(C) Is in a Rural Area and targets the general population, and:

(i) contains Housing Tax Credit Units of 120 or less, and the Gross Capture Rate or any AMGI band capture rate exceeds 30%; or

(ii) contains more than 120 Housing Tax Credit Units, and the Gross Capture Rate or any AMGI band capture rate exceeds 10%; or

(D) Is Supportive Housing and the Gross Capture Rate or any AMGI band capture rate exceeds 30%; or

(E) Has an Individual Unit Capture Rate for any Unit Type greater than 65%; and

(F) Developments meeting the requirements of subparagraph (A), (B), (C), (D) or (E) of this paragraph may avoid being characterized as infeasible if clause (i) or (ii) of this subparagraph apply:

(i) Replacement Housing. The proposed Development is comprised of affordable housing which replaces previously existing affordable housing within the Primary Market Area as defined in §11.303 of this chapter (relating to Market Analysis Rules and Guidelines) on a Unit for Unit basis, and gives the displaced tenants of the previously existing affordable housing a leasing preference; or

(ii) Existing Housing. The proposed Development is comprised of existing affordable housing, whether defined by an existing land use and rent restriction agreement or if the subject rents are at or below 50% AMGI rents, which is at least 50% occupied and gives displaced existing tenants a leasing preference as stated in a relocation plan.

(2) Deferred Developer Fee. Applicants requesting an allocation of tax credits where the estimated Deferred Developer Fee, based on the underwritten capitalization structure, is not repayable from Cash Flow within the first 15 years of the long term pro forma as described in subsection (d)(5) of this section.

(3) Initial Feasibility.

(A) Except when underwritten at cost certification, the first year stabilized pro forma operating expense divided by the first year stabilized pro forma Effective Gross Income is greater than 68% for Rural Developments 36 Units or less, and 65% for all other Developments.

(B) The first year DCR is below 1.15 (1.00 for USDA Developments).

(4) Long Term Feasibility. The Long Term Pro forma reflects:

(A) A Debt Coverage Ratio below 1.15 at any time during years two through fifteen; or

(B) Negative Cash Flow at any time throughout the term of a Direct Loan, or at any time during years two through fifteen for applications that do not include a request for a Direct Loan.

(5) Exceptions. The infeasibility conclusions will not apply if:

(A) The Executive Director of the Department finds that documentation submitted by the Applicant at the request of the Underwriter will support unique circumstances that will provide mitigation.

(B) Developments not meeting the requirements of one or more of paragraphs (3)(A) or (4) of this subsection will be re-characterized as feasible if one or more of clauses (i) - (v) of this subparagraph apply. A Development financed with a Direct Loan, including a Supportive Housing Development, will not be re-characterized as feasible with respect to paragraph (4)(B) of this subsection. The Development:

(i) will receive Project-based Section 8 Rental Assistance or the HUD Rental Assistance Demonstration Program for at least 50% of the Units and a firm commitment, with terms including Contract Rent and number of Units, is submitted at Application;

(ii) will receive rental assistance for at least 50% of the Units in association with USDA financing;

(iii) will be characterized as public housing as defined by HUD for at least 50% of the Units;

(iv) meets the requirements under §11.1(d)(124)(E)(i) of this chapter (relating to the Definition of Supportive Housing); or

(v) has other long term project based restrictions on rents for at least 50% of the Units that allow rents to increase based upon expenses and the Applicant's proposed rents are at least 10% lower than both the Net Program Rent and Market Rent.

§11.303.Market Analysis Rules and Guidelines.

(a) General Provision. A Market Analysis prepared for the Department must evaluate the need for decent, safe, and sanitary housing at rental rates or sales prices that eligible tenants can afford. The analysis must determine the feasibility of the subject Development rental rates or sales price, and state conclusions as to the impact of the Development with respect to the determined housing needs. The Market Analysis must include a statement that the report preparer has read and understood the requirements of this section. The Market Analysis must also include a statement that the person or company preparing the Market Analysis is a disinterested party and will not materially benefit from the Development in any other way than receiving a fee for performing the Market Analysis, and that the fee is in no way contingent upon the outcome of the Market Analysis. The report must also include the following statement, "any person signing this Report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law."

(b) Self-Contained. A Market Analysis prepared for the Department must allow the reader to understand the market data presented, the analysis of the data, and the conclusions derived from such data. All data presented should reflect the most current information available and the report must provide a parenthetical (in-text) citation or footnote describing the data source. The analysis must clearly lead the reader to the same or similar conclusions reached by the Market Analyst. All steps leading to a calculated figure must be presented in the body of the report.

(c) Market Analyst Qualifications. A Market Analysis submitted to the Department must be prepared and certified by an approved Qualified Market Analyst. (§2306.67055) The Department will maintain an approved Market Analyst list based on the guidelines set forth in paragraphs (1) - (2) of this subsection.

(1) The approved Qualified Market Analyst list will be updated and published annually on or about November 1st. If not listed as an approved Qualified Market Analyst by the Department, a Market Analyst may request approval by submitting items in subparagraphs (A) - (F) of this paragraph at least 30 calendar days prior to the first day of the competitive tax credit Application Acceptance Period or 30 calendar days prior to submission of any other application for funding for which the Market Analyst must be approved. An already approved Qualified Market Analyst will remain on the list so long as at least one (1) Market Analysis has been submitted to the Department in the previous 12 months or items (A), (B), (C) and (E) are submitted prior to October 1st. Otherwise, the Market Analyst will automatically be removed from the list. Submission items include:

(A) Franchise Tax Account Status from the Texas Comptroller of Public Accounts (not applicable for sole proprietorships);

(B) A current organization chart or list reflecting all members of the firm who may author or sign the Market Analysis. A firm with multiple offices or locations must indicate all members expected to be providing Market Analysis;

(C) Resumes for all members of the firm or subcontractors who may author or sign the Market Analysis;

(D) General information regarding the firm's experience including references, the number of previous similar assignments and timeframes in which previous assignments were completed;

(E) Certification from an authorized representative of the firm that the services to be provided will conform to the Department's Market Analysis Rules and Guidelines, as described in this section, in effect for the Application Round in which each Market Analysis is submitted; and

(F) A sample Market Analysis that conforms to the Department's Market Analysis Rules and Guidelines, as described in this section, in effect for the year in which the sample Market Analysis is submitted.

(2) During the underwriting process each Market Analysis will be reviewed and any discrepancies with the rules and guidelines set forth in this section may be identified and require timely correction. Subsequent to the completion of the Application Round and as time permits, staff or a review appraiser will re-review a sample set of submitted market analyses to ensure that the Department's Market Analysis Rules and Guidelines are met. If it is found that a Market Analyst has not conformed to the Department's Market Analysis Rules and Guidelines, as certified to, the Market Analyst will be notified of the discrepancies in the Market Analysis and will be removed from the approved Qualified Market Analyst list.

(A) In and of itself, removal from the list of approved Market Analysts will not invalidate a Market Analysis commissioned prior to the removal date and at least 90 days prior to the first day of the applicable Application Acceptance Period.

(B) To be reinstated as an approved Qualified Market Analyst, the Market Analyst must amend the previous report to remove all discrepancies or submit a new sample Market Analysis that conforms to the Department's Market Analysis Rules and Guidelines, as described in this section, in effect for the year in which the updated or new sample Market Analysis is submitted.

(d) Market Analysis Contents. A Market Analysis for a rental Development prepared for the Department must be organized in a format that follows a logical progression and must include, at minimum, items addressed in paragraphs (1) - (13) of this subsection.

(1) Title Page. Include Development address or location, effective date of analysis, date report completed, name and address of person authorizing report, and name and address of Market Analyst.

(2) Letter of Transmittal. The date of the letter must be the date the report was completed. Include Development's address or location, description of Development, statement as to purpose and scope of analysis, reference to accompanying Market Analysis report with effective date of analysis and summary of conclusions, date of Property inspection, name of persons inspecting subject Property, and signatures of all Market Analysts authorized to work on the assignment. Include a statement that the report preparer has read and understood the requirements of this section.

(3) Table of Contents. Number the exhibits included with the report for easy reference.

(4) Market Analysis Summary. Include the Department's Market Analysis Summary exhibit.

(5) Assumptions and Limiting Conditions. Include a description of all assumptions, both general and specific, made by the Market Analyst concerning the Property.

(6) Identification of the Real Estate. Provide a statement to acquaint the reader with the Development. Such information includes street address, tax assessor's parcel number(s), and Development characteristics.

(7) Statement of Ownership. Disclose the current owners of record and provide a three year history of ownership for the subject Development.

(8) Primary Market Area. A limited geographic area from which the Development is expected to draw most of its demand. The size and shape of the PMA should be reflective of proximity to employment centers, services and amenities and contain the most significant areas from which to draw demand. All of the Market Analyst's conclusions specific to the subject Development must be based on only one PMA definition. The Market Analyst must adhere to the methodology described in this paragraph when determining the market area. (§2306.67055)

(A) The PMA will be defined by the Market Analyst as:

(i) geographic size based on a base year population no larger than necessary to provide sufficient demand but no more than 100,000 people;

(ii) boundaries based on U.S. census tracts; and

(iii) the population of the PMA may exceed 100,000 if the amount over the limit is contained within a single census tract.

(B) The Market Analyst's definition of the PMA must include:

(i) a detailed narrative specific to the PMA explaining:

(I) How the boundaries of the PMA were determined with respect to census tracts chosen and factors for including or excluding certain census tracts in proximity to the Development;

(II) Whether a more logical market area within the PMA exists but is not definable by census tracts and how this subsection of the PMA supports the rationale for the defined PMA;

(III) What are the specific attributes of the Development's location within the PMA that would draw prospective tenants from other areas of the PMA to relocate to the Development;

(IV) What are the specific attributes, if known, of the Development itself that would draw prospective tenants currently residing in other areas of the PMA to relocate to the Development;

(V) If the PMA crosses county lines, discuss the different income and rent limits in each county and how these differing amounts would affect the demand for the Development;

(VI) For rural Developments, discuss the relative draw (services, jobs, medical facilities, recreation, schools, etc.) of the Development's immediate local area (city or populous area if no city) in comparison to its neighboring local areas (cities, or populous areas if no cities), in and around the PMA. A rural PMA should not include significantly larger more populous areas unless the analyst can provide substantiation and rationale that the tenants would migrate to the Development's location from the larger cities;

(VII) Discuss and quantify current and planned single-family and non-residential construction (include permit data if available); and

(VIII) Other housing issues in general, if pertinent;

(ii) a complete demographic report for the defined PMA;

(iii) a scaled distance map indicating the PMA boundaries showing relevant U.S. census tracts with complete 11-digit identification numbers in numerical order with labels as well as the location of the subject Development and all comparable Developments. The map must indicate the total square miles of PMA; and

(iv) a proximity table indicating distance from the Development to employment centers, medical facilities, schools, entertainment and any other amenities relevant to the potential residents and include drive time estimates.

(C) Comparable Units. Identify developments in the PMA with Comparable Units. In PMAs lacking sufficient rent comparables, it may be necessary for the Market Analyst to collect data from markets with similar characteristics and make quantifiable and qualitative location adjustments. Provide a data sheet for each comparable development consisting of:

(i) development name;

(ii) address;

(iii) year of construction and year of Rehabilitation, if applicable;

(iv) property condition;

(v) Target Population;

(vi) unit mix specifying number of Bedrooms, number of baths, Net Rentable Area including:

(I) monthly rent and Utility Allowance; or

(II) sales price with terms, marketing period and date of sale;

(vii) description of concessions;

(viii) list of unit amenities;

(ix) utility structure;

(x) list of common amenities;

(xi) narrative comparison of its proximity to employment centers and services relative to targeted tenant population of the subject property; and

(xii) for rental developments only, the occupancy and turnover.

(9) Market Information.

(A) Identify the number of units for each of the categories in clauses (i) - (vi) of this subparagraph, if applicable:

(i) total housing;

(ii) all multi-family rental developments, including unrestricted and market-rate developments, whether existing, under construction or proposed;

(iii) Affordable housing;

(iv) Comparable Units;

(v) Unstabilized Comparable Units; and

(vi) proposed Comparable Units.

(B) Occupancy. The occupancy rate indicated in the Market Analysis may be used to support the overall demand conclusion for the proposed Development. State the overall physical occupancy rate for the proposed housing tenure (renter or owner) within the defined market areas by:

(i) number of Bedrooms;

(ii) quality of construction (class);

(iii) Target Population; and

(iv) Comparable Units.

(C) Absorption. State the absorption trends by quality of construction (class) and absorption rates for Comparable Units.

(D) Demographic Reports must include:

(i) All demographic reports must include population and household data for a five year period with the year of Application submission as the base year;

(ii) All demographic reports must provide sufficient data to enable calculation of income-eligible, age-, size-, and tenure-appropriate household populations;

(iii) For Elderly Developments, all demographic reports must provide a detailed breakdown of households by age and by income; and

(iv) A complete copy of all demographic reports relied upon for the demand analysis, including the reference index that indicates the census tracts on which the report is based.

(E) Demand. Provide a comprehensive evaluation of the need for the proposed housing for the Development as a whole and each Unit Type by number of Bedrooms proposed and rent restriction category within the defined market areas using the most current census and demographic data available.

(i) Demographics. The Market Analyst should use demographic data specific to the characteristics of the households that will be living in the proposed Development. For example, the Market Analyst should use demographic data specific to the elderly populations (and any other qualifying residents for Elderly Developments) to be served by an Elderly Development, if available, and should avoid making adjustments from more general demographic data. For HOME-ARP, demand for Qualifying Populations must be identified in accordance with Section VI B.10.a.ii of CPD Notice 21-10. If adjustment rates are used based on more general data for any of the criteria described in subclauses (I) - (V) of this clause, they should be clearly identified and documented as to their source in the report.

(I) Population. Provide population and household figures, supported by actual demographics, for a five year period with the year of Application submission as the base year.

(II) Target. If applicable, adjust the household projections for the qualifying demographic characteristics such as the minimum age of the population to be served by the proposed Development.

(III) Household Size-Appropriate. Adjust the household projections or target household projections, as applicable, for the appropriate household size for the proposed Unit Type by number of Bedrooms proposed and rent restriction category based on 2 persons per Bedroom or one person for Efficiency Units.

(IV) Income Eligible. Adjust the household size appropriate projections for income eligibility based on the income bands for the proposed Unit Type by number of Bedrooms proposed and rent restriction category with:

(-a-) the lower end of each income band calculated based on the lowest gross rent proposed divided by 40% for the general population and 50% for elderly households; and

(-b-) the upper end of each income band equal to the applicable gross median income limit for the largest appropriate household size based on 2 persons per Bedroom (round up) or one person for Efficiency Units.

(V) Tenure-Appropriate. Adjust the income-eligible household projections for tenure (renter or owner). If tenure appropriate income eligible target household data is available, a tenure appropriate adjustment is not necessary.

(ii) Gross Demand. Gross Demand is defined as the sum of Potential Demand from the PMA, Demand from Other Sources, and External Demand.

(iii) Potential Demand. Potential Demand is defined as the number of income-eligible, age-, size-, and tenure-appropriate target households in the designated market area at the proposed placed in service date.

(I) Maximum eligible income is equal to the applicable gross median income limit for the largest appropriate household size.

(II) For Developments targeting the general population:

(-a-) minimum eligible income is based on a 40% rent to income ratio;

(-b-) appropriate household size is defined as two persons per Bedroom (rounded up); and

(-c-) the tenure-appropriate population for a rental Development is limited to the population of renter households.

(III) For Developments consisting solely of single family residences on separate lots with all Units having three or more Bedrooms:

(-a-) minimum eligible income is based on a 40% rent to income ratio;

(-b-) appropriate household size is defined as two persons per Bedroom (rounded up); and

(-c-) Gross Demand includes both renter and owner households.

(IV) For Elderly Developments:

(-a-) minimum eligible income is based on a 50% rent to income ratio; and

(-b-) Gross Demand includes all household sizes and both renter and owner households within the age range (and any other qualifying characteristics) to be served by the Elderly Development.

(V) For Supportive Housing:

(-a-) minimum eligible income is $1; and

(-b-) households meeting the occupancy qualifications of the Development (data to quantify this demand may be based on statistics beyond the defined PMA but not outside the historical service area of the Applicant).

(VI) For Developments with rent assisted units (Project Based Vouchers, Project-Based Rental Assistance, Public Housing Units):

(-a-) minimum eligible income for the assisted units is $1; and

(-b-) maximum eligible income for the assisted units is the minimum eligible income of the corresponding affordable unit.

(iv) For External Demand, assume an additional 10% of Potential Demand from the PMA to represent demand coming from outside the PMA.

(v) For Demand from Other Sources:

(I) the source of additional demand and the methodology used to calculate the additional demand must be clearly stated;

(II) consideration of Demand from Other Sources is at the discretion of the Underwriter;

(III) Demand from Other Sources must be limited to households that are not included in Potential Demand; and

(IV) if households with Section 8 vouchers are identified as a source of demand, the Market Study must include:

(-a-) documentation of the number of vouchers administered by the local Housing Authority; and

(-b-) a complete demographic report for the area in which the vouchers are distributed.

(F) Employment. Provide a comprehensive analysis of employment trends and forecasts in the Primary Market Area. Analysis must discuss existing or planned employment opportunities with qualifying income ranges.

(10) Conclusions. Include a comprehensive evaluation of the subject Property, separately addressing each housing type and specific population to be served by the Development in terms of items in subparagraphs (A) - (J) of this paragraph. All conclusions must be consistent with the data and analysis presented throughout the Market Analysis.

(A) Unit Mix. Provide a best possible unit mix conclusion based on the occupancy rates by Bedroom type within the PMA and target, income-eligible, size-appropriate and tenure-appropriate household demand by Unit Type and income type within the PMA.

(B) Rents. Provide a separate Market Rent conclusion for each proposed Unit Type by number of Bedrooms and rent restriction category. Conclusions of Market Rent below the maximum Net Program Rent limit must be well documented as the conclusions may impact the feasibility of the Development under §11.302(i) of this chapter (relating to Feasibility Conclusion). In support of the Market Rent conclusions, provide a separate attribute adjustment matrix for each proposed Unit Type by number of Bedrooms and rental restriction category. For HOME-ARP, Units for Qualified Populations will be underwritten at $0 income, unless the Unit has project-based rental assistance or subsidy, or is supported by a capitalized operating reserve agreement.

(i) The Department recommends use of HUD Form 92273.

(ii) A minimum of three developments must be represented on each attribute adjustment matrix.

(iii) Adjustments for concessions must be included, if applicable.

(iv) Adjustments for proximity and drive times to employment centers and services narrated in the Comparable Unit description, and the rationale for the amount of the adjustments must be included.

(v) Total adjustments in excess of 15% must be supported with additional narrative.

(vi) Total adjustments in excess of 25% indicate the Units are not comparable for the purposes of determining Market Rent conclusions.

(C) Effective Gross Income. Provide rental income, secondary income, and vacancy and collection loss projections for the subject derived independent of the Applicant's estimates.

(D) For Demand:

(i) state the Gross Demand for each Unit Type by number of Bedrooms proposed and rent restriction category (e.g. one-Bedroom Units restricted at 50% of AMGI; two-Bedroom Units restricted at 60% of AMGI);

(ii) state the Gross Demand for the proposed Development as a whole. If some households are eligible for more than one Unit Type due to overlapping eligible ranges for income or household size, Gross Demand should be adjusted to avoid including households more than once; and

(iii) state the Gross Demand generated from each AMGI band. If some household incomes are included in more than one AMGI band, Gross Demand should be adjusted to avoid including households more than once.

(E) Relevant Supply. The Relevant Supply of proposed and Unstabilized Comparable Units includes:

(i) the proposed subject Units to be absorbed;

(ii) Comparable Units in previously approved Developments in the PMA that have not achieved 90% occupancy for a minimum of 90 days. Approved Developments should be determined by:

(I) the HTC Property Inventory that is published on the Department's website as of December 31, 2024, for competitive housing tax credit Applications;

(II) the most recent HTC Property Inventory that is published on the Department's website one month prior to the Application date of non-competitive housing tax credit and Direct Loan Applications.

(iii) Unstabilized Comparable Units that are located in close proximity to the subject PMA if they are likely to share eligible demand or if the PMAs have overlapping census tracts. Underwriter may require Market Analyst to run a combined PMA including eligible demand and Relevant Supply from the combined census tracts; the Gross Capture Rate generated from the combined PMA must meet the feasibility criteria as defined in §11.302(i) (relating to Feasibility Conclusion).

(F) Gross Capture Rate. The Gross Capture Rate is defined as the Relevant Supply divided by the Gross Demand. Refer to §11.302(i) of this chapter (relating to Feasibility Conclusion).

(G) Individual Unit Capture Rate. For each Unit Type by number of Bedrooms and rent restriction categories, the individual unit capture rate is defined as the Relevant Supply of proposed and Unstabilized Comparable Units divided by the eligible demand for that Unit. Some households are eligible for multiple Unit Types. In order to calculate individual unit capture rates, each household is included in the capture rate for only one Unit Type.

(H) Capture Rate by AMGI Band. For each AMGI band (30%, 40%, 50%, 60%, and also 20%, 70%, and 80% if the Applicant will make the Income Average election), the capture rate by AMGI band is defined as Relevant Supply of proposed and Unstabilized Comparable Units divided by the eligible demand from that AMGI band. Some households are qualified for multiple income bands. In order to calculate AMGI band rates, each household is included in the capture rate for only one AMGI band.

(I) Absorption. Project an absorption period for the subject Development to achieve Breakeven Occupancy. State the absorption rate.

(J) Market Impact. Provide an assessment of the impact the subject Development, as completed, will have on existing Developments supported by Housing Tax Credits in the Primary Market. (§2306.67055)

(11) Photographs. Provide labeled color photographs of the subject Property, the neighborhood, street scenes, and comparables. An aerial photograph is desirable but not mandatory.

(12) Appendices. Any Third Party reports including demographics relied upon by the Market Analyst must be provided in appendix form. A list of works cited including personal communications also must be provided, and the Modern Language Association (MLA) format is suggested.

(13) Qualifications. Current Franchise Tax Account Status from the Texas Comptroller of Public Accounts (not applicable for sole proprietorships) and any changes to items listed in subsection (c)(1)(B) and (C) of this section (relating to Market Analyst Qualifications).

(e) The Department reserves the right to require the Market Analyst to address such other issues as may be relevant to the Department's evaluation of the need for the subject Development and the provisions of the particular program guidelines.

(f) In the event that the PMA for a subject Development overlaps the PMA's of other proposed or Unstabilized comparable Developments, the Underwriter may perform an extended Sub-Market Analysis considering the combined PMA's and all proposed and Unstabilized Units in the extended Sub-Market Area; the Gross Capture Rate from such an extended Sub-Market Area analysis may be used by the Underwriter as the basis for a feasibility conclusion.

(g) All Applicants shall acknowledge, by virtue of filing an Application, that the Department shall not be bound by any such opinion or Market Analysis, and may substitute its own analysis and underwriting conclusions for those submitted by the Market Analyst.

§11.304.Appraisal Rules and Guidelines.

(a) General Provision.

(1) An appraisal prepared for the Department must conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation. The appraisal must be prepared by a general certified appraiser by

the Texas Appraisal Licensing and Certification Board. The appraisal must include a statement that the report preparer has read and understood the requirements of this section. The appraisal must include a statement that the person or company preparing the appraisal, or reviewing the appraisal, is a disinterested party and will not materially benefit from the Development in any other way than receiving a fee for performing the appraisal and that the fee is in no way contingent upon the outcome of the appraisal.

(2) If an appraisal is required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the appraisal must also meet the requirements of 49 CFR Part 24 and HUD Handbook 1378. (b) Self-Contained. An appraisal prepared for the Department must describe sufficient and adequate data and analyses to support the final opinion of value. The final value(s) must be reasonable, based on the information included. Any Third Party reports relied upon by the appraiser must be verified by the appraiser as to the validity of the data and the conclusions.

(b) Appraiser Qualifications. The appraiser must be appropriately certified or licensed by the Texas Appraiser Licensing and Certification Board.

(c) Appraisal Contents. An appraisal prepared for the Department must be organized in a format that follows a logical progression. In addition to the contents described in USPAP Standards Rule 2, the appraisal must include items addressed in paragraphs (1) - (12) of this subsection.

(1) Title Page. Include a statement identifying the Department as the client, acknowledging that the Department is granted full authority to rely on the findings of the report, and name and address of person authorizing report. The title page must also include the following statement, "any person signing this Report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law."

(2) Letter of Transmittal. Include reference to accompanying appraisal report, reference to all person(s) that provided significant assistance in the preparation of the report, date of report, effective date of appraisal, date of property inspection, name of person(s) inspecting the property, tax assessor's parcel number(s) of the site, estimate of marketing period, and signatures of all appraisers authorized to work on the assignment including the appraiser who inspected the property. Include a statement indicating the report preparer has read and understood the requirements of this section.

(3) Table of Contents. Number the exhibits included with the report for easy reference.

(4) Disclosure of Competency. Include appraiser's qualifications, detailing education and experience.

(5) Statement of Ownership of the Subject Property. Discuss all prior sales of the subject Property which occurred within the past three years. Any pending agreements of sale, options to buy, or listing of the subject Property must be disclosed in the appraisal report.

(6) Property Rights Appraised. Include a statement as to the property rights (e.g., fee simple interest, leased fee interest, leasehold, etc.) being considered. The appropriate interest must be defined in terms of current appraisal terminology with the source cited.

(7) Site/Improvement Description. Discuss the site characteristics including subparagraphs (A) - (E) of this paragraph.

(A) Physical Site Characteristics. Describe dimensions, size (square footage, acreage, etc.), shape, topography, corner influence, frontage, access, ingress-egress, etc. associated with the Development Site. Include a plat map or survey.

(B) Floodplain. Discuss floodplain (including flood map panel number) and include a floodplain map with the subject Property clearly identified.

(C) Zoning. Report the current zoning and description of the zoning restrictions and any deed restrictions, where applicable, and type of Development permitted. Any probability of change in zoning should be discussed. A statement as to whether or not the improvements conform to the current zoning should be included. A statement addressing whether or not the improvements could be rebuilt if damaged or destroyed, should be included. If current zoning is not consistent with the highest and best use, and zoning changes are reasonable to expect, time and expense associated with the proposed zoning change should be considered and documented. A zoning map should be included.

(D) Description of Improvements. Provide a thorough description and analysis of the improvements including size (Net Rentable Area, gross building area, etc.), use (whether vacant, occupied by owner, or being rented), number of residents, number of stories, number of buildings, type/quality of construction, condition, actual age, effective age, exterior and interior amenities, items of deferred maintenance, energy efficiency measures, etc. All applicable forms of depreciation should be addressed along with the remaining economic life.

(E) Environmental Hazards. It is recognized appraisers are not experts in such matters and the impact of such deficiencies may not be quantified; however, the report should disclose any potential environmental hazards (such as discolored vegetation, oil residue, asbestos-containing materials, lead- based paint etc.) noted during the inspection.

(8) Highest and Best Use. Market Analysis and feasibility study is required as part of the highest and best use. The highest and best use analysis should consider paragraph (7)(A) - (E) of this subsection as well as a supply and demand analysis.

(A) The appraisal must inform the reader of any positive or negative market trends which could influence the value of the appraised Property. Detailed data must be included to support the appraiser's estimate of stabilized income, absorption, and occupancy.

(B) The highest and best use section must contain a separate analysis "as if vacant" and "as improved" (or "as proposed to be improved/renovated"). All four elements (legally permissible, physically possible, feasible, and maximally productive) must be considered.

(9) Appraisal Process. It is mandatory that all three approaches, Cost Approach, Sales Comparison Approach and Income Approach, are considered in valuing the Property. If an approach is not applicable to a particular property an adequate explanation must be provided. A land value estimate must be provided if the Cost Approach is not applicable.

(A) Cost Approach. This approach should give a clear and concise estimate of the cost to construct the subject improvements. The source(s) of the cost data should be reported.

(i) Cost comparables are desirable; however, alternative cost information may be obtained from Marshall & Swift Valuation Service or similar publications. The section, class, page, etc. should be referenced. All soft costs and entrepreneurial profit must be addressed and documented.

(ii) All applicable forms of depreciation must be discussed and analyzed. Such discussion must be consistent with the description of the improvements.

(iii) The land value estimate should include a sufficient number of sales which are current, comparable, and similar to the subject in terms of highest and best use. Comparable sales information should include address, legal description, tax assessor's parcel number(s), sales price, date of sale, grantor, grantee, three year sales history, and adequate description of property transferred. The final value estimate should fall within the adjusted and unadjusted value ranges. Consideration and appropriate cash equivalent adjustments to the comparable sales price for subclauses (I) - (VII) of this clause should be made when applicable:

(I) Property rights conveyed;

(II) Financing terms;

(III) Conditions of sale;

(IV) Location;

(V) Highest and best use;

(VI) Physical characteristics (e.g., topography, size, shape, etc.); and

(VII) Other characteristics (e.g., existing/proposed entitlements, special assessments, etc.).

(B) Sales Comparison Approach. This section should contain an adequate number of sales to provide the Underwriter with a description of the current market conditions concerning this property type. Sales data should be recent and specific for the property type being appraised. The sales must be confirmed with buyer, seller, or an individual knowledgeable of the transaction.

(i) Sales information should include address, legal description, tax assessor's parcel number(s), sales price, financing considerations and adjustment for cash equivalency, date of sale, recordation of the instrument, parties to the transaction, three year sale history, complete description of the Property and property rights conveyed, and discussion of marketing time. A scaled distance map clearly identifying the subject and the comparable sales must be included.

(ii) The method(s) used in the Sales Comparison Approach must be reflective of actual market activity and market participants.

(I) Sale Price/Unit of Comparison. The analysis of the sale comparables must identify, relate, and evaluate the individual adjustments applicable for property rights, terms of sale, conditions of sale, market conditions, and physical features. Sufficient narrative must be included to permit the reader to understand the direction and magnitude of the individual adjustments, as well as a unit of comparison value indicator for each comparable.

(II) Net Operating Income/Unit of Comparison. The Net Operating Income statistics for the comparables must be calculated in the same manner. It should be disclosed if reserves for replacement have been included in this method of analysis. At least one other method should accompany this method of analysis.

(C) Income Approach. This section must contain an analysis of both the actual historical and projected income and expense aspects of the subject Property.

(i) Market Rent Estimate/Comparable Rental Analysis. This section of the report should include an adequate number of actual market transactions to inform the reader of current market conditions concerning rental Units. The comparables must indicate current research for this specific property type. The comparables must be confirmed with the landlord, tenant or agent and individual data sheets must be included. The individual data sheets should include property address, lease terms, description of the property (e.g., Unit Type, unit size, unit mix, interior amenities, exterior amenities, etc.), physical characteristics of the property, and location of the

comparables. Analysis of the Market Rents should be sufficiently detailed to permit the reader to understand the appraiser's logic and rationale. Adjustment for lease rights, condition of the lease, location, physical characteristics of the property, etc. must be considered.

(ii) Comparison of Market Rent to Contract Rent. Actual income for the subject along with the owner's current budget projections must be reported, summarized, and analyzed. If such data is unavailable, a statement to this effect is required and appropriate assumptions and limiting conditions should be made. The Contract Rents should be compared to the market-derived rents. A determination should be made as to whether the Contract Rents are below, equal to, or in excess of market rates. If there is a difference, its impact on value must be qualified.

(iii) Vacancy/Collection Loss. Historical occupancy data and current occupancy level for the subject should be reported and compared to occupancy data from the rental comparables and overall occupancy data for the subject's Primary Market.

(iv) Expense Analysis. Actual expenses for the subject, along with the owner's projected budget, must be reported, summarized, and analyzed. If such data is unavailable, a statement to this effect is required and appropriate assumptions and limiting conditions should be made. Historical expenses should be compared to comparables expenses of similar property types or published survey data (such as IREM, BOMA, etc.). Any expense differences should be reconciled. Include historical data regarding the subject's assessment and tax rates and a statement as to whether or not any delinquent taxes exist.

(v) Capitalization. The appraiser should present the capitalization method(s) reflective of the subject market and explain the omission of any method not considered in the report.

(I) Direct Capitalization. The primary method of deriving an overall rate is through market extraction. If a band of investment or mortgage equity technique is utilized, the assumptions must be fully disclosed and discussed.

(II) Yield Capitalization (Discounted Cash Flow Analysis). This method of analysis should include a detailed and supportive discussion of the projected holding/investment period, income and income growth projections, occupancy projections, expense and expense growth projections, reversionary value and support for the discount rate.

(10) Value Estimates. All appraised values must be based on as-is values at the time of Application. Reconciliation of final value estimates is required. The Underwriter may request additional valuation information based on unique existing circumstances that are relevant for deriving the market value of the Property.

(A) All appraisals shall contain a separate estimate of the "as vacant" market value of the underlying land, based upon current sales comparables. The "as vacant" value assumes that there are no improvements on the property and therefore demolition costs should not be considered. The appraiser should consider the fee simple or leased fee interest as appropriate.

(B) For existing Developments with any project-based rental assistance that will remain with the property after the acquisition, the appraisal must include an "as-is as-currently-restricted value at current contract rents." For public housing converting to project-based rental assistance, the appraiser must provide a value based on the future restricted rents. The value used in the analysis may be based on the unrestricted market rents if supported by the appraisal. Regardless of the rents used in the valuation, the appraiser must consider any other on-going restrictions that will remain in place even if not affecting rents. If the rental assistance has an impact on the value, such as use of a lower capitalization rate due to the lower risk associated with rental rates or occupancy rates on project-based developments, this must be fully explained and supported to the satisfaction of the Underwriter.

(C) For existing Developments with rent restrictions, the appraisal must include the "as-is as-restricted" value. In particular, the value must be based on the current restricted rents when deriving the value based on the income approach.

(D) For all other existing Developments, the appraisal must include the "as-is" value.

(E) For any Development with favorable financing (generally below market debt) that will remain in place and transfer to the new owner, the appraisal must include a separate value for the existing favorable financing with supporting information. 25% of the appraised favorable financing value will be allocated to land value and 75% will be allocated to building value, unless the below market financing was used for rehabilitation only, in which case the favorable financing will be attributed 100% to the building. Applicant's allocation of favorable financing should be clearly explained.

(F) If required the appraiser must include a separate assessment of personal property, furniture, fixtures, and equipment (FF&E) or intangible items. If personal property, FF&E, or intangible items are not part of the transaction or value estimate, a statement to such effect should be included.

(11) Marketing Time. Given property characteristics and current market conditions, the appraiser(s) should employ a reasonable marketing period. The report should detail existing market conditions and assumptions considered relevant.

(12) Photographs. Provide good quality color photographs of the subject Property (front, rear, and side elevations, on-site amenities, interior of typical Units if available).

Photographs should be properly labeled. Photographs of the neighborhood, street scenes, and comparables should be included. An aerial photograph is desirable but not mandatory.

(d) Additional Appraisal Concerns. The appraiser(s) must be aware of the Department program rules and guidelines and the appraisal must include analysis of any impact to the subject's value.

§11.305.Environmental Site Assessment Rules and Guidelines.

(a) General Provisions. The Environmental Site Assessments (ESA) prepared for the Department must be conducted and reported in conformity with the standards of the American Society for Testing and Materials (ASTM). The initial report must conform with the Standard Practice for Environmental Site Assessments: Phase I Assessment Process (ASTM Standard Designation: E1527-13 or any subsequent standards as published). Any subsequent reports should also conform to ASTM standards and such other recognized industry standards as a reasonable person would deem relevant in view of the Property's anticipated use for human habitation. The ESA shall be conducted by a Third Party environmental professional at the expense of the Applicant, and addressed to the Department as a User of the report (as defined by ASTM standards). Copies of reports provided to the Department which were commissioned by other financial institutions must either address Texas Department of Housing and Community Affairs as a co-recipient of the report or letters from both the provider and the recipient of the report may be submitted extending reliance on the report to the Department. The ESA report must also include a statement that the person or company preparing the ESA report will not materially benefit from the Development in any other way than receiving a fee for performing the ESA, and that the fee is in no way contingent upon the outcome of the assessment. The report must also include the following statement, "any person signing this Report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law." The ESA report must contain a statement indicating the report preparer has read and understood the requirements of this section.

(b) In addition to ASTM requirements, the report must:

(1) State if a noise study is recommended for a property in accordance with current HUD guidelines and identify its proximity to industrial zones, major highways, active rail lines, civil and military airfields, or other potential sources of excessive noise;

(2) Provide a copy of a current survey, if available, or other drawing of the site reflecting the boundaries and adjacent streets, all improvements on the site, and any items of concern described in the body of the ESA or identified during the physical inspection;

(3) Provide a copy of the current FEMA Flood Insurance Rate Map showing the panel number and encompassing the site with the site boundaries precisely identified and superimposed on the map;

(4) If the subject Development Site includes any improvements or debris from pre-existing improvements, state if testing for Lead Based Paint or asbestos containing materials would be required pursuant to local, state, and federal laws, or recommended due to any other consideration;

(5) State if testing for lead in the drinking water would be required pursuant to local, state, and federal laws, or recommended due to any other consideration such as the age of pipes and solder in existing improvements. For all Rehabilitation Developments, the ESA provider must state whether the on-site plumbing is a potential source of lead in drinking water;

(6) Assess the potential for the presence of Radon on the Development Site, and recommend specific testing if necessary;

(7) Identify and assess the presence of oil, gas or chemical pipelines, processing facilities, storage facilities or other potentially hazardous explosive activities (does not include liquified petroleum gas containers with a capacity of less than 125 gallons on-site or within 0.25 miles of the site that could potentially adversely impact the Development. Location of these items must be shown on a drawing or map in relation to the Development Site and all existing or future improvements. The drawing must depict any blast zones (in accordance with HUD guidelines) and include HUD blast zone calculations; and

(8) Include a vapor encroachment screening in accordance with the ASTM "Standard Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transactions" (E2600-10 or any subsequent standards as published).

(c) If the report recommends further studies or establishes that environmental hazards currently exist on the Property, or are originating off-site, but would nonetheless affect the Property, the Development Owner must act on such a recommendation, or provide a plan for either the abatement or elimination of the hazard. Evidence of action or a plan for the abatement or elimination of the hazard must be presented upon Application submittal.

(d) For Developments in programs that allow a waiver of the Phase I ESA such as an existing USDA funded Development, the Development Owners are hereby notified that it is their responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements.

(e) Those Developments which have or are to receive first lien financing from HUD may submit HUD's environmental assessment report, provided that it conforms to the requirements of this section.

§11.306.Scope and Cost Review Guidelines.

(a) General Provisions. The objective of the Scope and Cost Review Report (SCR) required for Rehabilitation Developments (excluding Reconstruction) and Adaptive Reuse Developments is to provide a self-contained report that provides a comprehensive description and evaluation of the current conditions of the Development and identifies a scope of work for the proposed repairs, replacements and improvements to an existing multifamily property or identifies a scope of work for the conversion of a non-multifamily property to multifamily use. The SCR author must evaluate the sufficiency of the Applicant's scope of work and provide an independent review of the Applicant's proposed costs. The report must be in sufficient detail for the Underwriter to fully understand all current conditions, scope of work and cost estimates. It is the responsibility of the Applicant to ensure that the scope of work and cost estimates submitted in the Application is provided to the author. The SCR must include a copy of the Development Cost Schedule submitted in the Application. The report must also include the following statement, "any person signing this Report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law."

(b) For Rehabilitation Developments, the SCR must include analysis in conformity with the ASTM "Standard Guide for Property Condition Assessments. Baseline Property Condition Assessment Process (ASTM Standard Designation: E 2018, or any subsequent standards as published)" except as provided for in subsections (f) and (g) of this section.

(c) The SCR must include good quality color photographs of the subject Real Estate (front, rear, and side elevations, on-site amenities, interior of the structure). Photographs should be properly labeled.

(d) The SCR must also include discussion and analysis of:

(1) Description of Current Conditions. For both Rehabilitation and Adaptive Reuse, the SCR must contain a detailed description with good quality photographs of the current conditions of all major systems and components of the Development regardless of whether the system or component will be removed, repaired or replaced. For historic structures, the SCR must contain a description with photographs of each aspect of the building(s) that qualifies it as historic and must include a narrative explaining how the scope of work relates to maintaining the historic designation of the Development. Replacement or relocation of systems and components must be described;

(2) Description of Scope of Work. The SCR must provide a narrative of the consolidated scope of work either as a stand-alone section of the report or included with the description of the current conditions for each major system and components. Any New Construction must be described. Plans or drawings (that are in addition to any plans or drawings

otherwise required by rule) and that relate to any part of the scope of work should be included, if available;

(3) Useful Life Estimates. For each system and component of the property the SCR must estimate its remaining useful life, citing the basis or the source from which such estimate is derived;

(4) Code Compliance. The SCR must document any known violations of any applicable federal, state, or local codes. In developing the cost estimates specified herein, it is the responsibility of the Applicant to ensure that the SCR adequately considers any and all applicable federal, state, and local laws and regulations which are applicable and govern any work and potentially impact costs. For Applications requesting Direct Loan funding from the Department, the SCR author must include a comparison between the local building code and the International Existing Building Code of the International Code Council;

(5) Program Rules. The SCR must assess the extent to which any systems or components must be modified, repaired, or replaced in order to comply with any specific requirements of the housing program under which the Development is proposed to be financed, the Department's Uniform Physical Condition Standards, and any scoring criteria including amenities for which the Applicant may claim points. It is the responsibility of the Applicant to inform the report author of those requirements in the scope of work; for Direct Loan Developments this includes, but is not limited to the requirements in the Lead-Based Paint Poisoning Prevention Act (42 USC §§4821-4846), the Residential Lead- Based Paint Hazard Reduction Act of 1992 (42 USC §§4851-4856), and implementing regulations, Title X of the 1992 Housing and Community Development Act at 24 CFR Part 35 (including subparts A, B, J, K, and R), and the Lead: Renovation, Repair, and Painting Program Final Rule and Response to Children with Environmental Intervention Blood Lead Levels (40 CFR Part 745);

(6) Accessibility Requirements. The SCR report must include an analysis of compliance with the Department's accessibility requirements pursuant to Chapter 1, Subchapter B and §11.101(b)(8) of this title (relating to Site and Development Requirements and Restrictions) and identify the specific items in the scope of work and costs needed to ensure that the Development will meet these requirements upon Rehabilitation (including conversion and Adaptive Reuse);

(7) Reconciliation of Scope of Work and Costs. The SCR report must include the Department's Scope and Cost Review Supplement (SCR Supplement) with the signature of the SCR author. The SCR Supplement must reconcile the scope of work and costs of the immediate physical needs identified by the SCR author with the Applicant's scope of work and costs. The costs presented on the SCR Supplement must be consistent with both the scope of work and immediate costs identified in the body of the SCR report and the Applicant's scope of work and costs as presented in the Application. Variations between the costs listed on the SCR Supplement and the costs listed in the body of the SCR report or on the Applicant's Development Cost Schedule must be reconciled in a narrative analysis from

the SCR provider. The consolidated scope of work and costs shown on the SCR Supplement will be used by the Underwriter in the analysis to the extent adequately supported in the report; and

(8) Cost Estimates. The Development Cost Schedule and SCR Supplement must include all costs identified below:

(A) Immediately Necessary Repairs and Replacement. For all Rehabilitation developments, and Adaptive Reuse developments if applicable, immediately necessary repair and replacement should be identified for systems or components which are expected to have a remaining useful life of less than one year, which are found to be in violation of any applicable codes, which must be modified, repaired or replaced in order to satisfy program rules, or which are otherwise in a state of deferred maintenance or pose health and safety hazards. The SCR must provide a separate estimate of the costs associated with the repair, replacement, or maintenance of each system or component which is identified as being an immediate need, citing the basis or the source from which such cost estimate is derived.

(B) Proposed Repair, Replacement, or New Construction. If the development plan calls for additional scope of work above and beyond the immediate repair and replacement items described in subparagraph (A) of this paragraph, the additional scope of work must be evaluated and either the nature or source of obsolescence to be cured or improvement to the operations of the Property discussed. The SCR must provide a separate estimate of the costs associated with the additional scope of work, citing the basis or the source from which such cost estimate is derived.

(C) Reconciliation of Costs. The combined costs described in subparagraphs (A) and (B) of this paragraph should be consistent with the costs presented on the Applicant's Development Cost Schedule and the SCR Supplement.

(D) Expected Repair and Replacement Over Time. The term during which the SCR should estimate the cost of expected repair and replacement over time must equal the lesser of 30 years or the longest term of any land use or regulatory restrictions which are, or will be, associated with the provision of housing on the Property. The SCR must estimate the periodic costs which are expected to arise for repairing or replacing each system or component or the property, based on the estimated remaining useful life of such system or component as described in paragraph (1) of this subsection adjusted for completion of repair and replacement immediately necessary and proposed as described in subparagraphs (A) and (B) of this paragraph. The SCR must include a separate table of the estimated long term costs which identifies in each line the individual component of the property being examined, and in each column the year during the term in which the costs are estimated to be incurred for a period and no less than 30 years. The estimated costs for future years should be given in both present dollar values and anticipated

future dollar values assuming a reasonable inflation factor of not less than 2.5% per annum.

(e) Any costs not identified and discussed in sufficient detail in the SCR as part of subsection (d)(6), (d)(8)(A) and (d)(8)(B) of this section will not be included in the underwritten Total Development Cost in the Report.

(f) If a copy of such standards or a sample report have been provided for the Department's review, if such standards are widely used, and if all other criteria and requirements described in this section are satisfied, the Department will also accept copies of reports commissioned or required by the primary lender for a proposed transaction, which have been prepared in accordance with:

(1) Fannie Mae's criteria for Physical Needs Assessments;

(2) Federal Housing Administration's criteria for Project Capital Needs Assessments;

(3) Freddie Mac's guidelines for Engineering and Property Condition Reports; and

(4) USDA guidelines for Capital Needs Assessment.

(g) The Department may consider for acceptance reports prepared according to other standards which are not specifically named in this section, if a copy of such standards or a sample report have been provided for the Department's review, if such standards are widely used, and if all other criteria and requirements described in this section are satisfied.

(h) The SCR shall be conducted by a Third Party at the expense of the Applicant, and addressed to Texas Department of Housing and Community Affairs as the client. Copies of reports provided to the Department which were commissioned by other financial institutions should address Texas Department of Housing and Community Affairs as a co-recipient of the report, or letters from both the provider and the recipient of the report should be submitted extending reliance on the report to Texas Department of Housing and Community Affairs.

(i) The SCR report must include a statement that the individual or company preparing the SCR report will not materially benefit from the Development in any other way than receiving a fee for performing the SCR. Because of the Department's heavy reliance on the independent cost information, the provider must not be a Related Party to or an Affiliate of any other Development Team member. The SCR report must contain a statement indicating the report preparer has read and understood the requirements of this section.

(j) Scope of Work Narrative. For Tax-Exempt Bond Developments that do not include a request for Direct Loan or where the Department is not the bond issuer, a Scope and Cost Review prepared by a Third Party is not required. The application must provide a Scope of Work Narrative, consisting of:

(1) A detailed description of the current conditions of all major systems and components of the Development regardless of whether the system or component will be removed, repaired or replaced;

(2) For historic structures, a description of each aspect of the building(s) that qualifies it as historic, including a narrative explaining how the scope of work relates to maintaining the historic designation of the Development; and

(3) a narrative of the consolidated scope of work for the proposed rehabilitation for each major system and components.

SUBCHAPTER E. FEE SCHEDULE, APPEALS, AND OTHER PROVISIONS

10 TAC §§11.901 - 11.907

§11.901.Fee Schedule.

Any unpaid fees, as stated in this section, will cause an Applicant to be ineligible to apply for Department funding, ineligible to receive additional Department funding associated with a

Commitment, Determination Notice or Contract, and ineligible to submit extension requests, ownership transfers, and Application amendments until such time the Department receives payment. Payments of the fees shall be in the form of a check and to the extent there are insufficient funds available, it may cause the Application, Commitment, Determination Notice or Contract to be terminated or Allocation rescinded. Other forms of payment may be considered on a case-by-case basis. Applicants will be required to pay any insufficient payment fees charged to the Department by the State Comptroller. The Executive Director may extend the deadline for specific extenuating and extraordinary circumstances, unless prohibited by other parts of this chapter, provided the Applicant submits a written request for an extension to a fee deadline no later than five business days prior to the deadline associated with the particular fee. For any payment that must be submitted in accordance with this chapter, staff may grant relief of the associated deadline for that payment for unusual or unpredictable circumstances that are outside of the Applicant's control such as inclement weather or failed deliveries. Applicants must submit any payment due under this chapter and operate under the assumption that the deadline for such payment is final.

(1) Competitive Housing Tax Credit Pre-Application Fee. A pre-application fee, in the amount of $10 per Unit, based on the total number of Units reflected in the pre-application, must be submitted with the pre-application in order for the pre-application to be considered accepted by the Department. Pre-applications in which a Community Housing Development Corporation (CHDO) or a private Qualified Nonprofit Organization intends to serve as the Managing General Partner of the Development Owner, or Control the Managing General Partner of the Development Owner, may be eligible to receive a discount of 10% off the calculated pre-application fee provided such documentation is submitted with the fee. (§2306.6716(d))

(2) Refunds of Competitive HTC Pre-application Fees. (§2306.6716(c)) Upon written request from the Applicant, the Department shall refund the balance of the pre-application fee for a Competitive HTC pre-application that is withdrawn by the Applicant and that is not fully processed by the Department. The amount of refund will be commensurate with the level of review completed. Initial processing will constitute 50% of the review, threshold review prior to a deficiency being issued will constitute 30% of the review, and review after deficiencies are submitted and reviewed will constitute 20% of the review. In no instance will a refund of the pre-application fee be made after the Full Application Delivery Date for a pre-application that was fully submitted.~~.~~

(3) Application Fee. Each Application must be accompanied by an Application fee.

(A) Housing Tax Credit Applications. For Applicants having submitted a Competitive Housing Tax Credit pre-application which met the pre-application threshold requirements, and for which a pre-application fee was paid, the Application fee will be $20 per Unit based on the total number of Units in the full Application. Otherwise, the Application fee will be $30 per Unit based on the total number of Units in the full Application. Applications in which a CHDO or Qualified Nonprofit Organization intends to serve as the Managing General Partner of the Development Owner, or Control the Managing General Partner of the Development

Owner, may be eligible to receive a discount of 10% off the calculated Application fee, provided such documentation is submitted with the fee. (§2306.6716(d))

(B) Direct Loan Applications. The fee will be $1,000 per Application except for those Applications that are layered with Housing Tax Credits and submitted simultaneously with the Housing Tax Credit Application. Pursuant to Tex. Gov't Code §2306.147(b), the Department is required to waive Application fees for private nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services and if Direct Loan funds are awarded. In lieu of the Application fee, these organizations must include proof of their exempt status and a description of their supportive services as part of the Application. The Application fee is not a reimbursable cost under the Direct Loan Program.

(4) Refunds of Application Fees. Upon written request from the Applicant, the Department shall refund the balance of the Application fee for an Application that is withdrawn by the Applicant and that is not fully processed by the Department. The withdrawal must occur prior to any Board action regarding eligibility or appeal. The amount of refund will be commensurate with the level of review completed. Initial processing will constitute 10% of the review, the site visit will constitute 10% of the review, program evaluation review will constitute 40% of the review, and the underwriting review will constitute 40% of the review. For Competitive HTC Applications, in no instance will a refund of the Application fee be made after final awards are made in July.

(5) Third Party Underwriting Fee. Applicants will be notified in writing prior to the evaluation in whole or in part of a Development by an independent external underwriter if such a review is required. The fee must be received by the Department prior to the engagement of the underwriter. The fees paid by the Development Owner to the Department for the external underwriting will be credited against the Commitment or Determination Notice Fee, as applicable, established in paragraphs (6) and (7) of this section, in the event that a Commitment or Determination Notice is issued by the Department to the Development Owner.

(6) Housing Tax Credit Commitment Fee. No later than the expiration date in the Commitment, a fee equal to 4% of the annual Housing Credit Allocation amount must be submitted. If the Development Owner has paid the fee and returns the credits by November 1 of the current Application Round, then a refund of 50% of the Commitment Fee may be issued upon request.

(7) Tax Exempt Bond Development Determination Notice Fee. No later than the expiration date in the Determination Notice, unless an extension was requested, a fee equal to 4% of the annual Housing Credit Allocation amount must be submitted. If the Development Owner has paid the fee and is not able close on the bonds, then a refund of 50% of the Determination Notice Fee may be issued upon request, but generally no later than 90 days after the Certificate of Reservation deadline. ~~The refund must be requested no later than 30 days after the Certificate of Reservation expiration deadline.~~

(8) Tax-Exempt Bond Credit Increase Request Fee. Requests for increases to the credit amounts to be issued on IRS Forms 8609 than what was reflected in the Determination Notice for Tax-Exempt Bond Developments must be submitted with a fee equal to 4% of the amount of the credit increase for one year.

(9) Extension Fees. All extension requests for deadlines relating to the Carryover, 10% Test (submission and expenditure), Construction Status Reports, or Cost Certification requirements submitted at least 30 calendar days in advance of the applicable original deadline will not be required to submit an extension fee. Any extension request submitted fewer than 30 days in advance or after the original deadline must be accompanied by an extension fee of $2,500. Fees for each subsequent extension request on the same activity will increase by increments of $500, regardless of whether the first request was submitted thirty (30) calendar days in advance of the applicable deadline. An extension fee will not be required for extensions requested on Developments that involve Rehabilitation when the Department or U.S. Department of Agriculture (USDA) is the primary lender, if USDA or the Department is the cause for the Applicant not meeting the deadline. For each Construction Status Report received after the applicable deadline, extension fees will be automatically due (regardless of whether an extension request is submitted). Unpaid extension fees related to Construction Status Reports will be accrued and must be paid prior to issuance of IRS Forms 8609. For purposes of Construction Status Reports, each report will be considered a separate activity. An extension fee of the deadline to submit the Determination Notice and associated documents will not be required, provided a written request was submitted to the Department.

(10) Amendment Fees. An amendment request for a non-material change that has not been implemented will not be required to pay an amendment fee. Material amendment requests (whether implemented or not), or non-material amendment requests that have already been implemented will be required to submit an amendment fee of $2,500 in order for the request to be processed. Fees for each subsequent amendment request related to the same Application will increase by increments of $500. A subsequent request, related to the same Application, regardless of whether the first request was non-material and did not require a fee, must include a fee of $3,000. Amendment fees and fee increases are not required for the Direct Loan programs during the Federal Affordability Period.

(11) Right of First Refusal Fee. Requests for approval of the satisfaction of the Right of First Refusal provision of the Land Use Restriction Agreement (LURA) must be accompanied by a non-refundable fee of $2,500.

(12) Qualified Contract Pre-Request Fee. A Development Owner must file a preliminary Qualified Contract Request to confirm eligibility to submit a Qualified Contract request. The Pre-Request must be accompanied by a non-refundable processing fee of $250.

(13) Qualified Contract Fee. Upon eligibility approval of the Qualified Contract Pre-Request, the Development Owner may file a Qualified Contract Request. Such request must be accompanied by a non-refundable processing fee of $3,000.

(14) Ownership Transfer Fee. Requests to approve an ownership transfer must be accompanied by a non-refundable processing fee of $1,000. Ownership Transfer fees are not required for Direct Loan only Developments during the Federal Affordability Period. For Developments that were previously issued bonds by the Department and for which an Assignment, Assumption, and Consent Agreement will need to be executed, the ownership transfer must be accompanied by a written acknowledgement that the requestor will be responsible for the costs incurred by TDHCA for preparation of documents by outside bond counsel.

(15) Unused Credit or Penalty Fee for Competitive HTC Applications. Development Owners who have more tax credits allocated to them than they can substantiate through Cost Certification will return those excess tax credits prior to issuance of IRS Form 8609. A penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of IRS Form 8609 if the tax credits are not returned, and 8609's issued, within 180 days of the end of the first year of the credit period. This penalty fee may be waived without further Board action if the Department recaptures and re-issues the returned tax credits in accordance with Code, §42. If an Applicant returns a full credit allocation after the Carryover Allocation deadline required for that allocation, the Executive Director may recommend to the Board the imposition of a penalty on the score for any Competitive Housing Tax Credit Applications submitted by that Applicant or any Affiliate for any Application in an Application Round occurring concurrent to the return of credits as further provided for in §11.9(f) of this chapter (relating to Factors Affecting Scoring and Eligibility in current and future Application Rounds), or if no Application Round is pending, the Application Round immediately following the return of credits. If any such point penalty is recommended to be assessed and presented for final determination by the Board, it must include notice from the Department to the affected party not less than 14 calendar days prior to the scheduled Board meeting. The Executive Director may, but is not required to, issue a formal notice after disclosure if it is determined that the matter does not warrant point penalties.

(16) Compliance Monitoring Fee. Upon receipt of the cost certification for HTC Developments, HTC Developments that are layered with Direct Loan funds, or upon the completion of the Development Period and the beginning of the repayment period for Direct Loan only Developments, the Department will invoice the Development Owner for compliance monitoring fees. For HTC only the amount due will equal $40 per low-income unit. For Direct Loan Only Developments the fee will be $34 per Direct Loan Units, including HOME Match Eligible Units. Developments with both HTCs and Direct Loan, including HOME Match Eligible Units, will only pay one fee equal to $40 per low income unit. Existing HTC developments with a Land Use Restriction Agreement that require payment of a compliance monitoring fee that receive a second allocation of credit will pay only one fee; the fee required by the original Land Use Restriction Agreement will be disregarded. For HTC Developments, the fee will be collected, retroactively if applicable, beginning with the first year of the credit period. For Direct Loan only Developments, the fee will be collected beginning with the first year of after Project Completion. The invoice must be paid prior to the issuance of IRS Form 8609 for HTC

properties. For Direct Loan only Developments, the fee must be paid prior to the release of final retainage. Subsequent anniversary dates on which the compliance monitoring fee payments are due shall be determined by the month the first building is placed in service. Compliance fees may be adjusted from time to time by the Department.

(17) Public Information Request Fee. Public information requests are processed by the Department in accordance with the provisions of Tex. Gov't Code, Chapter 552. The Department uses the guidelines promulgated by the Office of the Attorney General to determine the cost of copying and other costs of production.

(**18) Adjustment of Fees by the Department and Notification of Fees.** (§2306.6716(b)) All fees charged by the Department in the administration of the Housing Tax Credit and Direct Loan programs may be revised by the Department from time to time as necessary to ensure that such fees compensate the Department for its administrative costs and expenses. Unless otherwise determined by the Department, all revised fees shall apply to all Applications in process and all Developments in operation at the time of such revisions.

§11.902.Appeals Process.

(a) For Competitive HTC Applications, an Applicant or Development Owner may appeal decisions made by the Department pursuant to Tex. Gov't Code §2306.0321 and §2306.6715 using the process identified in this section. For Tax-Exempt Bond Developments and Direct Loan Developments (not layered with a Competitive HTC Application), an Applicant or Development Owner may appeal decisions made by the Department pursuant to §1.7 of this title (relating to Appeals). Matters that can be appealed include:

(1) A determination regarding the Application's satisfaction of applicable requirements, Subchapter B of this chapter (relating to Site and Development Requirements and Restrictions) and Subchapter C of this chapter (relating to Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules for Applications), pre-application threshold criteria, and underwriting criteria;

(2) The scoring of the Application under the applicable selection criteria;

(3) A recommendation as to the amount of Department funding to be allocated to the Application;

(4) Misplacement of an Application or parts of an Application, mathematical errors in scoring an Application, or procedural errors resulting in unequal consideration of the Applicant's proposal;

(5) Denial of a requested change to a Commitment or Determination Notice;

(6) Denial of a requested change to a loan agreement;

(7) Denial of a requested change to a LURA;

(8) Any Department decision that results in the termination or change in set-aside of an Application; and

(9) Any other matter for which an appeal is permitted under this chapter.

(b) An Applicant or Development Owner may not appeal a decision made regarding an Application filed by or an issue related to another Applicant or Development Owner.

(c) An Applicant or Development Owner must file its appeal in writing with the Department not later than the seventh calendar day after the date the Department publishes the results of any stage of the Application evaluation or otherwise notifies the Applicant or Development Owner of a decision subject to appeal. The appeal must be made by a Person designated to act on behalf of the Applicant or an attorney that represents the Applicant. For Application related appeals, the Applicant must specifically identify the Applicant's grounds for appeal, based on the original Application and additional documentation filed with the original Application as supplemented in accordance with the limitations and requirements of this chapter.

(d) The Executive Director may respond in writing not later than 14 calendar days after the date of actual receipt of the appeal by the Department. If the Applicant is not satisfied with the Executive Director's response to the appeal or the Executive Director does not respond, the Applicant may appeal directly in writing to the Board. While information can be provided in accordance with any rules related to public comment before the Board, full and complete explanation of the grounds for appeal and circumstances warranting the granting of an appeal must be disclosed in the appeal documentation filed with the Executive Director.

(e) An appeal filed with the Board must be received in accordance with Tex. Gov't Code §2306.6715(d).

(f) If there is insufficient time for the Executive Director to respond to a Competitive Housing Tax Credit Application appeal prior to the agenda being posted for the July Board meeting at which awards from the Application Round will be made, the appeal may be posted to the Board agenda prior to the Executive Director's issuance of a response.

(g) Board review of an Application related appeal will be based on the original Application. A witness in an appeal may not present or refer to any document, instrument, or writing not already contained within the Application as reflected in the Department's records.

(h) The decision of the Board regarding an appeal is the final decision of the Department.

(i) The Department will post to its website an appeal filed with the Department or Board and any other document relating to the processing of an Application related appeal. (§2306.6717(a)(5))

§11.903.Adherence to Obligations. (§2306.6720).

Any Applicant, Development Owner, or other Person that fails to adhere to its obligations with regard to the programs of the Department, whether contractual or otherwise, made false or misleading representations to the Department with regard to an Application, request for funding, or compliance requirements, or otherwise violated a provision of Tex. Gov't Code, Chapter 2306 or a rule adopted under that chapter, may be subject to:

(1) Assessment of administrative penalties in accordance with Chapter 2, Subchapter C of this title (relating to Administrative Penalties) the Department's rules regarding the assessment of such penalties. Each day the violation continues or occurs is a separate violation for purposes of imposing a penalty; or

(2) In the case of the competitive Low Income Housing Tax Credit Program, a point reduction for any Application involving that Applicant over the next two Application Rounds succeeding the date on which the Department first gives written notice of any such failure to adhere to obligations or false or misleading representations. Point reductions under this section may be appealed to the Board.

§11.904.Alternative Dispute Resolution (ADR) Policy.

In accordance with Tex. Gov't Code §2306.082, it is the Department's policy to encourage the use of appropriate ADR procedures under the Governmental Dispute Resolution Act, Tex. Gov't Code, Chapter 2010, to assist in resolving disputes under the Department's jurisdiction, as provided for in §1.17 of this title (relating to Alternative Dispute Resolution).

§11.905.General Information for Commitments or Determination Notices.

(a) A Commitment or Determination Notice shall not be issued with respect to any Development for an unnecessary amount in accordance with §42(m)(2)(A) or where the cost for the total development, acquisition, construction or rehabilitation exceeds the limitations established by the Department and the Board.

(b) All Commitments or Determination Notices, whether reflected in the Commitment or Determination Notice or not, are made subject to full compliance with all applicable provisions of law and the Department's rules, all provisions of Commitment, Determination Notice, and Contract, satisfactory completion of underwriting, and satisfactory resolution of any conditions of underwriting, award, and administrative deficiencies.

(c) The Department shall notify, in writing, the mayor, county judge, or other appropriate official of the municipality or county, as applicable, in which the Development is located informing him/her of the Board's issuance of a Commitment Notice, as applicable.

(d) The Department may cancel a Commitment, Determination Notice or Carryover Allocation prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or completion of construction with respect to a Development and/or apply administrative penalties if:

(1) The Applicant, Development Owner, or the Development, as applicable, fails after written notice and a reasonable opportunity to cure, to meet any of the conditions of such Commitment, Determination Notice or Carryover Allocation or any of the undertakings and commitments made by the Development Owner in the Application process for the Development;

(2) Any material statement or representation made by the Development Owner or made with respect to the Development Owner or the Development is untrue or misleading;

(3) An event occurs with respect to the Applicant or the Development Owner which would have made the Application ineligible for funding pursuant to Subchapter C of Chapter 11 of this title (relating to Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules) if such event had occurred prior to issuance of the Commitment, Determination Notice or Carryover Allocation; or

(4) The Applicant, Development Owner, or the Development, as applicable, fails after written notice and a reasonable opportunity to cure, to comply with this chapter or other applicable Department rules, procedures, or requirements of the Department.

§11.906.Commitment and Determination Notice General Requirements and Required Documentation.

(a) Commitment. For Competitive HTC Developments, the Department shall issue a Commitment to the Development Owner which shall confirm that the Board has approved the Application and state the Department's commitment to make a Housing Credit Allocation to the Development Owner in a specified amount, subject to the feasibility determination described in Chapter 11, Subchapter D of this title (relating to Underwriting and Loan Policy) and the determination that the Development satisfies the requirements of this chapter and other applicable Department rules. The Commitment shall expire on the date specified therein, which shall be 30 calendar days from the effective date, unless the Development Owner indicates acceptance by executing the Commitment, pays the required fee specified in §11.901 of this chapter (relating to Fee Schedule), and satisfies any conditions set forth therein by the Department. The Commitment expiration date may not be extended.

(b) Determination Notices. For Tax Exempt Bond Developments, the Department shall issue a Determination Notice which shall confirm that the Development satisfies the requirements of this chapter as applicable and other applicable Department rules in accordance with the §42(m)(1)(D) of the Internal Revenue Code (the Code). The Determination Notice shall ~~also~~ state the Department's determination of a specific amount of housing tax credits that the Development may be eligible for, subject to the requirements set forth in the Department's rules, as applicable. The Determination Notice shall expire on the date specified therein, which shall be 30 calendar days from the effective date, unless the Development Owner indicates acceptance by executing the Determination Notice, pays the required fee specified in Chapter 11, Subchapter E of this title, and satisfies any conditions set forth therein by the Department. For Tax-Exempt Bond Developments utilizing a local issuer, the Determination Notice expiration date may be extended for a period not to exceed 5 calendar days, upon request. For Tax-Exempt Bond Developments utilizing TDHCA as the bond issuer, the expiration date may be extended to coincide with the closing date. If the requirements of the Determination Notice, and any conditions of the Determination Notice are met, the Determination Notice shall be valid for a period of one year from the effective date of the Determination Notice, without distinction between a Certificate of Reservation or Traditional Carryforward Reservation. The one-year period may be extended for a period not to exceed 6 months, upon request. ~~In instances where the Certificate of Reservation is withdrawn after the Determination Notice has been issued and a new Certification of Reservation is issued, staff will not re-issue the Determination Notice. After one year from the effective date of the Determination Notice, if a new Certificate of Reservation or Traditional Carryforward Reservation is issued, the Applicant will be required to contact the Department in order to have a new Determination Notice issued and a new Application must be submitted. Such Application submission must meet the requirements of §11.201(2) of this chapter (relating to Procedural Requirements for Application Submission). If more than a year has not passed from the effective date of the Determination Notice, yet~~ Should an Applicant desire~~s~~ to have a new Determination Notice issued that reflects a different recommended credit amount, then a new Application must be submitted that meets the requirements of §11.201(2) of this chapter.

(c) Documentation Submission Requirements at Commitment of Funds. No later than the expiration date of the Commitment (or no later than December 31 for Competitive HTC Applications, whichever is earlier) or Determination Notice, the documentation described in paragraphs (1) - (7) of this subsection must be provided. Failure to provide these documents may cause the Commitment or Determination Notice to be rescinded.

(1) For entities formed outside the state of Texas, evidence that the entity filed a Certificate of Application for foreign qualification in Texas, a Franchise Tax Account Status from the Texas Comptroller of Public Accounts, and a Certificate of Fact from the Office of the Secretary of State. If the entity is newly registered in Texas and the Franchise Tax Account Status or Certificate of Fact are not available, a statement can be provided to that effect.

(2) For Texas entities, a copy of the Certificate of Filing for the Certificate of Formation from the Office of the Secretary of State; a Certificate of Fact from the Secretary of State, and a

Franchise Tax Account Status from the Texas Comptroller of Public Accounts. If the entity is newly registered and the Certificate of Fact and the Franchise Tax Account Status are not available, a statement can be provided to that effect.

(3) Evidence that the signer(s) of the Commitment or Determination Notice have sufficient authority to sign on behalf of the Applicant in the form of a corporate resolution which indicates the sub-entity in Control consistent with the entity contemplated and described in the Application.

(4) Evidence of final zoning that was proposed or needed to be changed pursuant to the Development plan.

(5) Evidence of satisfaction of any conditions identified in the Credit Underwriting Analysis Report, any conditions provided for in Chapter 1, Subchapter C of this title (relating to the Previous Participation Review, or any other conditions of the award required to be met at Commitment or Determination Notice.

(6) Documentation of any changes to representations made in the Application subject to §10.405 of this title (relating to Amendments and Extensions).

(7) For Applications underwritten with a property tax exemption, documentation must be submitted in the form of a letter from an attorney identifying the statutory basis for the exemption and indicating that the exemption is reasonably achievable, subject to appraisal district review. Additionally, any Development with a proposed Payment in Lieu of Taxes (PILOT) agreement must provide evidence regarding the statutory basis for the PILOT and its terms.

(8) For Competitive HTC Applications, for any documentation that must be submitted in accordance with this section, staff may grant relief of the associated deadline, for unusual or unpredictable circumstances that are outside of the Applicant's control such as inclement weather or failed deliveries. Applicants must submit any payment due under this chapter and operate under the assumption that the deadline for such payment is final.

(d) Post Bond Closing Documentation Requirements. Regardless of the issuer of the bonds, no later than 60 calendar days following closing on the bonds, the Development Owner must submit the documentation in paragraphs (1) - (6) of this subsection.

(1) Training certificate(s) from a Department approved "property owner and manager Fair Housing trainer" showing that the Development Owner and on-site or regional property manager has attended and passed at least five hours of Fair Housing training. The certificate(s) must not be older than three years from the date of submission and must verify that all parts or phases of the offered training have been completed; two certificates supplied for the same part or phase of an offered training will not be counted towards the five hour required minimum, even if they were attended on different dates. The

Development Owner individual reflected on the certificate must be identified on the organizational chart as having Control.

(2) A training certificate from a Department approved "architect and engineer Fair Housing trainer" showing that the lead architect or engineer responsible for certifying compliance with the Department's accessibility and construction standards has attended and passed at least five hours of Fair Housing training. The certificate must not be older than three years from the date of submission and must verify that all parts or phases of the offered training have been completed; two certificates supplied for the same part or phase of an offered training will not be counted towards the five hour required minimum, even if they were attended on different dates.

(3) Evidence that the financing has closed, such as an executed settlement statement.

(4) A confirmation from the Compliance Division evidencing receipt of the CMTS Filing Agreement form pursuant to §10.607(a) of this title (relating to Reporting Requirements).

(5) An initial construction status report consisting of items from 10.401(b)(1)-(6) of this title (relating to Construction Status Reports).

(6) A current survey or plat of the Development Site prepared and certified by a duly licensed Texas Registered Professional Land Surveyor. The survey or plat must clearly delineate the floodplain areas and show all easements recorded against the Property and encroachments.

§11.907.Carryover Agreement General Requirements and Required Documentation.

Carryover (Competitive HTC Only). All Developments that received a Commitment, and will not be placed in service and receive IRS Form(s) 8609 in the year the Commitment was issued, must submit the Carryover documentation, in the form prescribed by the Department in the Carryover Manual, no later than the Carryover Documentation Delivery Date as identified in §11.2 of this title (relating to Program Calendar for Competitive Housing Tax Credits) of the year in which the Commitment is issued pursuant to §42(h)(1)(C) of the Code.

(1) Commitments for credits will be terminated if the Carryover documentation has not been received by this deadline, unless an extension has been approved. This termination is subject to right of appeal directly to the Board, and if so determined by the Board, immediately upon final termination by the Board, staff is directed to award the credits to other qualified Applicants on the approved waiting list.

(2) If the interim or permanent financing structure, syndication rate, amount of debt or syndication proceeds are finalized but different at the time of Carryover from what was proposed in the original Application, applicable documentation of such changes must be provided and the Development may be re-evaluated by the Department for a reduction of credit or change in conditions.

(3) All Carryover Allocations will be contingent upon the Development Owner providing evidence that they have and will maintain Site Control through the 10% Test or through the anticipated closing date, whichever is earlier. For purposes of this paragraph, any changes to the Development Site acreage between Application and Carryover must be addressed by written explanation or, as appropriate, in accordance with §10.405 of this title (relating to Amendments and Extensions).

(4) Confirmation of the right to transact business in Texas, as evidenced by the Franchise Tax Account Status (the equivalent of the prior Certificate of Account Status) from the Texas Comptroller of Public Accounts and a Certificate of Fact from the Office of the Secretary of State must be submitted with the Carryover Allocation.

SUBCHAPTER F. STATE HOUSING TAX CREDITS

10 TAC §11.1001 - 11.1009

§11.1001 General.

(a) This subchapter applies only to ~~2025~~ 2026 State Housing Tax Credits to supplement Competitive HTC awards during the July Board meeting of the Department at which final awards of credits are authorized or to supplement Tax-Exempt Bond Developments.

(b) For Competitive HTC Applications, submissions required to make a request for State Housing Tax Credits are considered a supplement to the original Application. Requests for State Housing Tax Credits are not considered Applications under the ~~2025~~ 2026 HTC Competitive Cycle nor are they part of the ~~2025~~ 2026 Application Round.

(c) For Competitive HTC Applications, an allocation of State Housing Tax Credits will be processed as a Material Amendment to the Application under §10.405 of this title (relating to Amendments and Extensions). No fee shall be charged for this Material Amendment.

(d) For Competitive HTC Applications, revisions to costs included in a request for State Housing Tax Credits will not have an impact on points originally awarded for Costs of Development per Square Foot or Leveraging (§§11.9(e)(2) and (4) of this title, respectively).

(e) Tax-Exempt Bond Developments shall meet the requirements of §11.1009 of this chapter (relating to State Housing Tax Credits for Tax-Exempt Bond Developments).

(f) Developments with HOME funds from the Department or another Participating Jurisdiction, will enter into a Contract and a LURA for HOME Match Eligible Units.

§11.1002 Program Calendar for State Housing Tax Credits Associated with Competitive HTC Applications.

(a) Competitive HTC Deadlines. Non-statutory deadlines specifically listed in the Program Calendar may be extended by the Department for a period of not more than 5 business days provided that the Applicant has, in writing, requested an extension prior to the date of the original deadline and has established to the reasonable satisfaction of the Department that there is good cause for the extension.

Deadline	Documentation Required
2/~~28~~27/~~2025~~2026	Full Application Delivery Deadline, must include completed Intent to Request a State Housing Tax Credit Allocation
~~8/31/2025~~9/4/2026	State Housing Tax Credit Request Form due
~~September~~ December ~~2025~~2026	Allocation Certificates issued

§11.1003 State Housing Tax Credit Allocation Process Associated with Competitive HTC Applications.

(a) Intent to Request State Housing Tax Credit Allocation. Only those Applicants that~~who~~ elect to request an allocation of State Housing Tax Credits from the Department by the Full

Application Delivery Date specified in §11.2(a) or §11.2(b) of this subchapter (relating to Program Calendar) are eligible to submit a Request for State Housing Tax Credits.

(b) Requests for State Housing Tax Credits must be received by the deadline specified in §11.1002 of this subchapter (relating to Program Calendar for State Housing Tax Credits) in the format required by the Department.

(c) Minimum Request Amount. The minimum request amount is $3,000,000.

(d~~c~~) Third Party Requests for Administrative Deficiency. Due to the nature of the State Housing Tax Credit process and reliance on the Original Application and scores, the Third Party Request for Administrative Deficiency process will not be utilized during the State Housing Tax Credit process under this subchapter.

§11.1004 Procedural Requirements for Requests for State Housing Tax Credits Associated with Competitive HTC Applications.

(a) The procedures and requirements of §11.201 of this chapter (relating to Procedural Requirements for Application Submission) will generally apply to Requests for State Housing Tax Credits, unless otherwise specified in this Subchapter.

(b) The Original Application will be relied upon, as deemed final and reviewed by staff as part of the original award; the request for State Housing Tax Credits must only include the items authorized in this subchapter. Architectural drawings, or other documents that relate to changes to the Application other than revisions to the financing structure may not be submitted. The Applicant must submit the required documents as a single PDF document and all spreadsheet exhibits must also be provided in a usable spreadsheet format as further specified in the Department's released materials, which will be incorporated into the Original Application by staff, and become the full Request for State Housing Tax Credits.

§11.1005 Required Documentation for State Housing Tax Credit Request Submission Associated with Competitive HTC Applications.

(a) The purpose of this section is to identify the threshold documentation that is specific to the Request for State Housing Tax Credits submission, unless specifically indicated or otherwise required by Department rule. Only those documents listed herein may be submitted.

(b) Certification, Acknowledgement, and Consent of Development Owner. A certification of the information in this subchapter as well as Subchapter B of this chapter must be executed by the Development Owner and addresses the specific requirements associated with the Development. The Person executing the certification is responsible for ensuring all individuals referenced therein are in compliance with the certification and that they have given it with all

required authority and with actual knowledge of the matters certified. Applicants must certify that there has been no change to the Applicant Eligibility or Original Owner Certification since the Original Application was submitted.

(c) Site Requirements and Restrictions. The Applicant must certify that there have been no changes from the Original Application that would require additional disclosure or mitigation, or render the proposed Development Site ineligible. Any change must be addressed under the requirements of §10.405 of this title (relating to Amendments and Extensions).

(d) Site Control. Applicants must certify that there has been no change to Site Control, other than extensions or purchase by the Applicant, since the Original Application was submitted. If the nature of Site Control has changed, State Housing Tax Credit Request must submit the appropriate documentation as described in §11.204(9) of this chapter.

(e) Zoning. (§2306.6705(5)) If the zoning status of the Development has changed since the Original Application, the Request for State Housing Tax Credits must include all requirements of §11.204(10) of this chapter (relating to Zoning).

(f) Applicants who elect to request an allocation of State Housing Tax Credits must include a term sheet from a syndicator that, at a minimum, includes:

(1) An estimate of the amount of equity dollars expected to be raised for the Development;

(2) The amount of State Housing Tax Credits requested for allocation to the Development Owner

(3) Pay-in schedules;

(4) Syndicator consulting fees and other syndication costs; and

(5) An acknowledgement of the amounts and terms of all other anticipated sources of funds and if the Application reflects an intent to elect income averaging there must be an acknowledgement to that effect in the term sheet.

§11.1006 State Housing Tax Credits Underwriting and Loan Policy Associated with Competitive HTC.

Requests for State Housing Tax Credits will only be reviewed for items addressed in this subchapter. In requests for State Housing Tax Credits the Total Developer Fee and Developer Fee included in Eligible Basis cannot exceed the Developer Fee amounts in the most recently published Real Estate Analysis report for the Application. The Real Estate Analysis Division will publish a memo for the State Housing Tax Credit allocation serving as a supplement to the report for the Original Application.

§11.1007 State Housing Tax Credits Selection Criteria Associated with Competitive HTC Applications.

~~(a)~~ For Qualified Developments not financed through tax exempt bonds, for years in which the Department receives requests for more State Housing Tax Credits than are available, the Department shall prioritize applications proposing the most additional low income Units for households at or below 30% of AMGI relative to the State Housing Tax Credit Request. Units for households at or below 30% of AMGI proposed in the original application shall not be considered. The Department will award based solely upon new Units proposed in exchange for tax credit equity. The initial State Housing Tax Credit award shall be made to the Applicant with the lowest request amount per additional Units provided. Subsequent awards shall be made using the same metric until the Department can no longer fund a full credit request. In the case of a tie, preference shall be determined based upon the Original Application scores under §11.9 and, if applicable, the tie breaker factors established under §11.7.

~~(b) An Application shall be ineligible for selection if the Development is located in an area with any Neighborhood Risk Factor described in §11.101(a)(3), and it did not receive an allocation of federal tax credits under the QAP issued by the department for 2022 or 2023.~~

§11.1008 State Housing Tax Credits for Tax-Exempt Bond Developments.

(a) The request for State Housing Tax Credits shall be reflected in the Uniform Multifamily Application, as prescribed by the Department and further explained in the Multifamily Programs Procedures Manual, and shall include a term sheet from a syndicator that includes the amount of State Housing Tax Credits requested and pricing information.

(b) For Applications that will receive a Certificate of Reservation from the Texas Bond Review Board in January, an Applicant may submit the complete Application (which may or may not include Third Party Reports, as more fully described under §11.201(2) of this chapter (relating to Procedural Requirements for Application Submission)), from January 2 through January 31. The Department shall utilize a first-come, first-served system for establishing priority of requests for the portion of the State Housing Tax Credit available for Tax-Exempt Bond Developments.

(c) Once the number of Applications submitted exceed the amount of State Housing Tax Credits for Tax-Exempt Bond Developments the Department can allocate, Applicants for those Applications will be provided notice to that effect and be given the opportunity to modify their Application through the Administrative Deficiency process to exclude the request for the State Housing Tax Credit.

(d) Should there be an amount of State Housing Tax Credits to allocate to an Application and that Application is withdrawn or terminated, or the Certificate of Reservation is withdrawn

from the Bond Review Board, the next Application in line, based on the received date will be notified that their Application will be underwritten with the State Housing Tax Credit. Alternatively, in cases where staff can make seamless adjustments to other line items to account for the lack of State HTC, staff may make such adjustments automatically and notify the Applicant accordingly.

(e) Applications submitted after January 31 and for which a Certificate of Reservation has been issued, may include a request for State Housing Tax Credits only if the Department has not reached the maximum amount of State Housing Tax Credits to allocate for Tax-Exempt Bond Developments.

(f) Qualified Developments will be issued an Allocation Certificate, pursuant to Tex. Gov't Code Chapters 171 and 233 -that will reflect the State Housing Tax Credit Amount recommended by the Department.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1149 **Agenda Date:** 9/4/2025 **Agenda #:** 28.

Presentation, discussion, and possible action regarding an appeal of the termination of a loan Application for Braniff Lofts

RECOMMENDED ACTION

WHEREAS, the Governing Board approved the release of an Invitation to Apply on March 6, 2025, which made available $10 million in Tax Credit Assistance Program Repayment Funds (TCAP-RF) as loans to certain qualifying Developments;

WHEREAS, the Invitation required that any loan made under it carry a 2% interest rate and be fully amortizing, with no option for deferred or forgivable loan terms;

WHEREAS, Braniff Lofts applied for a $10 million loan from the Invitation; however, the Development is only feasible if the loan is deferred with no annual debt service;

WHEREAS, staff terminated the Application because it is facially infeasible under the terms of the Invitation;

WHEREAS, the Applicant timely appealed this termination, agreeing that the Development cannot support the $10 million loan with the loan terms required by the Invitation, and instead requesting that the Invitation be amended to allow for the requested loan terms; and

WHEREAS, while the Board could direct staff to issue a new Invitation to Apply with the requested loan terms, this would be a separate matter from the current termination;

NOW, therefore, it is hereby

RESOLVED, that the appeal of the termination of the loan application for Braniff Lofts is denied.

BACKGROUND

The Governing Board approved the release of an Invitation to Apply on March 6, 2025, which made available $10 million in Tax Credit Assistance Program Repayment Funds (TCAP-RF) as loans to certain qualifying Development. An Applicant submitted Braniff Lofts in response to this Invitation, requesting $10 million for the Adaptive Reuse of a historic building in Dallas to provide 48 Units of Supportive Housing. The funding stack was completed with a permanent loan from the City of Dallas, federal and state historic tax credits, and a $20 million bond reservation.

The Invitation stipulated that any loan made under it carry a 2% interest rate and be fully

amortizing, with no option for deferred or forgivable loan terms. The Application for Braniff Lofts requested a loan at 2% interest, but with no annual debt service. The Invitation does not allow for any deferred or forgivable loan terms. When fully amortizing the loan as required under the Invitation, the Application is facially infeasible. Because of this, staff terminated the loan Application, which the Developer timely appealed.

The appeal does not dispute that the Application is infeasible under the required terms of the Invitation; rather, it requests that the Board amend the Invitation to allow for the requested loan terms. Because the Invitation has already closed, it is not possible to amend it. The Board could direct staff to issue a new Invitation with the requested loan terms or with other loan terms suggested by the Board, in which case, that Invitation would be presented for approval at the October meeting. Such direction would have no bearing on the current item.

Because the Application is infeasible under the Invitation, staff recommends that the Board deny the appeal.

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BRANIFF LOFTS LP

August 27, 2025

Cody Campbell
TDHCA Multifamily Director
221 East 11th St.
Austin, TX 78711

RE: Appeal of Termination of Braniff Lofts TCAP-RF Application (TDHCA #25507)

Mr. Campbell,

Please consider this an appeal of the above referenced termination for Braniff Lofts. Per the termination letter, Application for Braniff Lofts requested $10 million at 2% interest, but with no annual debt service. Staff contends that when fully amortizing the loan as required, the Application is infeasible.

We agree that the requirement to debt service the loan does not work for a Supportive Housing deal like Braniff Lofts. In fact, it seems that in the history of TDHCA funding of approximately 34 Supportive Housing developments only one deal looks to have been required to actually pay a debt service to TDHCA as part of the financial structure.

Prior to the 2025-1 NOFA, MFDL funds from 2020-2022 had special set asides or allowances for Supportive Housing deals and their unique circumstances/needs with regard to debt financing -- either as differed-forgivable, differed-payable, cashflow, or zero percent loans, or "as required to optimize assistance to the development as recommended by REA." Unfortunately, the 2025-1 NOFA does not contain this language. Without these allowances, a Supportive Housing deal cannot realistically use these funds.

To ensure that those Texans with the highest need are served, a primary goal of the Department, we respectfully request that an Amendment to the NOFA be approved and published. This Amendment would include language and terms that will allow Supportive Housing developments to utilize the NOFA funds and meet their specific financing needs including deferred-forgivable, deferred-payable, cashflow, or zero percent loans, or other structures as required to optimize assistance to the development. We request that Braniff Lofts be reinstated so that it may have access to these funds.

Sincerely,

Jessica Krochtengel

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

BOARD MEMBERS
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Kenny Marchant, *Vice Chair*
Cindy Conroy, Member
Anna Maria Farías, Member
Holland Harper, Member
Ajay Thomas, Member

August 25, 2025

Writer's direct dial: 512-475-1676
Email: cody.campbell@tdhca.texas.gov

Jessica Krochtengel
901 S Mopac Expressway
Building 5, Suite 100
Austin, Texas 78746

RE: Termination of Braniff Lofts TCAP-RF Application (TDHCA #25507)

Mrs. Krochtengel:

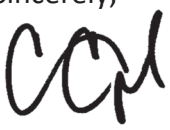
The Texas Department of Housing and Community Affairs (Department) received the Application named above on April 16, 2025. The Application was submitted under an Invitation to Apply that was approved by the Department's Governing Board on March 6, 2025, which made available $10,000,000 in Tax Credit Assistance Program Repayment Funds (TCAP-RF) available to qualifying Developments.

The Invitation to Apply required that any loans made under it be fully amortizing at 2% interest. The Application for Braniff Lofts requests $10 million at 2% interest, but with no annual debt service. When fully amortizing the loan as required under the Invitation, the Application is facially infeasible. Because of this, the TCAP-RF Application is terminated. This termination does not affect any other financing that may be in place for the Development.

An appeal process is available regarding this determination. The restrictions and requirements related to the filing of an appeal can be found in 10 TAC §11.902 of the 2025 Qualified Allocation Plan. Should you choose to appeal this decision to the Executive Director, you must file your appeal, in writing, with the Department not later than seven calendar days after the date of this letter. If you are not satisfied with the decision of the Executive Director or if the Executive Director does not respond, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §11.902 of the 2025 Qualified Allocation Plan for full instructions on the appeals process.

If you have any questions, please contact me at cody.campbell@tdhca.state.tx.us.

Sincerely,



Cody Campbell
Director of Multifamily Programs

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1150 **Agenda Date:** 9/4/2025 **Agenda #:** 29.

Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Westwood Apartments

RECOMMENDED ACTION

WHEREAS, Westwood Apartments was awarded 9% housing tax credits during the 2024 Competitive Housing Tax Credit cycle;

WHEREAS, the Development Owner executed a Carryover Allocation Agreement that included certifications stating each building receiving an allocation would be placed in service by December 31, 2026;

WHEREAS, the Development Owner has requested an extension to the placement in service deadline under 10 TAC §11.6(5), related to Credit Returns Resulting from Force Majeure Events;

WHEREAS, the Department lacks authority to extend federal placement in service deadlines and may only reset such deadlines by requiring the credits to be returned and immediately reallocated to the Development, as permitted solely under the force majeure provision of the Qualified Allocation Plan (QAP); and

WHEREAS, the Development Owner has submitted documentation demonstrating that a qualifying force majeure event has occurred;

NOW, therefore, it is hereby

RESOLVED, that the request to treat the matter under the force majeure provisions of 10 TAC §11.6(5) is approved, and that the 2024 Qualified Allocation Plan, Uniform Multifamily Rules, and the 2025 Program Calendar shall be applicable to the Development.

BACKGROUND

Development	Westwood Apartments
Target Population	General
HTC Award	$2,000,000
City	Killeen
Total Units	102
HTC Units	102
Initial Year of Award	2024
Extension Requested	Six months

Westwood Apartments is a 102-unit development located in Kerrville, Bell County. The

development received an award of 9% Housing Tax Credits in 2024. As a result, the current deadline to place in service is December 31, 2026.

The Development is currently scheduled to close on September 5, 2025, pending approval of this item. The Development has experienced delays due to disruptions in the equity markets and extended local approval processes. The project was initially underwritten with a credit pricing of $0.86, but by the end of 2024, that pricing had dropped to roughly $0.70 - $0.78. These factors have jeopardized the original placed-in-service schedule. The following circumstances have impacted the timeline:

- Delays in securing feasible equity commitments as several major investors paused participation in early 2025 amid federal tax law uncertainty; and
- Reduced investor demand for LIHTC credits and depressed pricing, which prolonged negotiations and delayed final equity terms until July 2025.

Despite these delays, the development team has maintained progress by advancing permitting, finalizing the general contractor, and securing lender and investor commitments. The project currently anticipates completion by late 2026, only shortly before the current deadline; however, both the lender and equity partners have indicated that unforeseen issues during construction could push final delivery beyond the placed-in-service date. To allow for any such unforeseen delays, the Developer has requested an extension of six months, establishing a new placed-in-service deadline of June 30, 2027.

APPLICABLE RULE

Under 10 TAC §11.6(5), a Development Owner may return credits and receive a reallocation outside the standard allocation process if the return is the result of a qualifying force majeure event occurring prior to issuance of IRS Form(s) 8609. Pursuant to 10 TAC §11.6(5), the Department's Governing Board may approve execution of a Carryover Allocation Agreement for the current program year with the Development Owner that returned the credits, but only if the following conditions are met:

> (A) The credits were returned as a result of "Force Majeure" events that occurred before issuance of Forms 8609. Force Majeure events are the following sudden and unforeseen circumstances outside the control of the Development Owner: acts of God such as fire, tornado, flooding, significant and unusual rainfall or subfreezing temperatures, or loss of access to necessary water or utilities as a direct result of significant weather events; explosion; vandalism; orders or acts of military authority; unrelated party litigation; changes in law, rules, or regulations; national emergency or insurrection; riot; acts of terrorism; supplier failures; or materials or labor shortages. If a Force Majeure event is also a presidentially declared disaster, the Department may treat the matter under the applicable federal provisions. Force Majeure events must make construction activity impossible or materially impede its progress.

Staff has reviewed this request and determined that the significant drop in equity pricing and subsequent renegotiation of investor terms constitute a force majeure event under the rules.

IMPACT OF BOARD DECISION

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If the Board approves the request:

- The credits will be returned and reallocated, with the 2024 Qualified Allocation Plan, Uniform Multifamily Rules, and the 2025 Program Calendar applicable to the Development.
- A new Carryover Allocation Agreement will be executed.
- The new 10% Test deadline will be July 1, 2026.
- The new placed-in-service deadline will be June 30, 2027.

If the Board denies the request:

- The current placed-in-service deadline of December 31, 2026, remains in place.
- The Development Owner may either meet the existing deadline, return the credits, or have the award terminated for failing to meet the deadline.
- Returned credits will first be reallocated within the original subregion in accordance with 10 TAC §11.6(2). If no pending applications are eligible within the subregion, the credits will be added to the statewide collapse for reallocation.

This request has no impact on any funding source other than the Low Income Housing Tax Credit program.

RECOMMENDATION

Staff recommends approval of the request to return and reallocate tax credits for Westwood Apartments under the force majeure provisions of 10 TAC §11.6(5).

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WESTWOOD APARTMENTS

August 15, 2025

Cody Campbell
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: Westwood Apartments (TDHCA #24175) – Request to Return 2024 Credits and Request for 2025 Allocation of Credits Pursuant to Section 11.6(5) Force Majeure

Dear Mr. Campbell,

Pursuant to §11.6(5) of the 2024 Qualified Allocation Plan ("QAP"), Avanti Legacy Westwood, LP (the "Sponsor") respectfully requests an allocation of 2025 Housing Tax Credit credits in exchange for the return of 2024 credits for Westwood Apartments (the "Development"). This is not a request for additional credits but rather a request to ensure compliance with the placed-in-service deadline by providing a modest schedule cushion. Specifically, we request a six-month extension to June 30, 2027, through issuance of a 2025 Housing Tax Credit commitment. While the current 15-month construction schedule targets completion by late 2026, our financing partners prudently require additional time to account for unanticipated delays. The requested extension aligns the deadline with that buffer.

The Development met the Readiness to Proceed threshold by acquiring the site and filing building permit applications before March 31, 2025. Since the TDHCA award log posted on July 25, 2024, our team has advanced the project through zoning approval, plat approval and recordation including relocation of an existing sewer line easement and associated site redesign per engineering requirements, building permit submittals, contractor selection and final pricing, and lender and investor engagement.

In January 2025, equity availability tightened as several major investors paused participation amid uncertainty over potential tax law changes and a pending bill. Meanwhile, elevated interest rates increased required returns and depressed equity pricing. As demand for 9% LIHTC contracted, investors redirected capital toward shorter term energy credits and prioritized investments motivated by the Community Reinvestment Act ("CRA"). With fewer active bidders in our markets, demand for LIHTC credits slowed and indicative pricing fell to roughly $0.70 to $0.78 per credit, making the development infeasible. To preserve feasibility, we worked closely with RBC Community Investments to complete diligence and secure a funding commitment that kept the development on track without significant changes to the underlying proposed development. As markets stabilized following passage

Avanti Legacy Westwood, LP
3933 Steck Ave, Ste. B120, Austin, TX 78759
Phone – (512) 982-1342 | Fax – (512) 900-2860
contact@madhousedevelopment.net

of federal tax legislation, and with our continued efforts, we moved the transaction forward. Even so, the unexpected equity market dislocation extended the closing timeline beyond our typical cadence. Feasible equity terms did not arrive until June 2025; after an expedited negotiation, we executed a letter of intent on July 2, 2025, preserving feasibility despite compressed pricing. These conditions were unforeseen and outside our control, and they support our request for force majeure relief.

A detailed project timeline is attached as Exhibit A and the current construction schedule as Exhibit B. For convenience, key milestones include:

- **July 25, 2024**: Award log posted; due diligence commenced
- **August – December 2024**: Zoning approval; plat application; carryover allocation agreement; design team mobilization
- **January – March 2025**: Land loan engagement and plat resubmittal; site purchase; GC bids received; building permit applications submitted
- **April – June 2025**: Lender term sheet issued; final plat approval; plat recordation; initial equity terms received June 18 signed July 2
- **July – August 2025**: Lender and Investor due diligence (i.e. market study, appraisals, environmental review, cost studies, and loan documentation, borrower review and LPA amendment); plan approval on August 8; GC final schedule of values and contract progress; permits expected for release on August 29
- **September 2025**: Board consideration on September 4; scheduled closing on September 5; notice to proceed expected on September 8

Our financial partners continue to demonstrate strong support for Westwood Apartments. Stellar Bank and RBC Community Investments are prepared to close upon board approval. Given the limited margin between projected completion, and the placed-in-service deadline, our equity partners have requested the extension as a condition of closing. Supporting correspondence from RBC Community Investments is attached as Exhibit C.

We understand that the Department is considering an administrative option in the 2026 QAP that would allow staff to grant a six-month extension if a development meets the requirements of §11.6(5). Our proposed Development would qualify under the current draft language, which includes developments awarded within the previous three years. As a 2024 Housing Tax Credit awardee, we understand that the only available path to a placed-in-service extension at this stage is through a force majeure request. While some developers may elect to wait until the 2026 QAP is finalized, we believe our request is justified, as this is the only remaining item preventing financing for our closing. Any further delay could materially impact construction pricing and potentially jeopardize the equity already committed to the Development. Therefore, we respectfully request that the Department approve the force majeure for Westwood Apartments. This action would provide the lender and investor with the confidence needed to proceed with closing in September.

These circumstances, including the lack of available equity in our market, were unforeseen and outside our control, and they satisfy the TDHCA requirements for a reallocation of Housing Tax Credits under §11.6(5) of the 2024 QAP. We have acted diligently and advanced the Development to permits, recorded the subdivision plat, selected a general contractor, and scheduled closing. A six-month extension to June 30, 2027, with a 2025 HTC allocation is a proportional remedy that preserves feasibility with no increase in annual credits, no decrease in the number of units, no change to the affordability, and no tax exemption. We respectfully request staff's recommendation and Board approval at the September 4th meeting in order to preserve the September 5th closing and to authorize the issuance of the notice to proceed on September 8th.

If additional information is required, please contact me directly at or 512-982-1342.

Sincerely,

Henry Flores,
Authorized Signatory

Enclosures:
Exhibit A: Detailed Development Timeline
Exhibit B: Construction Schedule
Exhibit C: RBC Community Investments Supporting Documentation

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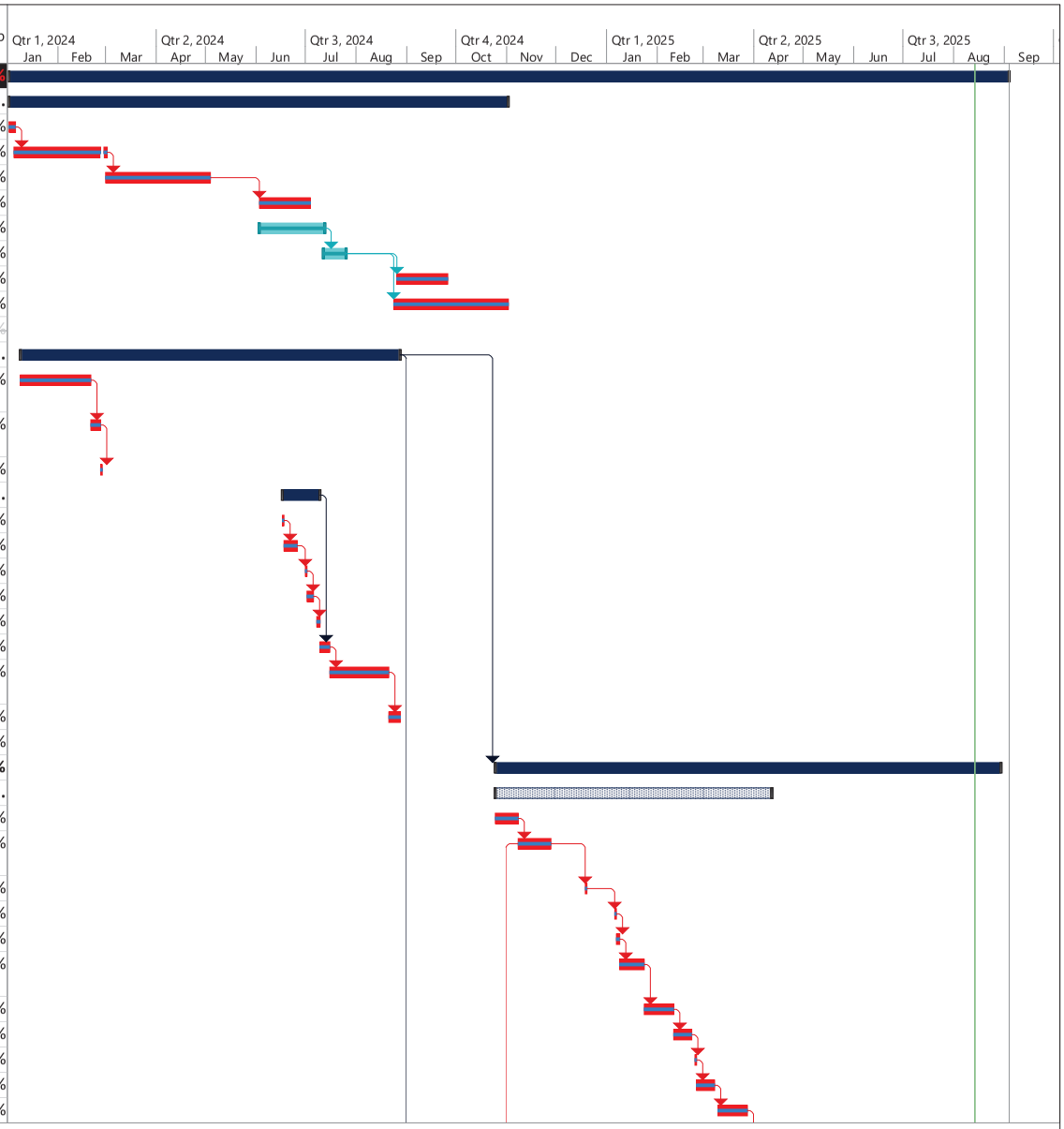
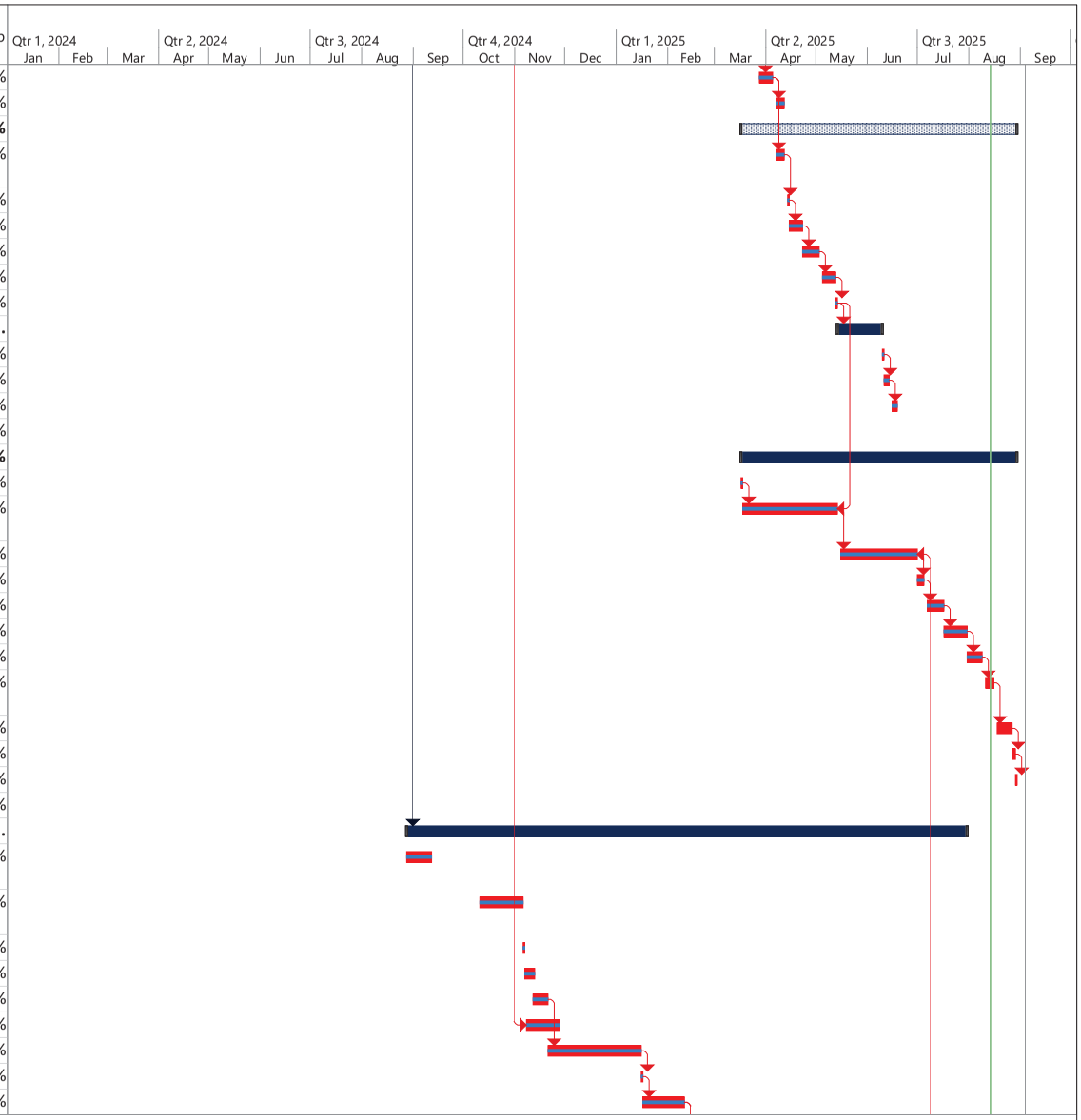
EXHIBIT A

ID	Task Name	Duration	Start	Finish	Predec	% Comp
1	**WESTWOOD - DEVELOPMENT TIMELINE**	437 days	Tue 1/2/24	Wed 9/3/25		91%
2	**TDHCA DEADLINES**	**219 days**	**Tue 1/2/24**	**Fri 11/1/24**		**10...**
3	TDHCA Pre App	4 days	Tue 1/2/24	Fri 1/5/24		100%
4	TDHCA Full App	39 days	Fri 1/5/24	Fri 3/1/24	3	100%
5	RFADS	46 days	Fri 3/1/24	Fri 5/3/24	4	100%
6	Scoring Notice - Received 7/3/24	23 days	Mon 6/3/24	Wed 7/3/24	5	100%
7	Underwritting Report - Received 7/12/24	30 days	Mon 6/3/24	Fri 7/12/24		100%
8	TDHCA Awards	10 days	Fri 7/12/24	Thu 7/25/24	7	100%
9	TDHCA Commitment Notice	23 days	Mon 8/26/24	Wed 9/25/24	8	100%
10	TDHCA Carryover Allocation Agreement	50 days	Sat 8/24/24	Fri 11/1/24	8	100%
11						0%
12	**SITE REZONING**	**166 days**	**Tue 1/9/24**	**Tue 8/27/24**		**10...**
13	Application Period - Site Design & Surveying	31 days	Tue 1/9/24	Tue 2/20/24		100%
14	Zoning Application - Preliminary Submission	4 days	Wed 2/21/24	Mon 2/26/24	13	100%
15	Preliminary City Meeting	1 day	Tue 2/27/24	Tue 2/27/24	14	100%
16	**Zoning Application - Resubmission**	**17 days**	**Mon 6/17/24**	**Tue 7/9/24**		**10...**
17	Application Submission	1 day	Mon 6/17/24	Mon 6/17/24		100%
18	City Staff Review #1	6 days	Tue 6/18/24	Tue 6/25/24	17	100%
19	Developer Reponse and Site Revisions	1 day	Mon 7/1/24	Mon 7/1/24	18	100%
20	City Staff Review #2	4 days	Tue 7/2/24	Fri 7/5/24	19	100%
21	Developer Reponse and Site Revisions	2 days	Mon 7/8/24	Tue 7/9/24	20	100%
22	Planning & Zoning Commission	4 days	Wed 7/10/24	Mon 7/15/24	16	100%
23	City of Killeen - City Council Workshop Meeting	26 days	Tue 7/16/24	Tue 8/20/24	22	100%
24	City of Killeen - Council Meeting	5 days	Wed 8/21/24	Tue 8/27/24	23	100%
25						0%
26	**PLAT**	**221 days**	**Fri 10/25/24**	**Fri 8/29/25**	**12**	**94%**
27	**Preliminary Plat**	**121 days**	**Fri 10/25/24**	**Fri 4/11/25**		**10...**
28	Survey & Plat Agreement	10 days	Fri 10/25/24	Thu 11/7/24		100%
29	Surveyor Field Work & Preliminary Design	14 days	Fri 11/8/24	Wed 11/27/24	28	100%
30	Plat Draft	1 day	Thu 12/19/24	Thu 12/19/24	29	100%
31	Civil Utility Plan Preperation	1 day	Mon 1/6/25	Mon 1/6/25	30	100%
32	Plat Update Based On Utility Plan	2 days	Tue 1/7/25	Wed 1/8/25	31	100%
33	Plat Application Seller Signature Coordination	11 days	Thu 1/9/25	Thu 1/23/25	32	100%
34	Additional Civil Drawings	12 days	Fri 1/24/25	Mon 2/10/25	33	100%
35	Pre-Submission City Review	9 days	Tue 2/11/25	Fri 2/21/25	34	100%
36	Plat Application Submission	1 day	Mon 2/24/25	Mon 2/24/25	35	100%
37	City Review #1	9 days	Tue 2/25/25	Fri 3/7/25	36	100%
38	Surveyor & Civil Engineer Revision	14 days	Mon 3/10/25	Thu 3/27/25	37	100%



ID	Task Name	Duration	Start	Finish	Predec	% Comp
39	City Review #2	6 days	Fri 3/28/25	Fri 4/4/25	38	100%
40	Preliminary Plat Approval	5 days	Mon 4/7/25	Fri 4/11/25	39	100%
41	**Final Plat**	**120 days**	**Mon 3/17/25**	**Fri 8/29/25**		**91%**
42	Plat Application Draft & Seller Signature Coordination	5 days	Mon 4/7/25	Fri 4/11/25	39	100%
43	Final Plat Submission	1 day	Mon 4/14/25	Mon 4/14/25	42	100%
44	Staff Review #1	6 days	Tue 4/15/25	Tue 4/22/25	43	100%
45	Surveyor & Civil Engineer Revisions	8 days	Wed 4/23/25	Fri 5/2/25	44	100%
46	Staff Review #2	6 days	Mon 5/5/25	Mon 5/12/25	45	100%
47	Final Plat Approved	1 day	Tue 5/13/25	Tue 5/13/25	46	100%
48	**Mylar Signature Coordination**	**19 days**	**Wed 5/14/25**	**Mon 6/9/25**	**47**	**10...**
53	Mylar City Intake	1 day	Tue 6/10/25	Tue 6/10/25	52	100%
54	Plat & Park Fee Payment	3 days	Wed 6/11/25	Fri 6/13/25	53	100%
55	Final Plat Recordation	3 days	Mon 6/16/25	Wed 6/18/25	54	100%
56						0%
57	**Building Permits**	**120 days**	**Mon 3/17/25**	**Fri 8/29/25**		**87%**
58	Submit application	1 day	Mon 3/17/25	Mon 3/17/25		100%
59	City Review #1 (Released Upon Final Plat Approval)	41 days	Tue 3/18/25	Tue 5/13/25	58,47	100%
60	Design Consultant Drawing Update	32 days	Fri 5/16/25	Mon 6/30/25	59,81	100%
61	Full Plan Set - Issue #2 Submission	4 days	Tue 7/1/25	Fri 7/4/25	60	100%
62	City Review #2	8 days	Mon 7/7/25	Wed 7/16/25	61	100%
63	Full Plan Set - Issue #3	10 days	Thu 7/17/25	Wed 7/30/25	62	100%
64	City Review #2 & Plan Approval	7 days	Thu 7/31/25	Fri 8/8/25	63	100%
65	Pre-Construction Meeting With City Engineering	5 days	Mon 8/11/25	Fri 8/15/25	64	0%
66	Sub Contractor Registration	7 days	Mon 8/18/25	Tue 8/26/25	65	0%
67	Tap & Fee Payment	2 days	Wed 8/27/25	Thu 8/28/25	66	0%
68	Permit Release	1 day	Fri 8/29/25	Fri 8/29/25	67	0%
69						0%
70	**CONSTRUCTION DRAWINGS**	**241 days**	**Wed 8/28/24**	**Wed 7/30/25**	**12**	**10...**
71	Initial Design Coordination With City Engineering	11 days	Wed 8/28/24	Wed 9/11/24		100%
72	Architect and Civil Site Plan Revisions and Additional City Coordination	18 days	Fri 10/11/24	Tue 11/5/24		100%
73	Second City Staff Review of Site Plan	1 day	Wed 11/6/24	Wed 11/6/24		100%
74	Architectural & Civil Backgrounds	4 days	Thu 11/7/24	Tue 11/12/24		100%
75	Design Consultant Kick Off	7 days	Tue 11/12/24	Wed 11/20/24		100%
76	Topographical Survey	14 days	Fri 11/8/24	Wed 11/27/24	29SS	100%
77	Full Plan Set - Preliminary Issue	40 days	Thu 11/21/24	Wed 1/15/25	75	100%
78	Owner Review	1 day	Thu 1/16/25	Thu 1/16/25	77	100%
79	Full Plan Set - Issue #1	17 days	Fri 1/17/25	Mon 2/10/25	78	100%



ID	Task Name	Duration	Start	Finish	Predec	% Comp
80	Owner Redlines, Value Engineering, and City Permit Comments (Delayed to include City Comments Upon Plat Approval)	66 days	Tue 2/11/25	Tue 5/13/25	79	100%
81	Full Plan Set - Issue #2	34 days	Wed 5/14/25	Mon 6/30/25	80	100%
82	City Permit Resumission and Review #2	12 days	Tue 7/1/25	Wed 7/16/25		100%
83	Full Plan Set - Issue #3	10 days	Thu 7/17/25	Wed 7/30/25	82	100%
84						0%
85	**CONSTRUCTION CONTRACT**	**141 days**	**Tue 2/11/25**	**Tue 8/26/25**		**89%**
86	Request for Proposals Issued to Multiple GCs	1 day	Tue 2/11/25	Tue 2/11/25	79	100%
87	RFP Q&A	16 days	Wed 2/12/25	Wed 3/5/25	86	100%
88	Architect and Owner Responses	3 days	Mon 3/3/25	Wed 3/5/25	87	100%
89	GC Bids due	12 days	Thu 3/6/25	Fri 3/21/25	87,88	75%
90	Owner Review / Finalize Budget with GC	11 days	Mon 3/24/25	Mon 4/7/25	89	100%
91	GC Clarification Meeting & Subsequent Pricing Revision	6 days	Tue 4/8/25	Tue 4/15/25	90	100%
92	Additional Developer Value Engineering & Design Updates	26 days	Wed 4/16/25	Wed 5/21/25	91	100%
93	GC Selection	1 day	Thu 5/22/25	Thu 5/22/25	92	100%
94	Budget & Contract Negotiations	50 days	Fri 5/23/25	Thu 7/31/25	93	100%
95	**GC AIA Contract**	**68 days**	**Fri 5/23/25**	**Tue 8/26/25**	**93**	**69%**
96	Contract Review	39 days	Fri 5/23/25	Wed 7/16/25		90%
97	Final SOV	4 days	Fri 8/1/25	Wed 8/6/25	94	100%
98	Final Contract Exhibits	7 days	Thu 8/7/25	Fri 8/15/25	97	0%
99	GC Bond & Insurance	5 days	Mon 8/18/25	Fri 8/22/25	97,98	0%
100	Final Contract	2 days	Mon 8/25/25	Tue 8/26/25	99	10%
101						
102	**FINANCING**	**214 days**	**Fri 11/8/24**	**Wed 9/3/25**		**78%**
103	Initial Discussions With Potential Lenders & Equity Investors	52 days	Fri 11/8/24	Mon 1/20/25		2%
104	Tax Credit Equity Syndicator Term Sheet	118 days	Mon 1/20/25	Wed 7/2/25		100%
105	Permanent & Construction Lender Term Sheet	57 days	Wed 1/15/25	Thu 4/3/25		100%
106	Plan & Cost Review	40 days	Thu 7/3/25	Wed 8/27/25	104	75%
107	Equity Due Diligence	45 days	Thu 7/3/25	Wed 9/3/25	104	80%
108	Final Proforma/Budget	30 days	Thu 7/3/25	Wed 8/13/25	104	90%
109	Loan Docs	40 days	Thu 7/3/25	Wed 8/27/25		75%
110	LPA Agreement	40 days	Thu 7/3/25	Wed 8/27/25	104	75%

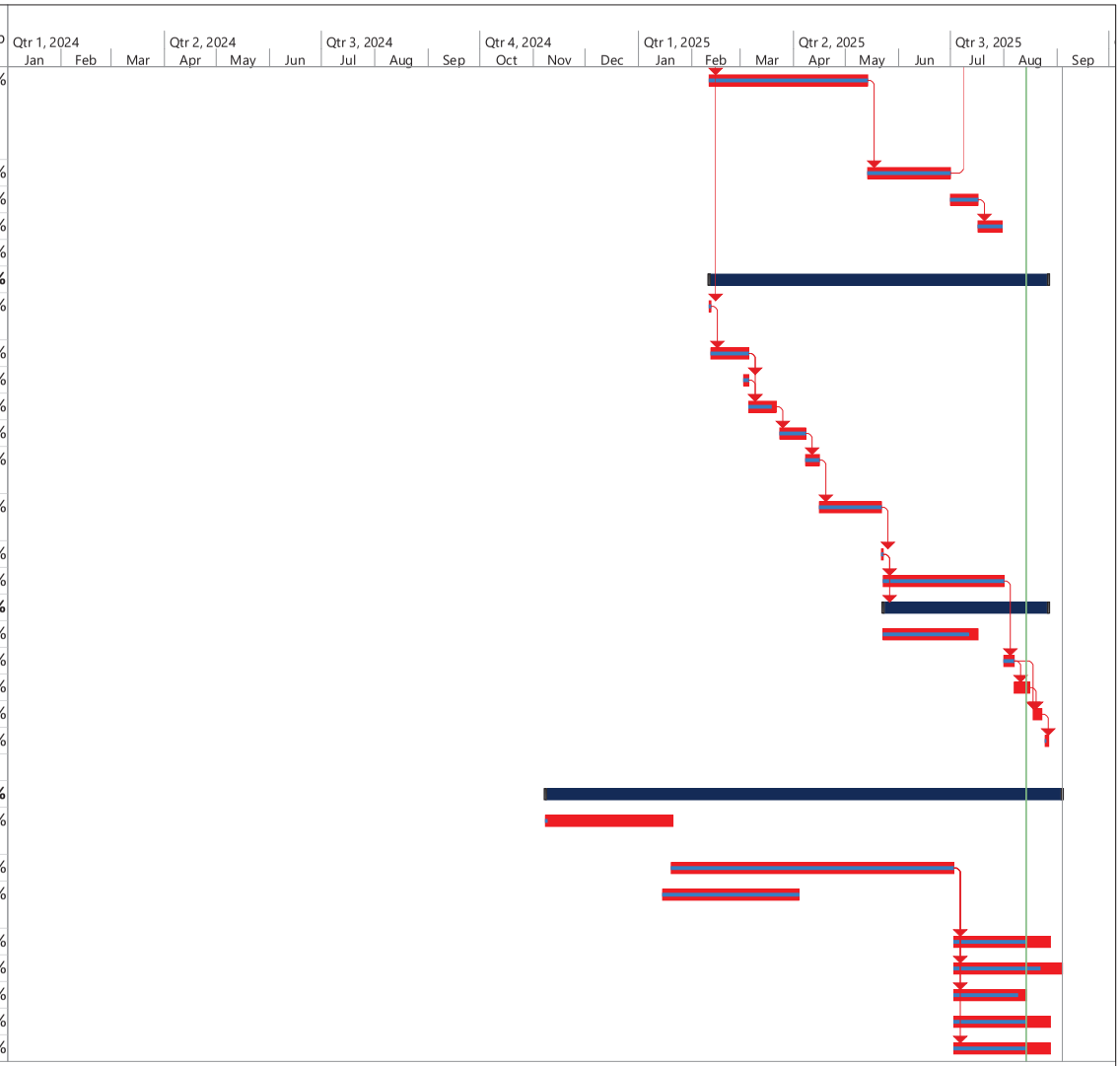
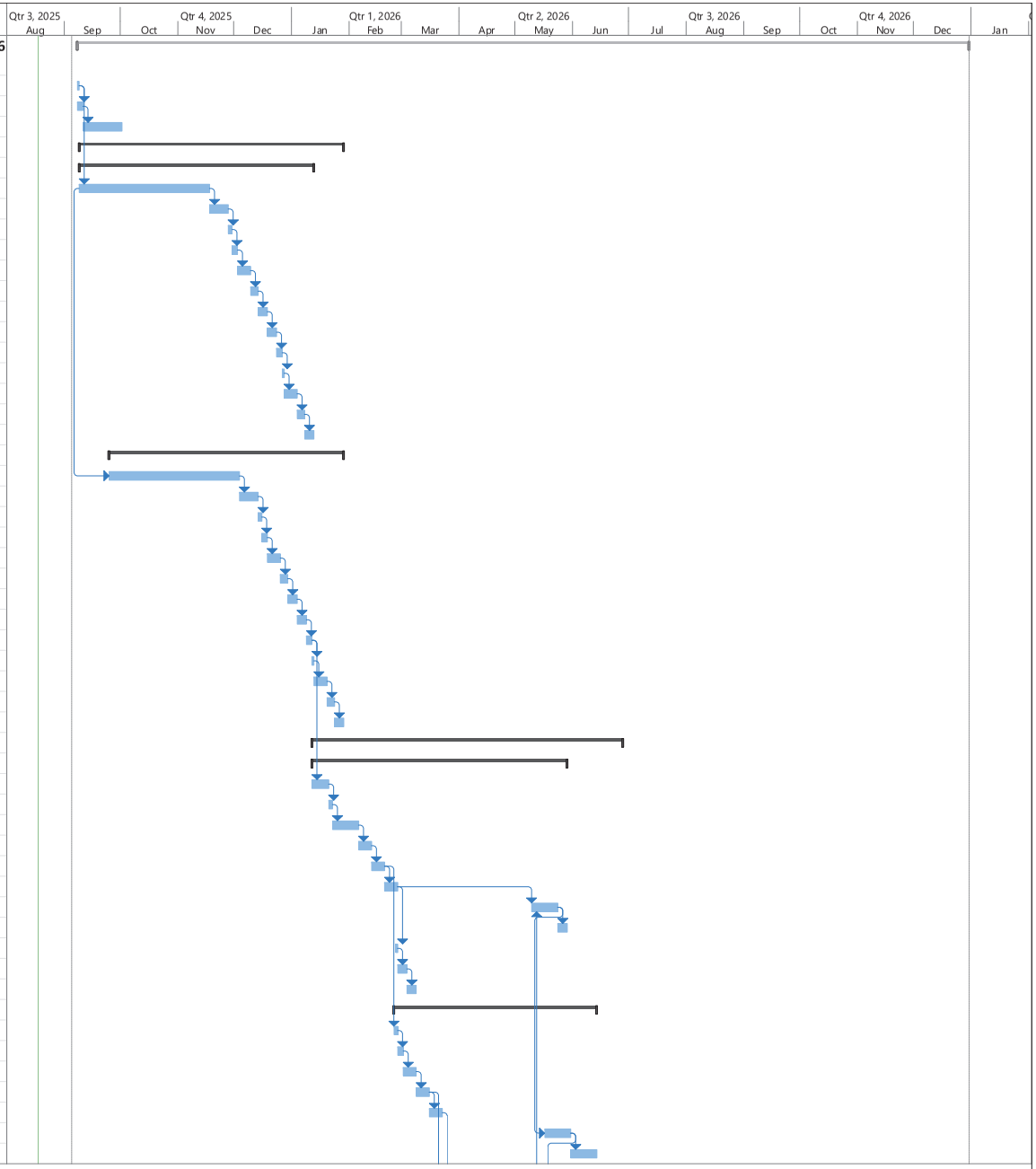


EXHIBIT B

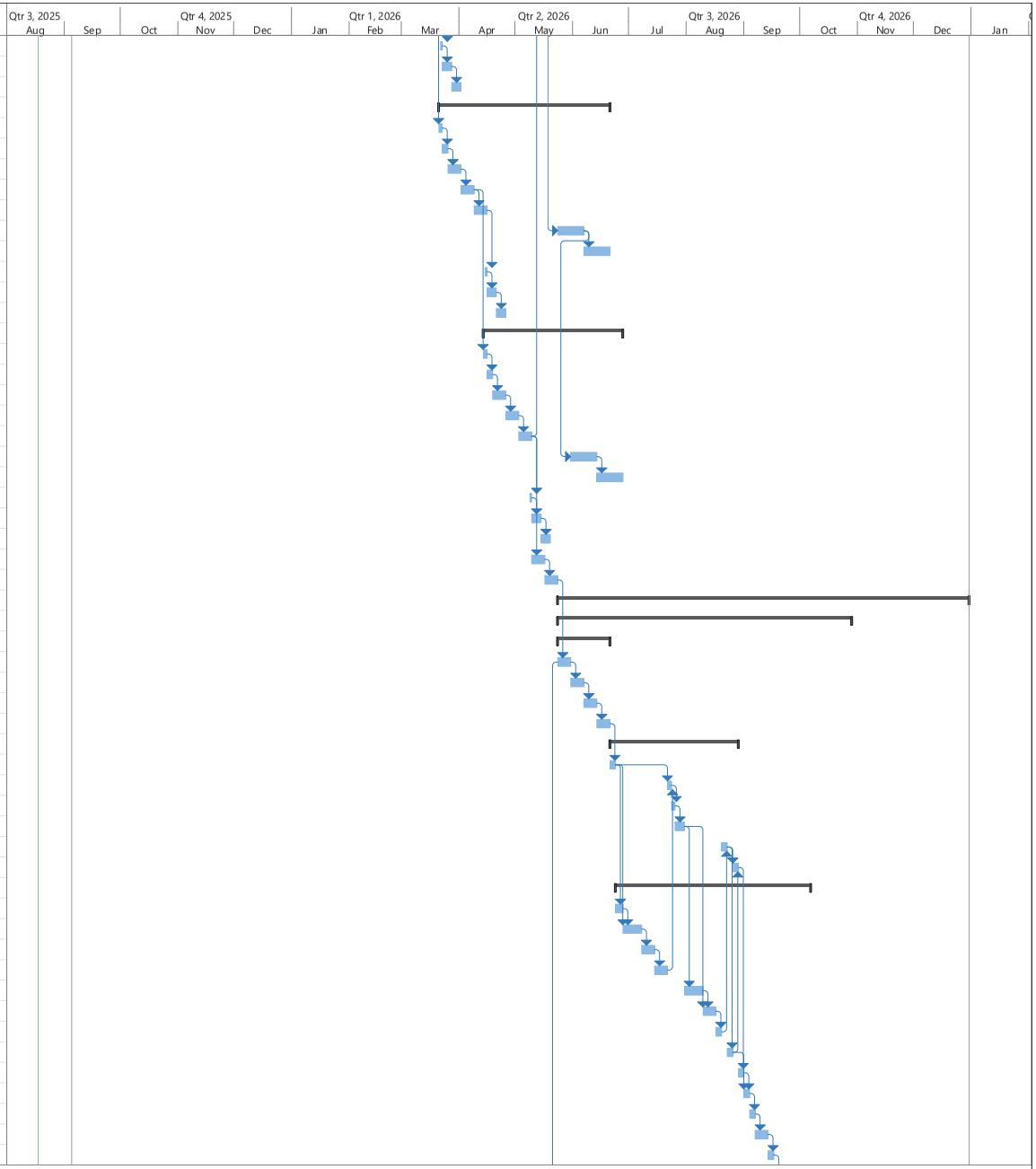
ID	Task Mode	Task Name	Duration	Start	Finish
0		**Westwood Apartments - Construction Schedule**	**479 days?**	**Mon 9/8/25**	**Wed 12/30/26**
1		On-Site Mobilication	1 day?	Mon 9/8/25	Mon 9/8/25
2		Start Site Work - Stip Site & Demo	3 days	Mon 9/8/25	Wed 9/10/25
3		Start Utilities (Sewer, Storm, Water)	21 days	Thu 9/11/25	Wed 10/1/25
4		**Building Slab**	**142 days**	**Tue 9/9/25**	**Wed 1/28/26**
5		**Section 1**	**126 days**	**Tue 9/9/25**	**Mon 1/12/26**
6		Abatement Delays	70 days	Tue 9/9/25	Mon 11/17/25
7		Building Blue Top	10 days	Tue 11/18/25	Thu 11/27/25
8		Set Building Corners	2 days	Fri 11/28/25	Sat 11/29/25
9		Set Batter Boards	3 days	Sun 11/30/25	Tue 12/2/25
10		Plumbing Rough In & Inspection	7 days	Wed 12/3/25	Tue 12/9/25
11		Set Forms	4 days	Wed 12/10/25	Sat 12/13/25
12		Dig Footings	5 days	Sun 12/14/25	Thu 12/18/25
13		Set Cables & Inspection	5 days	Fri 12/19/25	Tue 12/23/25
14		Pour Foundation	3 days	Wed 12/24/25	Fri 12/26/25
15		Strip Forms and Rebar	1 day	Sat 12/27/25	Sat 12/27/25
16		Blue Top Paving	7 days	Sun 12/28/25	Sat 1/3/26
17		Set Forms and Rebar	4 days	Sun 1/4/26	Wed 1/7/26
18		Pour Paving near Section	5 days	Thu 1/8/26	Mon 1/12/26
19		**Section 2**	**126 days**	**Thu 9/25/25**	**Wed 1/28/26**
20		Abatement Delays	70 days	Thu 9/25/25	Wed 12/3/25
21		Building Blue Top	10 days	Thu 12/4/25	Sat 12/13/25
22		Set Building Corners	2 days	Sun 12/14/25	Mon 12/15/25
23		Set Batter Boards	3 days	Tue 12/16/25	Thu 12/18/25
24		Plumbing Rough In & Inspection	7 days	Fri 12/19/25	Thu 12/25/25
25		Set Forms	4 days	Fri 12/26/25	Mon 12/29/25
26		Dig Footings	5 days	Tue 12/30/25	Sat 1/3/26
27		Set Cables & Inspection	5 days	Sun 1/4/26	Thu 1/8/26
28		Pour Foundation	3 days	Fri 1/9/26	Sun 1/11/26
29		Strip Forms and Rebar	1 day	Mon 1/12/26	Mon 1/12/26
30		Blue Top Paving	7 days	Tue 1/13/26	Mon 1/19/26
31		Set Forms and Rebar	4 days	Tue 1/20/26	Fri 1/23/26
32		Pour Paving near Section	5 days	Sat 1/24/26	Wed 1/28/26
33		**Framing**	**167 days**	**Mon 1/12/26**	**Sat 6/27/26**
34		**1st Floor**	**137 days**	**Mon 1/12/26**	**Thu 5/28/26**
35		Set Structural Steel	9 days	Mon 1/12/26	Tue 1/20/26
36		Layout Framing	2 days	Wed 1/21/26	Thu 1/22/26
37		Frame Floor	14 days	Fri 1/23/26	Thu 2/5/26
38		Trusses	7 days	Fri 2/6/26	Thu 2/12/26
39		Decking	7 days	Fri 2/13/26	Thu 2/19/26
40		Sheathing	7 days	Fri 2/20/26	Thu 2/26/26
41		Set Windows & Doors	14 days	Sun 5/10/26	Sat 5/23/26
42		Install Siding/Stone/Plaster	5 days	Sun 5/24/26	Thu 5/28/26
43		Plumbing Rough In Inspections	1 day	Thu 2/26/26	Thu 2/26/26
44		Fire Sprinkler Rough In Insp.	5 days	Fri 2/27/26	Tue 3/3/26
45		Box Electrical and Run SER	5 days	Wed 3/4/26	Sun 3/8/26
46		**2nd Floor**	**109 days**	**Wed 2/25/26**	**Sat 6/13/26**
47		Layout Framing	2 days	Wed 2/25/26	Thu 2/26/26
48		Frame Floor	3 days	Fri 2/27/26	Sun 3/1/26
49		Trusses	7 days	Mon 3/2/26	Sun 3/8/26
50		Decking	7 days	Mon 3/9/26	Sun 3/15/26
51		Sheathing	7 days	Mon 3/16/26	Sun 3/22/26
52		Set Windows & Doors	14 days	Sun 5/17/26	Sat 5/30/26
53		Install Siding/Stone/Plaster	14 days	Sun 5/31/26	Sat 6/13/26



Project: Westwood Apartments
Date: Mon 8/18/25

Task
Split
Milestone
Summary
Project Summary
Inactive Task
Inactive Milestone
Inactive Summary
Manual Task
Duration-only
Manual Summary Rollup
Manual Summary
Start-only
Finish-only
External Tasks
External Milestone
Deadline
Progress
Manual Progress

ID	Task Mode	Task Name	Duration	Start	Finish
54		Plumbing Rough In Inspections	1 day	Sun 3/22/26	Sun 3/22/26
55		Fire Sprinkler Rough In Insp.	5 days	Mon 3/23/26	Fri 3/27/26
56		Box Electrical and Run SER	5 days	Sat 3/28/26	Wed 4/1/26
57		**3rd Floor**	**92 days**	**Sat 3/21/26**	**Sat 6/20/26**
58		Layout Framing	2 days	Sat 3/21/26	Sun 3/22/26
59		Frame Floor	3 days	Mon 3/23/26	Wed 3/25/26
60		Trusses	7 days	Thu 3/26/26	Wed 4/1/26
61		Decking	7 days	Thu 4/2/26	Wed 4/8/26
62		Sheathing	7 days	Thu 4/9/26	Wed 4/15/26
63		Set Windows & Doors	14 days	Sun 5/24/26	Sat 6/6/26
64		Install Siding/Stone/Plaster	14 days	Sun 6/7/26	Sat 6/20/26
65		Plumbing Rough In Inspections	1 day	Wed 4/15/26	Wed 4/15/26
66		Fire Sprinkler Rough In Insp.	5 days	Thu 4/16/26	Mon 4/20/26
67		Box Electrical and Run SER	5 days	Tue 4/21/26	Sat 4/25/26
68		**4th Floor**	**75 days**	**Tue 4/14/26**	**Sat 6/27/26**
69		Layout Framing	2 days	Tue 4/14/26	Wed 4/15/26
70		Frame Floor	3 days	Thu 4/16/26	Sat 4/18/26
71		Trusses	7 days	Sun 4/19/26	Sat 4/25/26
72		Decking	7 days	Sun 4/26/26	Sat 5/2/26
73		Sheathing	7 days	Sun 5/3/26	Sat 5/9/26
74		Set Windows & Doors	14 days	Sun 5/31/26	Sat 6/13/26
75		Install Siding/Stone/Plaster	14 days	Sun 6/14/26	Sat 6/27/26
76		Plumbing Rough In Inspections	1 day	Sat 5/9/26	Sat 5/9/26
77		Fire Sprinkler Rough In Insp.	5 days	Sun 5/10/26	Thu 5/14/26
78		Box Electrical and Run SER	5 days	Fri 5/15/26	Tue 5/19/26
79		Roof Deck	7 days	Sun 5/10/26	Sat 5/16/26
80		Roof	7 days	Sun 5/17/26	Sat 5/23/26
81		**Interior**	**221 days**	**Sun 5/24/26**	**Wed 12/30/26**
82		**4th Floor**	**158 days**	**Sun 5/24/26**	**Wed 10/28/26**
83		**Inspections**	**28 days**	**Sun 5/24/26**	**Sat 6/20/26**
84		HVAC Rough In & Inspection	7 days	Sun 5/24/26	Sat 5/30/26
85		Electrical Rough In & Inspection	7 days	Sun 5/31/26	Sat 6/6/26
86		TV & Telephone Rough In	7 days	Sun 6/7/26	Sat 6/13/26
87		Framing Inspection	7 days	Sun 6/14/26	Sat 6/20/26
88		**Building Finishes**	**69 days**	**Sun 6/21/26**	**Fri 8/28/26**
89		Stairs	3 days	Sun 6/21/26	Tue 6/23/26
90		Pour Bal. and Breezeways	2 days	Wed 7/22/26	Thu 7/23/26
91		Deliver Trim	2 days	Fri 7/24/26	Sat 7/25/26
92		Install Trim	5 days	Sun 7/26/26	Thu 7/30/26
93		Install Railings	3 days	Thu 8/20/26	Sat 8/22/26
94		Set Electric Meters	3 days	Wed 8/26/26	Fri 8/28/26
95		**Unit & Clubhouse Interior**	**105 days**	**Wed 6/24/26**	**Tue 10/6/26**
96		Insulation	4 days	Wed 6/24/26	Sat 6/27/26
97		Sheetrock	10 days	Sun 6/28/26	Tue 7/7/26
98		Tape, Bed, and Texture	7 days	Wed 7/8/26	Tue 7/14/26
99		Pour Gypsum Flooring	7 days	Wed 7/15/26	Tue 7/21/26
100		Interior Paint	10 days	Fri 7/31/26	Sun 8/9/26
101		Ceramic Tile	7 days	Mon 8/10/26	Sun 8/16/26
102		Deliver Cabinets	3 days	Mon 8/17/26	Wed 8/19/26
103		Cabinets & Tops	3 days	Sun 8/23/26	Tue 8/25/26
104		Dishwasher & Disposals Delivery	3 days	Sat 8/29/26	Mon 8/31/26
105		Plumbing Trim	3 days	Tue 9/1/26	Thu 9/3/26
106		Electrical Trim & Set Fixtures	3 days	Fri 9/4/26	Sun 9/6/26
107		HVAC Trim & Set Condensers	7 days	Mon 9/7/26	Sun 9/13/26
108		Install Vinyl Floors	3 days	Mon 9/14/26	Wed 9/16/26



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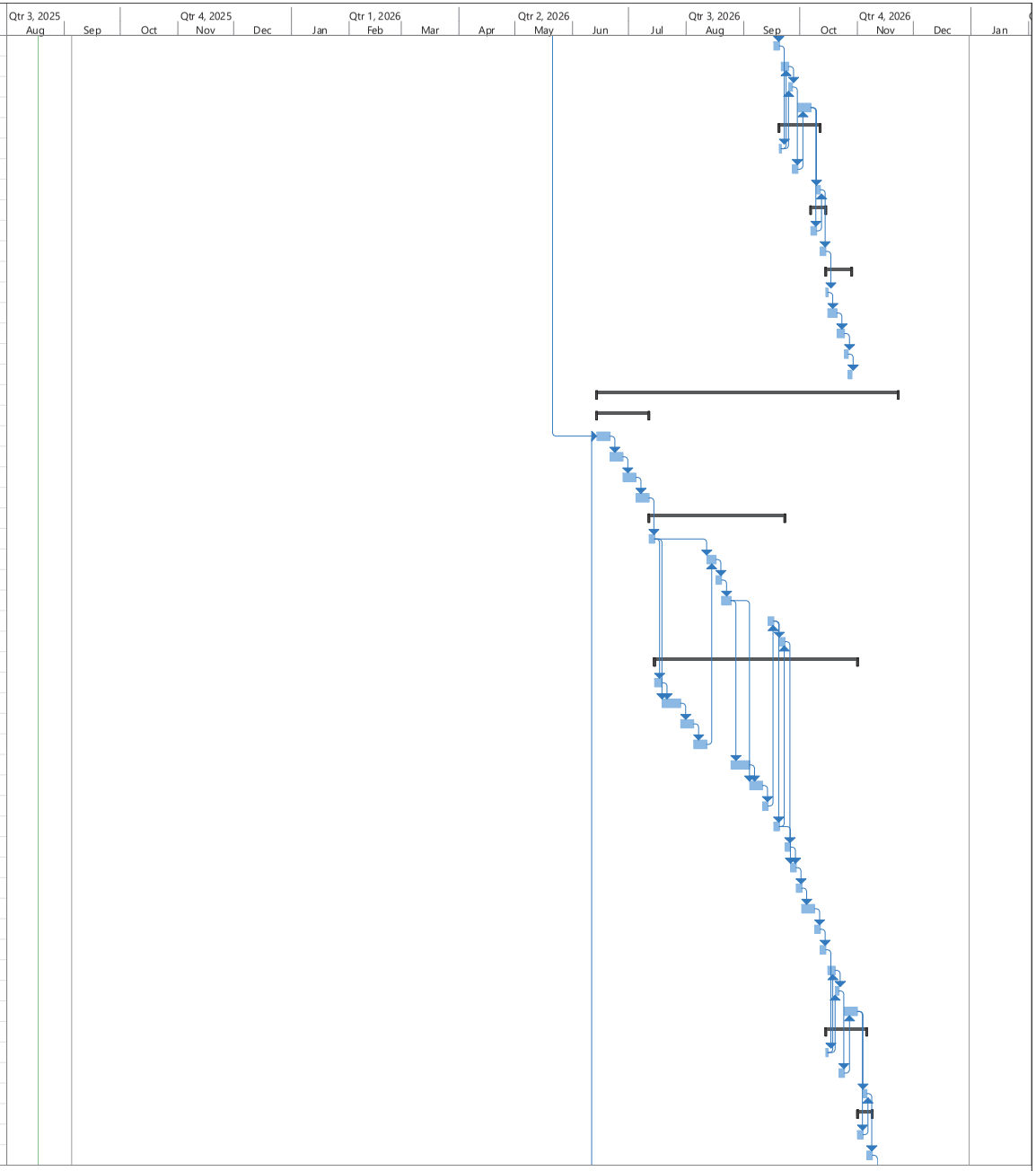
ID	Task Mode	Task Name	Duration	Start	Finish
109		Remaining Applicance Delivery	3 days	Thu 9/17/26	Sat 9/19/26
110		Fire Alarm Trim	4 days	Mon 9/21/26	Thu 9/24/26
111		Install Blinds	2 days	Fri 9/25/26	Sat 9/26/26
112		MEP Finals	7 days	Wed 9/30/26	Tue 10/6/26
113		**Exterior**	**22 days**	**Sun 9/20/26**	**Sun 10/11/26**
114		Landscaping	1 day	Sun 9/20/26	Sun 9/20/26
115		Install Signage	3 days	Sun 9/27/26	Tue 9/29/26
116		Clean & Stripe Paving	2 days	Sat 10/10/26	Sun 10/11/26
117		**Final Inspections**	**8 days**	**Wed 10/7/26**	**Wed 10/14/26**
118		Final Inspection	3 days	Wed 10/7/26	Fri 10/9/26
119		Fire Marshall Final Inspection	3 days	Mon 10/12/26	Wed 10/14/26
120		**Final Clean Up & Occupancy**	**14 days**	**Thu 10/15/26**	**Wed 10/28/26**
121		Punch Walk	1 day	Thu 10/15/26	Thu 10/15/26
122		Complete Punchlist	5 days	Fri 10/16/26	Tue 10/20/26
123		Final Clean	4 days	Wed 10/21/26	Sat 10/24/26
124		Certificate of Occupancy	2 days	Sun 10/25/26	Mon 10/26/26
125		Management Turn Over	2 days	Tue 10/27/26	Wed 10/28/26
126		**3rd Floor**	**162 days**	**Sun 6/14/26**	**Sun 11/22/26**
127		**Inspections**	**28 days**	**Sun 6/14/26**	**Sat 7/11/26**
128		HVAC Rough In & Inspection	7 days	Sun 6/14/26	Sat 6/20/26
129		Electrical Rough In & Inspection	7 days	Sun 6/21/26	Sat 6/27/26
130		TV & Telephone Rough In	7 days	Sun 6/28/26	Sat 7/4/26
131		Framing Inspection	7 days	Sun 7/5/26	Sat 7/11/26
132		**Building Finishes**	**73 days**	**Sun 7/12/26**	**Tue 9/22/26**
133		Stairs	3 days	Sun 7/12/26	Tue 7/14/26
134		Pour Bal. and Breezeways	5 days	Wed 8/12/26	Sun 8/16/26
135		Deliver Trim	3 days	Mon 8/17/26	Wed 8/19/26
136		Install Trim	5 days	Thu 8/20/26	Mon 8/24/26
137		Install Railings	3 days	Mon 9/14/26	Wed 9/16/26
138		Set Electric Meters	3 days	Sun 9/20/26	Tue 9/22/26
139		**Unit & Clubhouse Interior**	**109 days**	**Wed 7/15/26**	**Sat 10/31/26**
140		Insulation	4 days	Wed 7/15/26	Sat 7/18/26
141		Sheetrock	10 days	Sun 7/19/26	Tue 7/28/26
142		Tape, Bed, and Texture	7 days	Wed 7/29/26	Tue 8/4/26
143		Pour Gypsum Flooring	7 days	Wed 8/5/26	Tue 8/11/26
144		Interior Paint	10 days	Tue 8/25/26	Thu 9/3/26
145		Ceramic Tile	7 days	Fri 9/4/26	Thu 9/10/26
146		Deliver Cabinets	3 days	Fri 9/11/26	Sun 9/13/26
147		Cabinets & Tops	3 days	Thu 9/17/26	Sat 9/19/26
148		Dishwasher & Disposals Delivery	3 days	Wed 9/23/26	Fri 9/25/26
149		Plumbing Trim	3 days	Sat 9/26/26	Mon 9/28/26
150		Electrical Trim & Set Fixtures	3 days	Tue 9/29/26	Thu 10/1/26
151		HVAC Trim & Set Condensers	7 days	Fri 10/2/26	Thu 10/8/26
152		Install Vinyl Floors	3 days	Fri 10/9/26	Sun 10/11/26
153		Remaining Applicance Delivery	3 days	Mon 10/12/26	Wed 10/14/26
154		Fire Alarm Trim	4 days	Fri 10/16/26	Mon 10/19/26
155		Install Blinds	2 days	Tue 10/20/26	Wed 10/21/26
156		MEP Finals	7 days	Sun 10/25/26	Sat 10/31/26
157		**Exterior**	**22 days**	**Thu 10/15/26**	**Thu 11/5/26**
158		Landscaping	1 day	Thu 10/15/26	Thu 10/15/26
159		Install Signage	3 days	Thu 10/22/26	Sat 10/24/26
160		Clean & Stripe Paving	2 days	Wed 11/4/26	Thu 11/5/26
161		**Final Inspections**	**8 days**	**Sun 11/1/26**	**Sun 11/8/26**
162		Final Inspection	3 days	Sun 11/1/26	Tue 11/3/26
163		Fire Marshall Final Inspection	3 days	Fri 11/6/26	Sun 11/8/26



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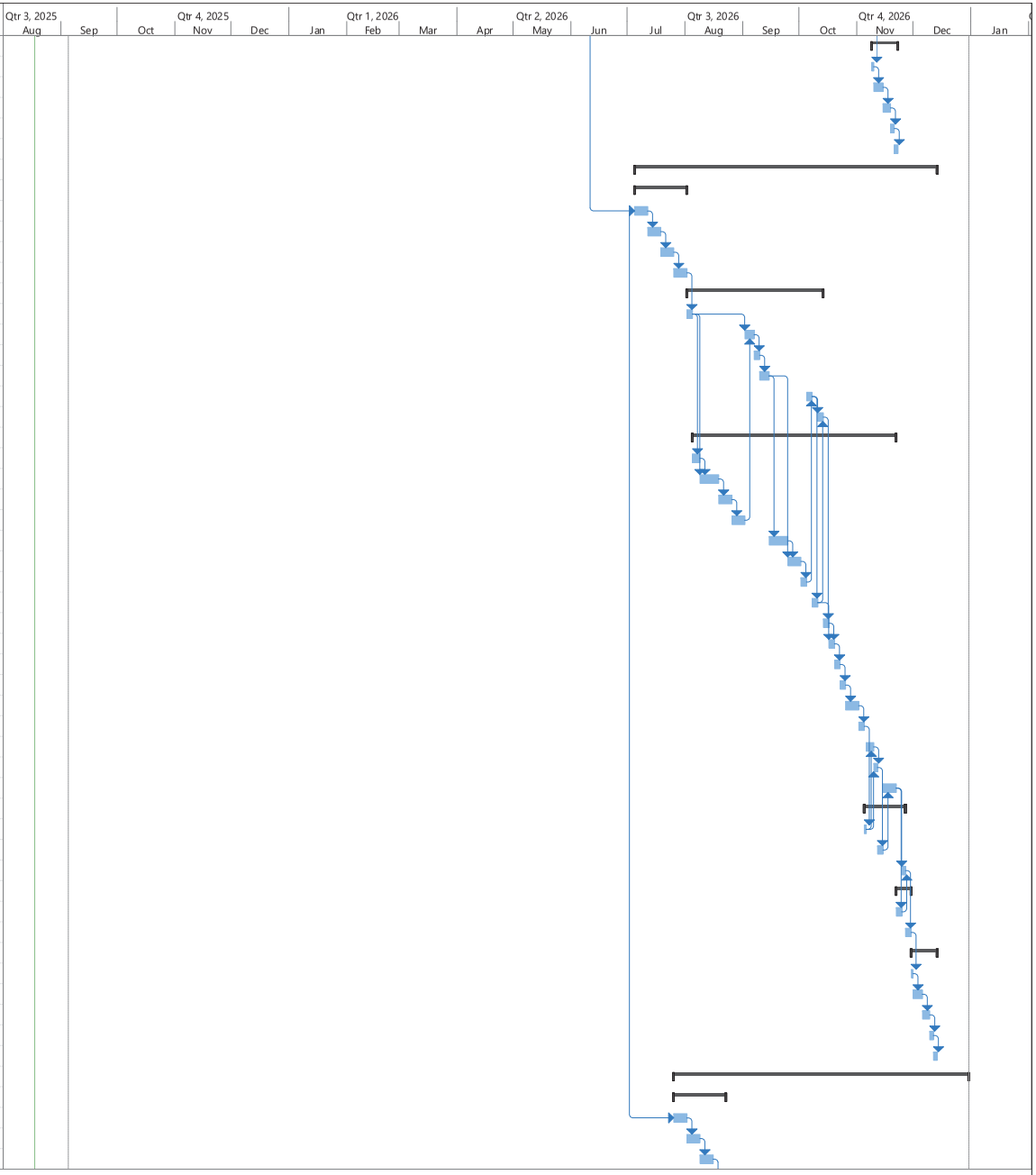
ID	Task Mode	Task Name	Duration	Start	Finish
164		**Final Clean Up & Occupancy**	**14 days**	**Mon 11/9/26**	**Sun 11/22/26**
165		Punch Walk	1 day	Mon 11/9/26	Mon 11/9/26
166		Complete Punchlist	5 days	Tue 11/10/26	Sat 11/14/26
167		Final Clean	4 days	Sun 11/15/26	Wed 11/18/26
168		Certificate of Occupancy	2 days	Thu 11/19/26	Fri 11/20/26
169		Management Turn Over	2 days	Sat 11/21/26	Sun 11/22/26
170		**2nd Floor**	**162 days**	**Sun 7/5/26**	**Sun 12/13/26**
171		**Inspections**	**28 days**	**Sun 7/5/26**	**Sat 8/1/26**
172		HVAC Rough In & Inspection	7 days	Sun 7/5/26	Sat 7/11/26
173		Electrical Rough In & Inspection	7 days	Sun 7/12/26	Sat 7/18/26
174		TV & Telephone Rough In	7 days	Sun 7/19/26	Sat 7/25/26
175		Framing Inspection	7 days	Sun 7/26/26	Sat 8/1/26
176		**Building Finishes**	**73 days**	**Sun 8/2/26**	**Tue 10/13/26**
177		Stairs	3 days	Sun 8/2/26	Tue 8/4/26
178		Pour Bal. and Breezeways	5 days	Wed 9/2/26	Sun 9/6/26
179		Deliver Trim	3 days	Mon 9/7/26	Wed 9/9/26
180		Install Trim	5 days	Thu 9/10/26	Mon 9/14/26
181		Install Railings	3 days	Mon 10/5/26	Wed 10/7/26
182		Set Electric Meters	3 days	Sun 10/11/26	Tue 10/13/26
183		**Unit & Clubhouse Interior**	**109 days**	**Wed 8/5/26**	**Sat 11/21/26**
184		Insulation	4 days	Wed 8/5/26	Sat 8/8/26
185		Sheetrock	10 days	Sun 8/9/26	Tue 8/18/26
186		Tape, Bed, and Texture	7 days	Wed 8/19/26	Tue 8/25/26
187		Pour Gypsum Flooring	7 days	Wed 8/26/26	Tue 9/1/26
188		Interior Paint	10 days	Tue 9/15/26	Thu 9/24/26
189		Ceramic Tile	7 days	Fri 9/25/26	Thu 10/1/26
190		Deliver Cabinets	3 days	Fri 10/2/26	Sun 10/4/26
191		Cabinets & Tops	3 days	Thu 10/8/26	Sat 10/10/26
192		Dishwasher & Disposals Delivery	3 days	Wed 10/14/26	Fri 10/16/26
193		Plumbing Trim	3 days	Sat 10/17/26	Mon 10/19/26
194		Electrical Trim & Set Fixtures	3 days	Tue 10/20/26	Thu 10/22/26
195		HVAC Trim & Set Condensers	3 days	Fri 10/23/26	Sun 10/25/26
196		Install Vinyl Floors	7 days	Mon 10/26/26	Sun 11/1/26
197		Remaining Applicance Delivery	3 days	Mon 11/2/26	Wed 11/4/26
198		Fire Alarm Trim	4 days	Fri 11/6/26	Mon 11/9/26
199		Install Blinds	2 days	Tue 11/10/26	Wed 11/11/26
200		MEP Finals	7 days	Sun 11/15/26	Sat 11/21/26
201		**Exterior**	**22 days**	**Thu 11/5/26**	**Thu 11/26/26**
202		Landscaping	1 day	Thu 11/5/26	Thu 11/5/26
203		Install Signage	3 days	Thu 11/12/26	Sat 11/14/26
204		Clean & Stripe Paving	2 days	Wed 11/25/26	Thu 11/26/26
205		**Final Inspections**	**8 days**	**Sun 11/22/26**	**Sun 11/29/26**
206		Final Inspection	3 days	Sun 11/22/26	Tue 11/24/26
207		Fire Marshall Final Inspection	3 days	Fri 11/27/26	Sun 11/29/26
208		**Final Clean Up & Occupancy**	**14 days**	**Mon 11/30/26**	**Sun 12/13/26**
209		Punch Walk	1 day	Mon 11/30/26	Mon 11/30/26
210		Complete Punchlist	5 days	Tue 12/1/26	Sat 12/5/26
211		Final Clean	4 days	Sun 12/6/26	Wed 12/9/26
212		Certificate of Occupancy	2 days	Thu 12/10/26	Fri 12/11/26
213		Management Turn Over	2 days	Sat 12/12/26	Sun 12/13/26
214		**1st Floor**	**158 days**	**Sun 7/26/26**	**Wed 12/30/26**
215		**Inspections**	**28 days**	**Sun 7/26/26**	**Sat 8/22/26**
216		HVAC Rough In & Inspection	7 days	Sun 7/26/26	Sat 8/1/26
217		Electrical Rough In & Inspection	7 days	Sun 8/2/26	Sat 8/8/26
218		TV & Telephone Rough In	7 days	Sun 8/9/26	Sat 8/15/26



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ID	Task Mode	Task Name	Duration	Start	Finish
219		Framing Inspection	7 days	Sun 8/16/26	Sat 8/22/26
220		**Building Finishes**	**69 days**	**Sun 8/23/26**	**Fri 10/30/26**
221		Stairs	3 days	Sun 8/23/26	Tue 8/25/26
222		Pour Bal. and Breezeways	5 days	Wed 9/23/26	Sun 9/27/26
223		Deliver Trim	3 days	Mon 9/28/26	Wed 9/30/26
224		Install Trim	5 days	Thu 10/1/26	Mon 10/5/26
225		Install Railings	3 days	Thu 10/22/26	Sat 10/24/26
226		Set Electric Meters	3 days	Wed 10/28/26	Fri 10/30/26
227		**Unit & Clubhouse Interior**	**105 days**	**Wed 8/26/26**	**Tue 12/8/26**
228		Insulation	4 days	Wed 8/26/26	Sat 8/29/26
229		Sheetrock	10 days	Sun 8/30/26	Tue 9/8/26
230		Tape, Bed, and Texture	7 days	Wed 9/9/26	Tue 9/15/26
231		Pour Gypsum Flooring	7 days	Wed 9/16/26	Tue 9/22/26
232		Interior Paint	10 days	Tue 10/6/26	Thu 10/15/26
233		Ceramic Tile	3 days	Fri 10/16/26	Sun 10/18/26
234		Deliver Cabinets	3 days	Mon 10/19/26	Wed 10/21/26
235		Cabinets & Tops	3 days	Sun 10/25/26	Tue 10/27/26
236		Dishwasher & Disposals Delivery	3 days	Sat 10/31/26	Mon 11/2/26
237		Plumbing Trim	3 days	Tue 11/3/26	Thu 11/5/26
238		Electrical Trim & Set Fixtures	3 days	Fri 11/6/26	Sun 11/8/26
239		HVAC Trim & Set Condensers	3 days	Mon 11/9/26	Wed 11/11/26
240		Install Vinyl Floors	7 days	Thu 11/12/26	Wed 11/18/26
241		Remaining Applicance Delivery	3 days	Thu 11/19/26	Sat 11/21/26
242		Fire Alarm Trim	4 days	Mon 11/23/26	Thu 11/26/26
243		Install Blinds	2 days	Fri 11/27/26	Sat 11/28/26
244		MEP Finals	7 days	Wed 12/2/26	Tue 12/8/26
245		**Exterior**	**22 days**	**Sun 11/22/26**	**Sun 12/13/26**
246		Landscaping	1 day	Sun 11/22/26	Sun 11/22/26
247		Install Signage	3 days	Sun 11/29/26	Tue 12/1/26
248		Clean & Stripe Paving	2 days	Sat 12/12/26	Sun 12/13/26
249		**Final Inspections**	**8 days**	**Wed 12/9/26**	**Wed 12/16/26**
250		Final Inspection	3 days	Wed 12/9/26	Fri 12/11/26
251		Fire Marshall Final Inspection	3 days	Mon 12/14/26	Wed 12/16/26
252		**Final Clean Up & Occupancy**	**14 days**	**Thu 12/17/26**	**Wed 12/30/26**
253		Punch Walk	1 day	Thu 12/17/26	Thu 12/17/26
254		Complete Punchlist	5 days	Fri 12/18/26	Tue 12/22/26
255		Final Clean	4 days	Wed 12/23/26	Sat 12/26/26
256		Certificate of Occupancy	2 days	Sun 12/27/26	Mon 12/28/26
257		Management Turn Over	2 days	Tue 12/29/26	Wed 12/30/26

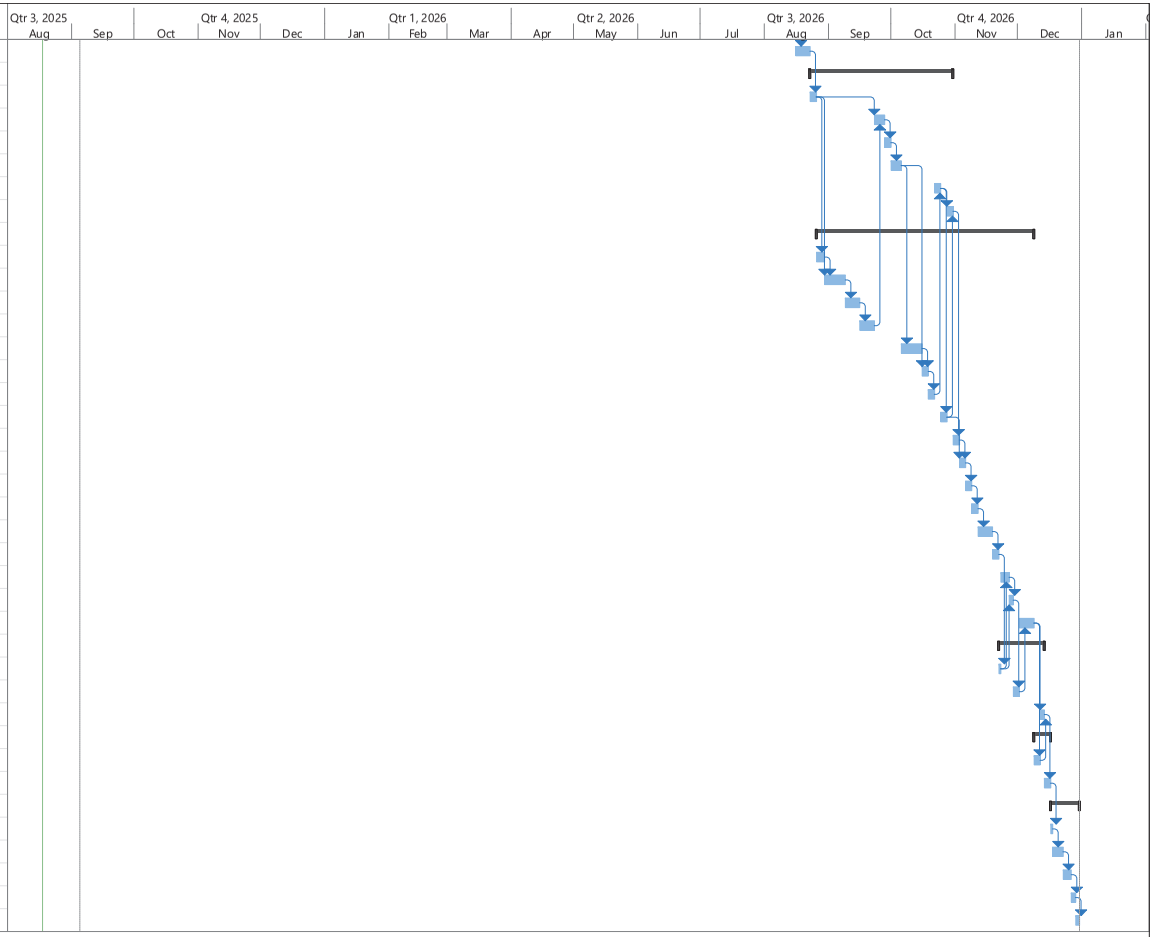

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EXHIBIT C

RBC Capital Markets

RBC Community Investments

600 Superior Avenue, Suite 2300

Cleveland, Ohio 44114

Telephone: (216) - 875-2626

Fax: (216) - 875-2612

August 14, 2025

Cody Campbell
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: Westwood Apartments (TDHCA #24175) – Support for Placed in Service Extension Pursuant to Section 11.6(5) Force Majeure

Dear Mr. Campbell:

On behalf of RBC Community Investments, we write in support of a request submitted by the development team for Westwood Apartments, a 102-unit affordable community in Killeen, Texas, seeking an extension of the Placed in Service (PIS) deadline for its 2024 9% Housing Tax Credit award.

We have completed our due diligence and underwriting associated with our participation in the financing of this important development, which will deliver much needed affordable housing for elderly households in the Killeen community. We remain committed to working with the development team to bring this project to closing and are scheduled to close on September 5, 2025, pending final Board approval, which is a condition of closing.

An extension would provide the flexibility needed to proceed confidently with financial closing while maintaining the high standards required by all parties. Our upper-tier investor requires a three-month cushion in the construction and PIS schedule to allow for unforeseen construction delays.

We appreciate your consideration of this request and your continued support for developments like Westwood Apartments that serve elderly Texans seeking decent, safe, and affordable housing. Please do not hesitate to contact me at Daniel.Kierce@rbc.com or 216.536.6688 with any questions regarding our role in the project or this request.

Sincerely,

Daniel J Kierce
Managing Director, Head of Originations
RBC Community Investments

24175 Westwood Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 12, 2024

PROPERTY IDENTIFICATION	
Application #	24175
Development	Westwood Apartments
City / County	Killeen / Bell
Region/Area	8 / Urban
Population	Elderly Limitation
Set-Aside	General
Activity	New Construction

RECOMMENDATION				
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$2,000,000	$2,000,000	$19,608/Unit	$0.86

KEY PRINCIPALS / SPONSOR

- **Madhouse Development, Inc.**
  Enrique Flores, Enrique Flores IV

Related Parties	Contractor - TBD	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	102	100%	30%	11	11%
2	-	0%	40%	-	0%
3	-	0%	50%	21	21%
4	-	0%	60%	70	69%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	102	100%	TOTAL	102	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.19	Expense Ratio	61.1%
Breakeven Occ.	86.8%	Breakeven Rent	$668
Average Rent	$714	B/E Rent Margin	$46
Property Taxes	$873/unit	Exemption/PILOT	0%
Total Expense	$5,049/unit	Controllable	$2,634/unit

SITE PLAN

MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			3.5%
Highest Unit Capture Rate	11%	1 BR/60%	70
Dominant Unit Cap. Rate	11%	1 BR/60%	70
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	618 SF	Density	27.6/acre
Acquisition		$08K/unit	$850K
Building Cost	$136.17/SF	$84K/unit	$8,584K
Hard Cost		$119K/unit	$12,186K
Total Cost		$219K/unit	$22,298K
Developer Fee	$2,650K	(31% Deferred)	Paid Year: 14
Contractor Fee	$1,706K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Churchill Stateside Group, LLC - F	40/40	5.40%	$4,271,000	1.19
TOTAL DEBT (Must Pay)			$4,271,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Killeen	0/0	0.00%	$500	1.19
CASH FLOW DEBT / GRANTS			$500	

EQUITY / DEFERRED FEES	
Source	Amount
RBC Capital Markets	$17,198,280
Avanti Legacy Westwood	$828,172
TOTAL EQUITY SOURCES	$18,026,452
TOTAL DEBT SOURCES	$4,271,500
TOTAL CAPITALIZATION	$22,297,952

CONDITIONS

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

RISK PROFILE

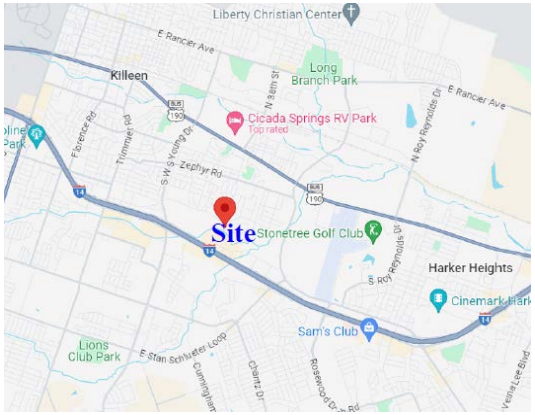
STRENGTHS/MITIGATING FACTORS

- Low gross capture rate of 3.5%
- Linkages to employment, shopping, highways
- TX experienced developer

WEAKNESSES/RISKS

- Construction cost risk
- Interest rate risk
- Unit mix of all 1BR units

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
July 12, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24175** Program(s): **9% HTC**

Westwood Apartments

Address/Location: 3001 Illinois Ave.

City: Killeen County: Bell Zip: 76543

Population: Elderly Limitation Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: Elevator Served Region: 8

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION						
TDHCA Program	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm Lien	Const. Term	Const Lien
LIHTC (9% Credit)	$2,000,000				**$2,000,000**						

CONDITIONS

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	11
50% of AMI	50% of AMI	21
60% of AMI	60% of AMI	70

DEVELOPMENT SUMMARY

Development will target the elderly population. It will consist of 102 units housed in two elevator served buildings (1 three-story and 1 two-story) with 100% of the apartments having only one bedroom. Amenities include a clubhouse, fitness center, and gathering space.

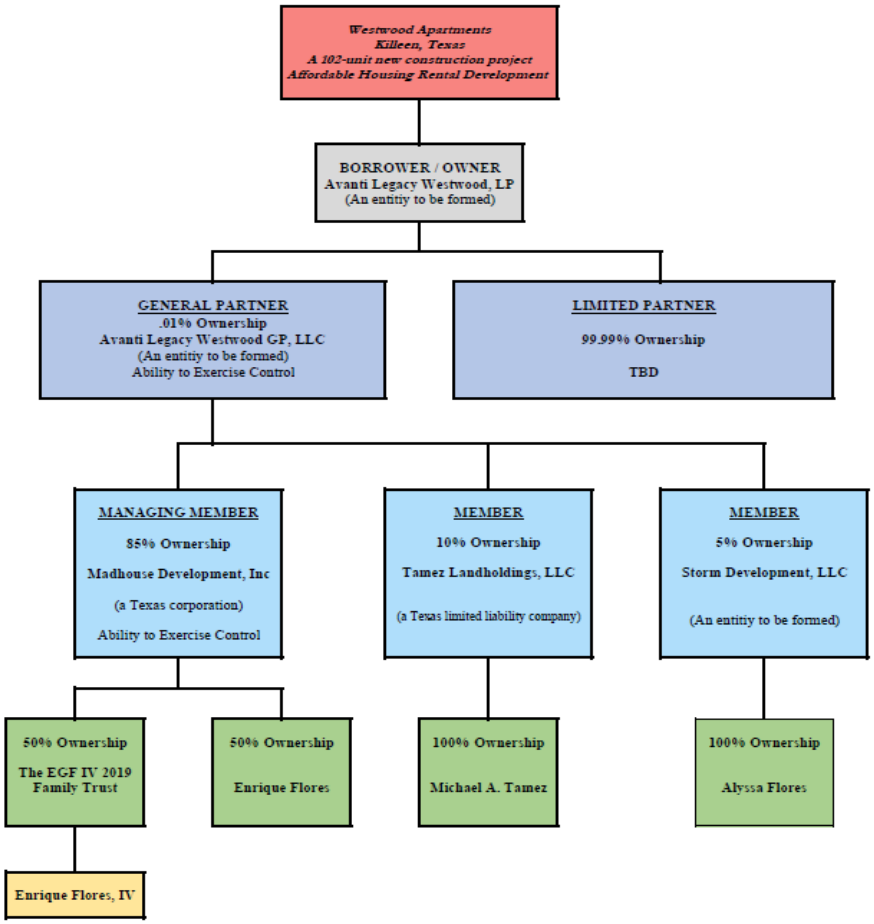
RISK PROFILE

STRENGTHS/MITIGATING FACTORS
▫ Low gross capture rate of 3.5%
▫ Linkages to employment, shopping, highways
▫ TX experienced developer

WEAKNESSES/RISKS
▫ Construction cost risk
▫ Interest rate risk
▫ Unit mix of all 1BR units

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN

AERIAL

Comments:

Developer has submitted an application for rezoning to R-3A (Multifamily Apartment Residential District). Under that zoning designation, the required minimum parking ratio would be 1.67/unit or 170 spaces. However, Developer's rezoning application is also requesting a variance to the parking requirement, with proposed parking of 103 open surface spaces (1.01/unit). All parking will be provided at no charge to the residents.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	1	2											**Total Buildings**
Floors/Stories	3	2											
Number of Bldgs	1	1											**2**
Units per Bldg	62	40											
Total Units	62	40											**102**

Avg. Unit Size (SF)	**618 sf**	**Total NRA (SF)**	**63,036**	**Common Area (SF)***	**16,865**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 3.70 acres Density: 27.6 units/acre

Site Control: 3.662 **Site Plan:** 3.628 **Appraisal:** n/a **ESA:** 3.628

Feasibility Report Survey: 3.683 **Feasibility Report Engineer's Plan:** 3.628 **Existing LURA:** n/a

Control Type: Commercial Contract-Unimproved Property

Development Site: 3.70 acres Cost: $825,000 $8,088 per unit

Seller: WB Whitis Investments, Ltd.

Buyer: Madhouse Development, Inc

Related-Party Seller/Identity of Interest: No

SITE INFORMATION

Flood Zone:	Zone X	Scattered Site?	No
Zoning:	B-5	Within 100-yr floodplain?	No
Re-Zoning Required?	Yes	Utilities at Site?	Yes
Year Constructed:	n/a	Title Issues?	No

Comments:

Developer has filed an application with the City of Killeen to rezone the property from B-5 (business District) to a PUD (Planned Unit Development) with a base zoning of R-3A (Multifamily Apartment Residential District).

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Aspen Environmental Date: 2/28/2022

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

MARKET ANALYSIS

Provider: Apartment Market Data Date: 3/10/2024

Primary Market Area (PMA): 32 sq. miles 3 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
22038	Avanti Legacy Parkview	Y	New Construction	Elderly	44	108
20148	High View Place	Y	Acquisition/Rehab, No	General	N/A	70
23194	Avenue Heights	Y	New Construction	General	N/A	69

Stabilized Affordable Developments in PMA		
	Total Units	908
	Total Developments	8
	Average Occupancy	97%

Comments:

#22038 Avanti Legacy Parkview is currently under construction.

OVERALL DEMAND ANALYSIS

	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	41,021			
Potential Demand from the Primary Market Area	3,777			
10% External Demand	378			
GROSS DEMAND	4,155			
Subject Affordable Units	102			
Unstabilized Competitive Units	44			
RELEVANT SUPPLY	146			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**3.5%**			

Population:	**Elderly Limitation**	**Market Area:**	**Urban**	**Maximum Gross Capture Rate:**	**10%**

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND										
	Market Analyst									
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate					
30% AMGI	1,265	127	11	8	1.4%					
50% AMGI	721	72	21	9	3.8%					
60% AMGI	1,792	179	70	27	4.9%					

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE										
	Market Analyst									
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
1 BR/30%	648	65	11	8	2.7%					
1 BR/50%	653	65	21	9	4.2%					
1 BR/60%	803	80	70	27	11.0%					

Market Analyst Comments:

The HISTA data suggests that the growth for new units will be 213 units per year. The calculated historical absorption for the PMA was 617 units annually since 2020. This site is located in an area in which the demand for "affordable" housing is strong. The Market Analyst believes that there is a sufficient "income qualified" population with significant demand to support the proforma rents of the project. The level of "affordable" rent being charged is 36% to 71% lower than the adjusted rents charged at market rate comparables within the PMA. The absorption period of new supply is within acceptable levels. (pp. 15,16)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$327,784	Avg. Rent:	$714	Expense Ratio:	61.1%
Debt Service:	$275,813	B/E Rent:	$668	Controllable Expenses:	$2,634
Net Cash Flow:	$51,971	UW Occupancy:	92.5%	Property Taxes/Unit:	$873
Aggregate DCR:	1.19	B/E Occupancy:	86.8%	Program Rent Year:	2023

Underwriter utilized Applicant's proforma expenses as there was only a 0.1% variance.

The Lender signed a long-term pro forma that includes $14,235 in annual expense for Supportive Services. Pursuant to §11.302(d)(2)(K), the estimated expenses underwritten at Application will be included in the DCR calculation at Cost Certification regardless if actually incurred.

Applicant expects to earn $100k in cash flow over a 15 year period after deferred fee is paid in Year 14.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$223,214/ac	$8,331/unit	**$849,750**	Contractor Fee	**$1,706,052**
Off-site + Site Work		$27,500/unit	**$2,805,000**	Soft Cost + Financing	**$4,906,065**
Building Cost	$136.17/sf	$84,156/unit	**$8,583,864**	Developer Fee	**$2,650,000**
Contingency	7.00%	$7,816/unit	**$797,220**	Reserves	**$0**
Total Development Cost	$218,607/unit	**$22,297,952**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	High Opportunity Index [9% only]

Building Cost:

Using Marshall & Swift's "Average Quality" base cost for an elevator served building, building costs were underwritten at $82k/unit or $133/SF vs. Applicants budget of $84k/unit or $136/SF.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$22,297,952	**$20,284,703**	**$2,373,310**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
Churchill Stateside Group, LLC - FHA 221(d)(4)	Conventional/FHA	$4,271,000	5.40%	21%
Churchill Stateside Group, LLC	Bridge Loan	$12,576,000	7.25%	62%
RBC Capital Markets	HTC	$3,439,656	$0.86	17%
City of Killeen	§11.9(d)(2)LPS Contribution	$500	0.00%	0%
Avanti Legacy Westwood	Deferred Developer Fee	$0	0.00%	0%
		$20,287,156	**Total Sources**	

PERMANENT SOURCES

Debt Source	PROPOSED Amount	PROPOSED Interest Rate	PROPOSED Amort	PROPOSED Term	UNDERWRITTEN Amount	UNDERWRITTEN Interest Rate	UNDERWRITTEN Amort	UNDERWRITTEN Term	UNDERWRITTEN LTC
Churchill Stateside Group, LLC - FHA 221(d)(4)	$4,271,000	5.40%	40	40.0	$4,271,000	5.40%	40	40.0	19%
City of Killeen	$500	0.00%	0	0.0	$500	0.00%	0	0.0	0%
Total	**$4,271,500**				**$4,271,500**				

Equity & Deferred Fees	PROPOSED Amount	PROPOSED Rate	PROPOSED % Def	UNDERWRITTEN Amount	UNDERWRITTEN Rate	UNDERWRITTEN % TC	UNDERWRITTEN % Def
RBC Capital Markets	$17,198,280	$0.86		$17,198,280	$0.86	77%	
Avanti Legacy Westwood	$828,172		31%	$828,172		4%	31%
Total	**$18,026,452**			**$18,026,452**			
				$22,297,952	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.901	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.855	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	$22,297,952
Permanent Sources (debt + non-HTC equity)	$4,271,500
Gap in Permanent Financing	$18,026,452

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$20,408,427	$2,373,310
Needed to Balance Sources & Uses	$18,026,452	$2,096,309
Requested by Applicant	$17,198,280	$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$17,198,280**	**$2,000,000**

Deferred Developer Fee	**$828,172**	**(31% deferred)**
Repayable in	**14 years**	

Recommendation:

Underwriter recommends Applicant's request for $2,000,000 in annual 9% Housing Tax Credits.

Underwriter: *Eric Weiner*

Manager of Real Estate Analysis: *Gregg Kazak*

Director of Real Estate Analysis: *Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Westwood Apartments, Killeen, 9% HTC #24175

LOCATION DATA	
CITY:	Killeen
COUNTY:	Bell
Area Median Income	$76,000
PROGRAM REGION:	8
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	102	100.0%	0	0	0	0
2	-	0.0%	0	0	0	0
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	**102**	**100.0%**	**-**	**-**	**-**	**-**

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	618 sf

55% Average Income		20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
	# Units	-	11	-	21	70	-	-	-	**102**
	% Total	0.0%	10.8%	0.0%	20.6%	68.6%	0.0%	0.0%	0.0%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$427	11	1	1	618	$427	$65	$362	$0	$0.59	$362	**$3,982**	**$3,982**	$362	$0.59	$0	$1,243	$2.01	$1,243
TC 50%	$712	21	1	1	618	$712	$65	$647	$0	$1.05	$647	**$13,587**	**$13,587**	$647	$1.05	$0	$1,243	$2.01	$1,243
TC 60%	$855	70	1	1	618	$855	$65	$790	$0	$1.28	$790	**$55,300**	**$55,300**	$790	$1.28	$0	$1,243	$2.01	$1,243
TOTALS/AVERAGES:		**102**			**63,036**				**$0**	**$1.16**	**$714**	**$72,869**	**$72,869**	**$714**	**$1.16**	**$0**	**$1,243**	**$2.01**	**$1,243**

ANNUAL POTENTIAL GROSS RENT:	**$874,428**	**$874,428**	

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Westwood Apartments, Killeen, 9% HTC #24175

	STABILIZED FIRST YEAR PRO FORMA														
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Local senior comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.16	$714	$874,428	$874,428	$714	$1.16		0.0%	$0
App Fees, Deposit Forfeitures							$30.00	$36,720						
Total Secondary Income							$30.00		$36,720	$30.00			0.0%	$0
POTENTIAL GROSS INCOME								$911,148	$911,148				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(68,336)	(68,336)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$842,812	$842,812				0.0%	$0
General & Administrative	$34,092	$334/Unit	$48,920	$480	4.73%	$0.63	$391	$39,900	$39,900	$391	$0.63	4.73%	0.0%	-
Management	$33,113	4.6% EGI	$40,184	$394	5.00%	$0.67	$413	$42,141	$42,141	$413	$0.67	5.00%	0.0%	-
Payroll & Payroll Tax	$122,348	$1,199/Unit	$133,105	$1,305	12.25%	$1.64	$1,012	$103,210	$103,210	$1,012	$1.64	12.25%	0.0%	-
Repairs & Maintenance	$84,923	$833/Unit	$97,580	$957	7.92%	$1.06	$655	$66,790	$66,300	$650	$1.05	7.87%	0.7%	490
Electric/Gas	$22,517	$221/Unit	$19,519	$191	2.42%	$0.32	$200	$20,400	$20,400	$200	$0.32	2.42%	0.0%	-
Water, Sewer, & Trash	$68,679	$673/Unit	$57,219	$561	4.55%	$0.61	$376	$38,372	$38,372	$376	$0.61	4.55%	0.0%	-
Property Insurance	$73,134	$1.16 /sf	$69,629	$683	8.47%	$1.13	$700	$71,400	$71,400	$700	$1.13	8.47%	0.0%	-
Property Tax (@ 100%) 1.892972	$56,441	$553/Unit	$90,944	$892	10.56%	$1.41	$873	$89,000	$88,822	$871	$1.41	10.54%	0.2%	178
Reserve for Replacements					3.03%	$0.40	$250	$25,500	$25,500	$250	$0.40	3.03%	0.0%	-
Supportive Services					1.69%	$0.23	$140	$14,235	$14,235	$140	$0.23	1.69%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.48%	$0.06	$40	$4,080	$4,080	$40	$0.06	0.48%	0.0%	-
TOTAL EXPENSES					**61.11%**	**$8.17**	**$5,049**	**$515,028**	**$514,359**	**$5,043**	**$8.16**	**61.03%**	**0.1%**	**$ 668**
NET OPERATING INCOME ("NOI")					**38.89%**	**$5.20**	**$3,214**	**$327,784**	**$328,453**	**$3,220**	**$5.21**	**38.97%**	**-0.2%**	**$ (668)**
CONTROLLABLE EXPENSES							$2,634/Unit			$2,629/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Westwood Apartments, Killeen, 9% HTC #24175

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	**Fee**	**UW**	**App**	**Pmt**	**Rate**	**Amort**	**Term**	**Principal**	**Principal**	**Term**	**Amort**	**Rate**	**Pmt**	**DCR**	**LTC**
Churchill Stateside Group, LLC - FHA	0.35%	1.20	1.20	273,116	5.40%	40	40	$4,271,000	$4,271,000	40	40.0	5.40%	$275,813	1.19	19.2%
				$273,116		**TOTAL DEBT / GRANT SOURCES**		**$4,271,500**	**$4,271,500**		**TOTAL DEBT SERVICE**		**$275,813**	**1.19**	19.2%

NET CASH FLOW	$55,337	$54,668	**APPLICANT**	**NET OPERATING INCOME**	**$327,784**	**$51,971**	**NET CASH FLOW**		

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	**DESCRIPTION**	**% Cost**	**Annual Credit**	**Credit Price**	**Amount**	**Amount**	**Credit Price**	**Annual Credit**	**% Cost**	**Annual Credits per Unit**	**Allocation Method**
RBC Capital Markets	LIHTC Equity	77.1%	$2,000,000	$0.86	$17,198,280	$17,198,280	$0.8599	$2,000,000	77.1%	$19,608	Applicant Request
Avanti Legacy Westwood	Deferred Developer Fees	3.7%	(31% Deferred)		$828,172	$828,172	(31% Deferred)		3.7%	**Total Developer Fee:**	**$2,650,000**
Additional (Excess) Funds Req'd		0.0%				($0)			0.0%		
TOTAL EQUITY SOURCES		80.8%			$18,026,452	$18,026,452			80.8%		

TOTAL CAPITALIZATION	**$22,297,952**	**$22,297,952**		**15-Yr Cash Flow after Deferred Fee:**	**$100,427**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis								Eligible Basis			
	Acquisition	**New Const. Rehab**	**Total Costs**			**Total Costs**			**New Const. Rehab**	**Acquisition**	%	$
Land Acquisition			$8,088 / Unit		$825,000	$825,000	$8,088 / Unit				0.0%	$0
Building Acquisition	$0		$ / Unit		$0	$0	$ / Unit			$0	0.0%	$0
Closing costs & acq. legal fees					$24,750	$24,750					0.0%	$0
Off-Sites		$0	$ / Unit		$0	$0	$ / Unit		$0		0.0%	$0
Site Work		$1,894,778	$18,576 / Unit		$1,894,778	$1,894,778	$18,576 / Unit		$1,894,778		0.0%	$0
Site Amenities		$891,990	$8,924 / Unit		$910,223	$910,223	$8,924 / Unit		$891,990		0.0%	$0
Building Cost		$8,570,988	$136.17 /sf	$84,156/Unit	$8,583,864	$8,423,119	$82,580/Unit	$133.62 /sf	$8,423,119		1.9%	$160,745
Contingency		$795,043	7.00%	7.00%	$797,220	$785,968	7.00%	7.00%	$784,692		1.4%	$11,252
Contractor Fees		$1,701,392	14.00%	14.00%	$1,706,052	$1,681,972	14.00%	14.00%	$1,679,241		1.4%	$24,080
Soft Costs	$0	$2,064,694	$21,610 / Unit		$2,204,248	$2,204,248	$21,610 / Unit		$2,064,694	$0	0.0%	$0
Financing	$0	$1,720,818	$26,488 / Unit		$2,701,817	$2,701,817	$26,488 / Unit		$1,720,818	$0	0.0%	$0
Developer Fee	$0	$2,645,000	14.99%	14.99%	$2,650,000	$2,621,826	15.00%	15.00%	$2,618,900	$0	1.1%	$28,174
Reserves			Months		$0	$0	Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$20,284,703**	$218,607 / Unit		**$22,297,952**	**$22,073,700**	$216,409 / Unit		**$20,078,232**	**$0**	**1.0%**	**$224,251**
Acquisition Cost	$0				$0							
Contingency		$0			$0							
Contractor's Fee		$0			$0							
Financing Cost		$0										
Developer Fee	$0	$0			$0							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$20,284,703**	$218,607/unit		**$22,297,952**	**$22,073,700**	$216,409/unit		**$20,078,232**	**$0**	**1.0%**	**$224,251**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):	**$22,297,952**

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Westwood Apartments, Killeen, 9% HTC #24175

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$20,284,703	$0	$20,078,232
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$20,284,703	$0	$20,078,232
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$26,370,114	$0	$26,101,701
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$26,370,114	$0	$26,101,701
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$2,373,310	$0	$2,349,153
CREDITS ON QUALIFIED BASIS	$2,373,310		$2,349,153	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8599	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$2,373,310	$20,408,427	----	----	----
Needed to Fill Gap	$2,096,309	$18,026,452	----	----	----
Applicant Request	$2,000,000	$17,198,280	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Elevator Served		63,036 SF	$100.27	6,320,866
Adjustments				
Exterior Wall Finish	2.87%		2.88	$181,446
Elderly	9.00%		9.02	568,878
9-Ft. Ceilings	0.00%		0.00	0
Roof Adjustment(s)			(0.25)	(15,759)
Subfloor			(0.61)	(38,223)
Floor Cover			3.68	231,972
Breezeways	$39.58	9,536	5.99	377,479
Balconies	$0.00	0	0.00	0
Plumbing Fixtures	$1,420	0	0.00	0
Rough-ins	$700	204	2.27	142,800
Built-In Appliances	$2,280	102	3.69	232,560
Exterior Stairs	$3,550	9	0.51	31,950
Heating/Cooling			3.12	196,672
Storage Space	$39.58	16,865	10.59	667,595
Carports	$16.05	0	0.00	0
Garages	$30.00	0	0.00	0
Common/Support Area	$133.81	3,022	6.42	404,376
Elevators	$123,100	2	3.91	246,200
Other:			0.00	0
Fire Sprinklers	$3.65	92,459	5.35	337,475
SUBTOTAL			**156.84**	**9,886,290**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**156.84**	**$9,886,290**
Plans, specs, survey, bldg permits	3.30%		(5.18)	($326,248)
Contractor's OH & Profit	11.50%		(18.04)	(1,136,923)
NET BUILDING COSTS		$82,580/unit	$133.62/sf	$8,423,119

Long-Term Pro Forma

Westwood Apartments, Killeen, 9% HTC #24175

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$842,812	$859,668	$876,862	$894,399	$912,287	$1,007,238	$1,112,072	$1,227,818	$1,355,610	$1,496,703	$1,652,481	$1,824,473
TOTAL EXPENSES	3.00%	$515,028	$530,057	$545,529	$561,456	$577,853	$667,372	$770,888	$890,601	$1,029,063	$1,189,225	$1,374,507	$1,588,870
NET OPERATING INCOME ("NOI")		**$327,784**	**$329,611**	**$331,332**	**$332,942**	**$334,434**	**$339,866**	**$341,185**	**$337,216**	**$326,547**	**$307,478**	**$277,974**	**$235,603**
EXPENSE/INCOME RATIO		61.1%	61.7%	62.2%	62.8%	63.3%	66.3%	69.3%	72.5%	75.9%	79.5%	83.2%	87.1%
MUST -PAY DEBT SERVICE													
Churchill Stateside Group, LLC - FHA 221(d)(4)		$275,813	$275,704	$275,590	$275,469	$275,342	$274,590	$273,606	$272,318	$270,632	$268,425	$265,535	$261,751
TOTAL DEBT SERVICE		$275,813	$275,704	$275,590	$275,469	$275,342	$274,590	$273,606	$272,318	$270,632	$268,425	$265,535	$261,751
DEBT COVERAGE RATIO		1.19	1.20	1.20	1.21	1.21	1.24	1.25	1.24	1.21	1.15	1.05	0.90
ANNUAL CASH FLOW		**$51,971**	**$53,907**	**$55,743**	**$57,473**	**$59,092**	**$65,276**	**$67,578**	**$64,898**	**$55,915**	**$39,054**	**$12,440**	**($26,148)**
Deferred Developer Fee Balance		$776,200	$722,294	$666,551	$609,078	$549,986	$234,617	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$100,427	$432,518	$732,875	$965,370	$1,085,113	$1,036,830

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1151 **Agenda Date:** 9/4/2025 **Agenda #:** 30.

Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for The Bryan

RECOMMENDED ACTION

WHEREAS, The Bryan was awarded 9% housing tax credits during the 2024 Competitive Housing Tax Credit cycle;

WHEREAS, the Development Owner executed a Carryover Allocation Agreement that included certifications stating each building receiving an allocation would be placed in service by December 31, 2026;

WHEREAS, the Development Owner has requested an extension to the placement in service deadline under 10 TAC §11.6(5), related to Credit Returns Resulting from Force Majeure Events;

WHEREAS, the Development is not financially feasible unless the Board approves an Application amendment presented at this meeting, which requests to reduce the number of Units by approximately 20%, which staff has recommended that the Board deny; and

WHEREAS, staff cannot recommend that the Board approve this item knowing that the Development is infeasible;

NOW, therefore, it is hereby

RESOLVED, that the request to treat the matter under the force majeure provisions of 10 TAC §11.6(5) is denied.

BACKGROUND

Development	The Bryan
Target Population	Elderly
HTC Award	$2,000,000
City	Mission
Total Units	113
HTC Units	113
Initial Year of Award	2024
Extension Requested	One year

The Bryan is a 113-unit development located in Mission, Hidalgo County. The development received an award of 9% Housing Tax Credits in 2024. As a result, the current deadline to place in service is December 31, 2026.

Since receiving that award, the Development has experienced financial gaps caused by rising construction costs, declining equity rates, and rising interest rates. To address this gap, the Developer has requested to amend the Application to reduce the number of Units by approximately 20%. That amendment is scheduled to be presented at this meeting of the Governing Board, and staff recommends that the Board deny the amendment. Because the Development is no longer financially feasible, staff cannot recommend that the Board approve this request to return the credits and have them reallocated to the Development.

IMPACT OF BOARD DECISION

If the Board approves the request:

- The credits will be returned and reallocated, with the 2024 Qualified Allocation Plan, Uniform Multifamily Rules, and the 2025 Program Calendar applicable to the Development.
- A new Carryover Allocation Agreement will be executed.
- The new 10% Test deadline will be July 1, 2026.
- The new placed-in-service deadline will be December 31, 2027.

If the Board denies the request:

- The current placed-in-service deadline of December 31, 2026, remains in place.
- The Development Owner may either meet the existing deadline, return the credits, or have the award terminated for failing to meet the deadline.
- Returned credits will first be reallocated within the original subregion in accordance with 10 TAC §11.6(2). If no pending applications are eligible within the subregion, the credits will be added to the statewide collapse for reallocation.

This request has no impact on any funding source other than the Low Income Housing Tax Credit program.

RECOMMENDATION

Staff recommends denial of the request to return and reallocate tax credits for The Bryan under the force majeure provisions of 10 TAC §11.6(5).

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August 21, 2025

Cody Campbell
Director of Multifamily Finance
P.O. Box 13941
Austin, Texas 78701-3941

Re: HTC 24168 The Bryan – Force Majeure Extension Request

Dear Mr. Campbell:

I am writing today to submit a force majeure request for a 9% Housing Tax Credit development, The Bryan, which was awarded in 2024. We are currently experiencing various forms of force majeure events that make progressing our project forward, challenging.

At the time of the 2024 application submittal, many of the disruptions caused by COVID-19 in the housing industry had begun to stabilize. However, since then, the Developer has faced significant and compounding financial challenges, including new increases in construction costs, declining equity pricing, and rising interest rates, all of which have created a substantial budget gap.

One of the primary drivers of increased construction costs has been the uncertainty concerning tariffs on key building materials. Cost increases due to tariffs have had widespread impact across the construction industry. In response, the developer sought competitive bids from multiple contractors to mitigate costs, but even the most favorable estimates were still significantly higher than those available at the time of the original application.

As a result of the construction cost increases, the developer now requires a larger loan to close the funding gap. At the time of the original application, a letter of intent was secured for financing at a 6.25% interest rate. That rate has since increased to 7.10% during the construction period and 6.88% during the permanent period, adding further pressure to the project's financial feasibility. Compounding the situation is a significant drop in equity pricing. While equity was originally priced at $0.90 per tax credit dollar, the highest offer available now
is $0.84, representing an 6.7% decline in equity proceeds.

These converging factors have resulted in unforeseen and unprecedented financial strain since the application was submitted. The Applicant has worked diligently to adjust to these conditions, explore all viable funding options, and preserve the financial viability of the project. The

application is currently infeasible as submitted in the original application. In order to preserve tax base for the local municipality and avoid requesting a 100% property tax exemption for the development, an amendment has been submitted to lower costs so that the development will be financially feasible.

The developer has had numerous meetings with the City of Mission regarding this amendment and the proposed changes, and the City is still very supportive of the development. Please see the attached letter from Mr. Mike R. Perez, City Manager of the City of Mission, regarding leadership's support, as well as the attached letter from Mr. Xavier Cervantes, Director of Planning, regarding subdivision approval timing for the new site plan. The developer has been working with the City and will be able to obtain the necessary approvals and permits.

The delays associated with the unpredictable financial markets, redesigning the development to make it feasible, and working through the amendment process has delayed the closing of the deal to the point that the Force Majeure is now needed to ensure a Placed in Service date that the developer can meet. These delays were not due to the negligent or willful acts or omission of the Development Owner, Affiliate, or Related Party. The were out of our control and while we do what is within our control to mitigate or prepare for these events, we cannot always plan and prepare for everything.

Thank you for your attention and consideration of this amendment request. If this Force Majeure is approved, the developer is prepared to close in December 2025 and begin construction shortly thereafter.

We appreciate your time and consideration of this matter. Please contact Sarah Anderson directly if you have any questions regarding this request.

Sincerely,

Sarah Anderson
S. Anderson Consulting
1305 E. 6th St., Ste 12
Austin, TX 78702
512-554-4721

CITY OF MISSION

Norie Gonzalez Garza, Mayor
Ruben Plata, Mayor Pro-Tem
Jessica Ortega, Councilwoman
Marissa Ortega Gerlach, Councilwoman
Alberto Vela, Councilman
Mike R. Perez, City Manager

May 14, 2025

Bobby Wilkinson
Executive Director
TDHCA
221 East 11th Street
Austin, TX 78701

RE: TDHCA Application #24168 The Bryan

Dear Mr. Wilkinson,

I am writing this letter in support of the amendment request for #24168 The Bryan. There is a great need for affordable housing in the City of Mission. When representatives of the Rufino Contreras Affordable Housing Corporation, the Texas subsidiary of the Cesar Chavez Foundation, met with us last year about this project, we were very supportive because our city had not had any new construction housing tax credit developments in years. From 2019 through 2023, the City of Mission had received only two Housing Tax Credit awards and they were for existing affordable housing: one was the rehabilitation of 99 existing single-family homes already covered by a HAP contract and the other was the reconstruction of public housing. We were excited when The Bryan received an award of Housing Tax Credits last July because it would be the first brand new affordable units added to our city since 2017.

We have had several discussions with the developer since that award and understand the financial challenges concerning the development given the current economy. They have come to us with a proposal to reduce the number of units along with other changes that would enable the development to move forward. I want to emphasize that we are still very supportive of The Bryan and urge you to approve this amendment request. Our City is also searching for ways that it can provide financial support to this project in the event that it needs additional funds.

Please approve The Bryan's amendment request so that we can all work together to bring affordable housing to Mission.

Sincerely,

Mike R. Perez
City Manager

CITY OF MISSION

Norie Gonzalez Garza, Mayor
Ruben Plata, Mayor Pro-Tem
Jessica Ortega, Councilwoman
Marissa Ortega Gerlach, Councilwoman
Alberto Vela, Councilman
Mike R. Perez, City Manager

June 6, 2025

Michael J. Blum
Real Estate Broker
NAI Rio Grande Valley
800 W. Dallas Ave, McAllen, TX 78501

Dear Mike:

Our meeting yesterday with the subdivision review committee regarding the project named "BRYAN DEVELOPMENT" went very well.

Due to not seeing any major infrastructure concerns with the project you presented I have determined that your project qualifies as a short-form subdivision under Section 98-303 of our subdivision ordinance.

That means that the 3-lot proposed subdivision can be processed administratively and could potentially get recorded in 4 to 8 weeks.

Please proceed with your application to the Texas Department of Housing and Community Affairs for the processing of the low-income housing development.

If you have any questions, please feel free to call me at your convenience at (956) 580-8671.

Respectfully,

Xavier Cervantes, AICP, CPM
Director of Planning

CONSTRUCTION SCHEDULE FOR THE BRYAN

ID	Task Mode	Task Name	Duration	Start	Finish
1					
2					
3		mobilization	2 days	Mon 1/5/26	Tue 1/6/26
4		site clearing	10 days	Wed 1/7/26	Tue 1/20/26
5		survey	2 days	Wed 1/21/26	Thu 1/22/26
6		over excavation-building	15 days	Mon 1/26/26	Fri 2/13/26
7		plumbing underground	20 days	Mon 2/16/26	Fri 3/13/26
8		retention system	30 days	Mon 2/23/26	Fri 4/3/26
9		parking lot	10 days	Mon 4/13/26	Fri 4/24/26
10		slab steel	8 days	Mon 3/16/26	Wed 3/25/26
11		slab pour	1 day	Tue 3/3/26	Tue 3/3/26
12		rough carpentry	50 days	Mon 3/9/26	Fri 5/15/26
13		plumbing rough	20 days	Wed 3/11/26	Tue 4/7/26
14		electrical unit feeders	12 days	Mon 4/13/26	Tue 4/28/26
15		pre-lim gyp board	15 days	Fri 5/15/26	Thu 6/4/26
16		lath and stucco	65 days	Mon 6/15/26	Fri 9/11/26
17		mechanical rough	30 days	Mon 5/25/26	Fri 7/3/26
18		roof	5 days	Sun 5/18/25	Thu 5/22/25
19		electrical rough	40 days	Mon 5/25/26	Fri 7/17/26
20		rough inspections	30 days	Mon 7/6/26	Fri 8/14/26
21		insulation	20 days	Mon 7/13/26	Fri 8/7/26
22		gyp board	60 days	Mon 8/17/26	Fri 11/6/26
23		paint	45 days	Mon 8/31/26	Fri 10/30/26

ID	Task Mode	Task Name	Duration	Start	Finish
24		gyp-crete 2nd floor	1 day	Mon 9/7/26	Mon 9/7/26
25		gyp crete 3rd floor	1 day	Mon 9/21/26	Mon 9/21/26
26		gyp crete 4th floor	1 day	Mon 9/28/26	Mon 9/28/26
27		cabinets	40 days	Mon 9/7/26	Fri 10/30/26
28		finish carpentry	45 days	Mon 9/14/26	Fri 11/13/26
29		countertops	50 days	Mon 9/21/26	Fri 11/27/26
30		plumbing finish	60 days	Mon 9/28/26	Fri 12/18/26
31		electrical finish	60 days	Mon 9/7/26	Fri 11/27/26
32		mechanical finish	55 days	Mon 9/21/26	Fri 12/4/26
33		finish hardware	40 days	Mon 11/2/26	Fri 12/25/26
34		flat work concrete	30 days	Thu 10/15/26	Wed 11/25/2
35		flooring	80 days	Thu 11/12/26	Wed 3/3/27
36		landscaping	45 days	Sun 11/1/26	Thu 12/31/26
37		appliances	20 days	Tue 12/1/26	Mon 12/28/2
38		window coverings	20 days	Mon 2/15/27	Fri 3/12/27
39		final clean	60 days	Fri 2/19/27	Thu 5/13/27
40		punch list	20 days	Sat 3/20/27	Thu 4/15/27
41		final inspections	45 days	Thu 4/15/27	Wed 6/16/27

24168 The Bryan - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 10, 2024

PROPERTY IDENTIFICATION

Application #	**24168**
Development	**The Bryan**
City / County	**Mission / Hidalgo**
Region/Area	**11 / Urban**
Population	**Elderly Limitation**
Set-Aside	**General**
Activity	**New Construction**

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$2,000,000	**$2,000,000**	**$17,699/Unit**	**$0.90**

KEY PRINCIPALS / SPONSOR

Ellen Moskalik / Rufino Contreras Afforadable Housing Rich Rollins / Greenfield Consturction

Related Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	104	92%
2	9	8%
3	-	0%
4	-	0%
TOTAL	113	100%

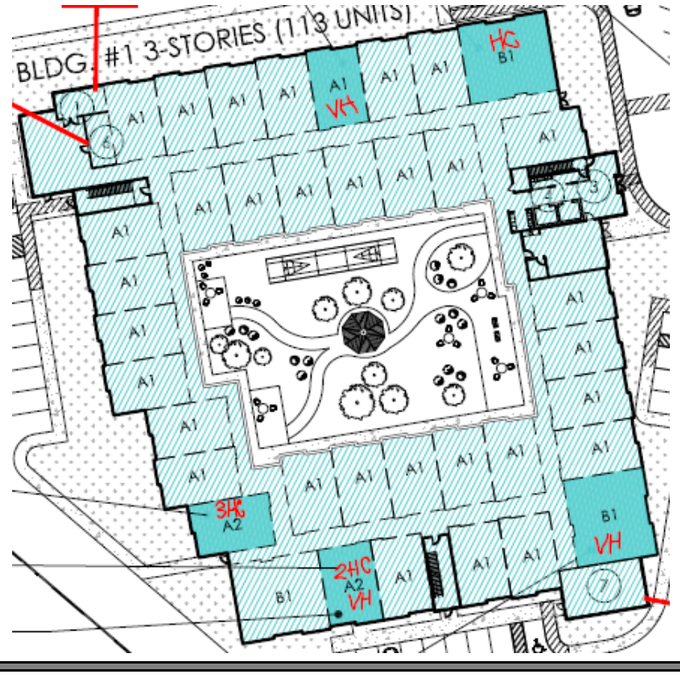
INCOME DISTRIBUTION

Income	# Units	% Total
20%	-	0%
30%	12	11%
40%	-	0%
50%	23	20%
60%	78	69%
70%	-	0%
80%	-	0%
MR	-	0%
TOTAL	113	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.16	**Expense Ratio**	63.2%
Breakeven Occ.	87.8%	**Breakeven Rent**	$640
Average Rent	$676	**B/E Rent Margin**	$36
Property Taxes	$726/unit	**Exemption/PILOT**	0%
Total Expense	$4,950/unit	**Controllable**	$2,970/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			1.8%
Highest Unit Capture Rate	7%	1 BR/60%	71
Dominant Unit Cap. Rate	7%	1 BR/60%	71
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	699 SF	**Density**	28.4/acre
Acquisition		$16K/unit	$1,800K
Building Cost	$155.00/SF	$108K/unit	$12,239K
Hard Cost		$129K/unit	$14,592K
Total Cost		$202K/unit	$22,778K
Developer Fee	$2,660K	(26% Deferred)	Paid Year: 14
Contractor Fee	$1,907K	**30% Boost**	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
PNC	40/40	6.00%	$4,100,000	1.16
TOTAL DEBT (Must Pay)			$4,100,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Mission	0/0	0.00%	$500	1.16
CASH FLOW DEBT / GRANTS			$500	

EQUITY / DEFERRED FEES	
Source	Amount
PNC	$17,998,200
Rufino Contreras Affordable Housing	$679,309
TOTAL EQUITY SOURCES	$18,677,509
TOTAL DEBT SOURCES	$4,100,500
TOTAL CAPITALIZATION	$22,778,009

CONDITIONS

- Receipt and acceptance by Cost Certification:

  a: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

  b: A revised site plan that provides sufficient free parking consistent with the local code and the QAP.

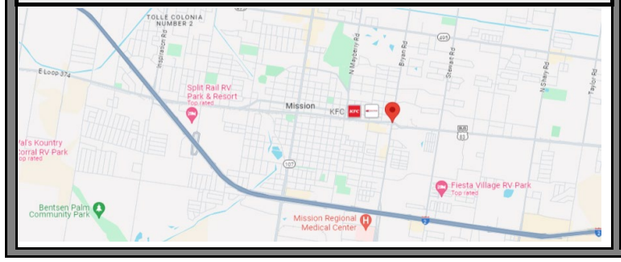
Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS
▫ Low Gross Capture Rate
▫ Developer Experience

WEAKNESSES/RISKS
▫ 1.16 DCR
▫ Parking Variance pending approval
▫ 63% Expense Ratio

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
July 10, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24168** Program(s): **9% HTC**

The Bryan

Address/Location: SEQ E Bus Hwy 83 and Bryan Rd

City: Mission County: Hidalgo Zip: 78572

Population: Elderly Limitation Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: Elevator Served Region: 11

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION						
TDHCA Program	**Amount**	**Int. Rate**	**Amort**	**Term**	**Amount**	**Int. Rate**	**Amort**	**Perm. Term**	**Perm Lien**	**Const. Term**	**Const Lien**
LIHTC (9% Credit)	$2,000,000				**$2,000,000**						

CONDITIONS

- Receipt and acceptance by Cost Certification:
  a: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
  b: A revised site plan that provides sufficient free parking consistent with the local code and the QAP.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	12
50% of AMI	50% of AMI	23
60% of AMI	60% of AMI	78

DEVELOPMENT SUMMARY

This Application is for the new construction of 113 units of housing for elderly households. The Development will be one three-story elevator-served building that will contain residential units and common area and also include an interior courtyard. The site will have vehicular access to Bus Hwy 83 that is part of the site and an access easement that connects to Bryan Rd.

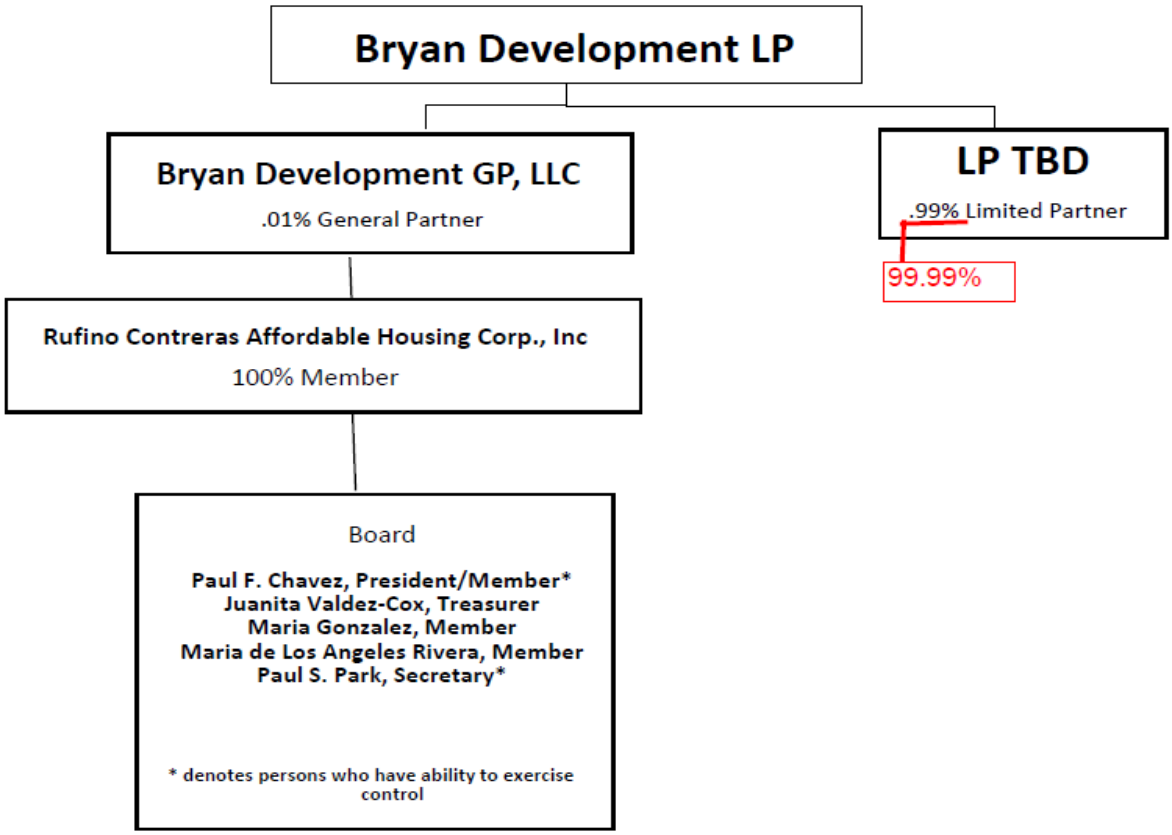
RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Low Gross Capture Rate
▫	Developer Experience
▫	

WEAKNESSES/RISKS	
▫	1.16 DCR
▫	Parking Variance pending approval
▫	63% Expense Ratio

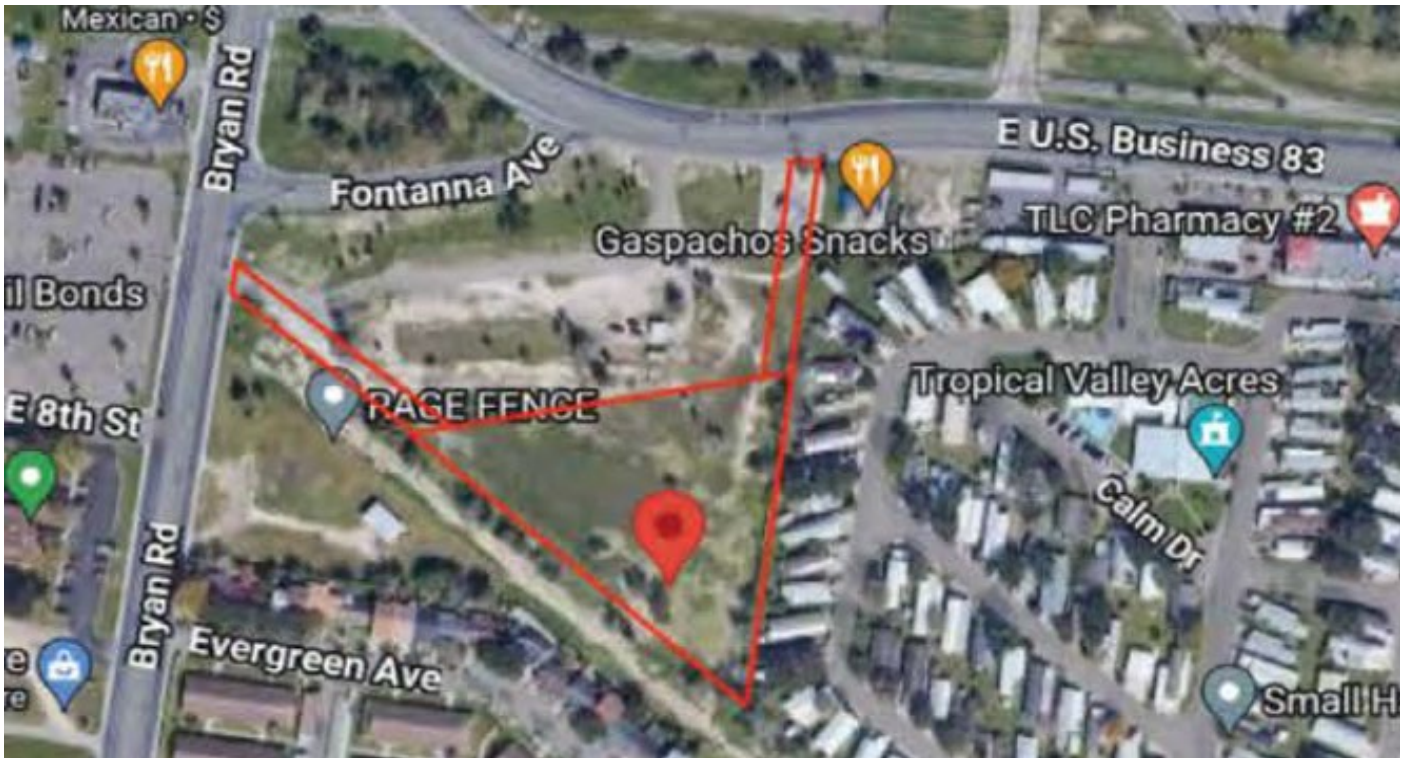
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Parking	No Fee		Tenant-Paid		Total	
Open Surface	116	*1.0/unit*	0	--	116	*1.0/unit*
Carport	0	--	0	--	0	--
Garage	0	--	0	--	0	--
Total Parking	**116**	*1.0/unit*	**0**	--	**116**	*1.0/unit*

Comments:

The City of Mission requires 2 off street parking spaces per each unit. Ownership is in the process of obtaining a variance through the Zoning Board of Adjustments.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	1												**Total Buildings**
Floors/Stories	3												
Number of Bldgs	1												**1**
Units per Bldg	113												
Total Units	113												**113**

Avg. Unit Size (SF)	**699 sf**	**Total NRA (SF)**	**78,962**	**Common Area (SF)***	**36,260**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 3.98 acres Density: 28.4 units/acre

Site Control: 3.981 **Site Plan:** 3.981 **Appraisal:** 6.56 **ESA:** 6.56

Feasibility Report Survey: 3.981 **Feasibility Report Engineer's Plan:** 3.981 **Existing LURA:** NA

Control Type: Contract for Sale

Total Acquisition:	6.56	acres	Cost:	$4,200,500	
Development Site:	3.98	acres	Cost:	$1,800,000	$15,929 per unit

Seller: Moron Vela, Inc.

Buyer: Rufino Contreras Affordable Housing Corporation

Assignee: Bryan Development, LLC

Related-Party Seller/Identity of Interest: No

Comments:

A member of the Development Owner has 6.56 acres under contract. The Development Site is 3.742 acres which will have the development building plus an access easement that is 0.2386 acres. Included is an Appraisal examining the larger 6.56 acres and the ESA also examines the larger 6.56 acres. Per the QAP, "Development Site" includes access easements.

APPRAISED VALUE

Appraiser: CBRE Valuation and Advisory Services Date: 2/29/2024

Land as Vacant: 3.742 acres $1,800,000 Per Unit: $15,929

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	C-3	Within 100-yr floodplain?	No
Re-Zoning Required?	Yes	Utilities at Site?	Yes
Year Constructed:	NA	Title Issues?	No

Current Uses of Subject Site:

Undeveloped

Other Observations:

The site has been rezoned from C-3 to R-3 as of 3/11/2024, no further rezoning is required.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: WGA Environmental Consultants Date: 2/27/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- US Highway 83 Business, approximately 20 feet away from the Subject Property and one railroad approximately 125 feet away from the Subject Property. Due to the proximity of these significant noise sources, a noise study is recommended.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC Date: 3/10/2024

Primary Market Area (PMA): 36 sq. miles 3 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
21423	El Rosario Homes	Yes	Rehab.	General	N/A	100
23072	Anacua Village	Yes	Reconst.	General	N/A	100

Stabilized Affordable Developments in PMA		
	Total Units	1,055
	Total Developments	7
	Average Occupancy	95%

OVERALL DEMAND ANALYSIS

	Market Analyst			
	HTC	**Assisted**		
Total Households in the Primary Market Area	32,329			
Senior Households in the Primary Market Area	14,767			
Potential Demand from the Primary Market Area	5,679			
10% External Demand	568			
Potential Demand from Other Sources				
GROSS DEMAND	6,247			
Subject Affordable Units	113			
Unstabilized Competitive Units				
RELEVANT SUPPLY	113			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**1.8%**			

Population: **Elderly Limitation** **Market Area:** **Urban** **Maximum Gross Capture Rate:** **10%**

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND

	Market Analyst									
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate					
30% AMGI	1,139	114	12	0	1%					
40% AMGI	1,635	164	23	0	1%					
50% AMGI	2,905	291	291	0	9%					

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE										
		Market Analyst								
Unit Type		Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate				
1 BR/30%		663	66	11	0	2%				
1 BR/50%		654	65	22	0	3%				
1 BR/60%		870	87	71	0	7%				
2 BR/30%		477	48	1	0	0%				
2 BR/50%		608	61	1	0	0%				
2 BR/60%		873	87	7	0	1%				

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$325,561	Avg. Rent:	$676	Expense Ratio:	63.2%
Debt Service:	$280,955	B/E Rent:	$640	Controllable Expenses:	$2,970
Net Cash Flow:	$44,606	UW Occupancy:	92.5%	Property Taxes/Unit:	$726
Aggregate DCR:	1.16	B/E Occupancy:	87.8%	Program Rent Year:	2023

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$452,193/ac	$15,929/unit	**$1,800,000**	Contractor Fee	**$1,907,257**
Off-site + Site Work		$14,673/unit	**$1,658,100**	Soft Cost + Financing	**$1,539,058**
Building Cost	$155.00/sf	$108,311/unit	**$12,239,110**	Developer Fee	**$2,659,514**
Contingency	5.00%	$6,149/unit	**$694,861**	Reserves	**$280,110**
Total Development Cost	$201,575/unit	**$22,778,009**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	High Opportunity Index [9% only]

Building Cost:

The Eligible Basis of the Building Cost is limited to $11,425,801 for scoring purposes.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$22,778,009	**$19,275,474**	**$2,255,230**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
PNC	FHA 221(d)(4)	$4,100,000	6.00%	21%
PNC	HTC	$14,398,560	$0.90	73%
Rufino Contreras Affordable Housing	Deferred Developer Fee	$1,329,757	0.00%	7%
		$19,828,317	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
PNC	$4,100,000	6.00%	40	40.0	$4,100,000	6.00%	40	40.0	18%
City of Mission	$500	Fee Waiver			$500	Fee Waiver			0%
Total	**$4,100,500**				**$4,100,500**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
PNC	$17,998,200	$0.90		$17,998,200	$0.90	79%	
Rufino Contreras Affordable Housing	$679,309		26%	$679,309		3%	26%
Total	**$18,677,509**			**$18,677,509**			
				$22,778,009	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.934	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.896	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$22,778,009
Permanent Sources (debt + non-HTC equity)	$4,100,500
Gap in Permanent Financing	$18,677,509

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$20,295,044	$2,255,230
Needed to Balance Sources & Uses	$18,677,509	$2,075,486
Requested by Applicant	$17,998,200	$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$17,998,200**	**$2,000,000**

Deferred Developer Fee	**$679,309**	**(26% deferred)**
Repayable in	**14 years**	

Recommendation:

The underwriter recommends a $2,000,000 annual credit allocation per the applciant's request.

Underwriter: *Jack Scholz*

Manager of Real Estate Analysis: *Diamond Unique Thompson*

Director of Real Estate Analysis: *Jeanna Adams*

UNIT MIX/RENT SCHEDULE

The Bryan, Mission, 9% HTC #24168

LOCATION DATA	
CITY:	Mission
COUNTY:	Hidalgo
Area Median Income	$56,300
PROGRAM REGION:	11
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	104	92.0%	0	0	0	0
2	9	8.0%	0	0	0	0
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	**113**	**100.0%**	**-**	**-**	**-**	**-**

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	699 sf

55%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	12	-	23	78	-	-	-	**113**
	% Total	0.0%	10.6%	0.0%	20.4%	69.0%	0.0%	0.0%	0.0%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$405	10	1	1	658	$405	$75	$330	$0	$0.50	$330	**$3,300**	**$3,300**	$330	$0.50	$0	$946	$1.44	$946
TC 50%	$676	20	1	1	658	$676	$75	$601	$0	$0.91	$601	**$12,020**	**$12,020**	$601	$0.91	$0	$946	$1.44	$946
TC 60%	$811	68	1	1	658	$811	$75	$736	$0	$1.12	$736	**$50,048**	**$50,048**	$736	$1.12	$0	$946	$1.44	$946
TC 30%	$405	1	1	1	691	$405	$75	$330	$0	$0.48	$330	**$330**	**$330**	$330	$0.48	$0	$985	$1.43	$985
TC 50%	$676	2	1	1	691	$676	$75	$601	$0	$0.87	$601	**$1,202**	**$1,202**	$601	$0.87	$0	$985	$1.43	$985
TC 60%	$811	3	1	1	691	$811	$75	$736	$0	$1.07	$736	**$2,208**	**$2,208**	$736	$1.07	$0	$985	$1.43	$985
TC 30%	$486	1	2	1	1,148	$486	$98	$388	$0	$0.34	$388	**$388**	**$388**	$388	$0.34	$0	$1,358	$1.18	$1,358
TC 50%	$811	1	2	1	1,148	$811	$98	$713	$0	$0.62	$713	**$713**	**$713**	$713	$0.62	$0	$1,358	$1.18	$1,358
TC 60%	$973	7	2	1	1,148	$973	$98	$875	$0	$0.76	$875	**$6,125**	**$6,125**	$875	$0.76	$0	$1,358	$1.18	$1,358
TOTALS/AVERAGES:		**113**			**78,962**				**$0**	**$0.97**	**$676**	$76,334	$76,334	$676	**$0.97**	**$0**	**$981**	**$1.40**	**$981**

ANNUAL POTENTIAL GROSS RENT:	$916,008	$916,008	

*MFDL units float among Unit Types

STABILIZED PRO FORMA

The Bryan, Mission, 9% HTC #24168

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database	Hidalgo Comps			% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.97	$676	$916,008	$916,008	$676	$0.97		0.0%	$0
late fees, app fees, pet fees							$30.00	$40,680						
Total Secondary Income							$30.00		$40,680	$30.00			0.0%	$0
POTENTIAL GROSS INCOME								$956,688	$956,688				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(71,752)	(71,752)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$884,936	$884,936				0.0%	$0
General & Administrative	$34,133	$302/Unit	$29,050	$257	4.92%	$0.55	$385	$43,505	$34,133	$302	$0.43	3.86%	27.5%	9,372
Management	$35,279	4.1% EGI	$32,006	$283	5.00%	$0.56	$392	$44,247	$44,247	$392	$0.56	5.00%	0.0%	-
Payroll & Payroll Tax	$138,802	$1,228/Unit	$145,165	$1,285	14.68%	$1.65	$1,150	$129,950	$129,363	$1,145	$1.64	14.62%	0.5%	587
Repairs & Maintenance	$70,691	$626/Unit	$52,118	$461	7.66%	$0.86	$600	$67,800	$73,450	$650	$0.93	8.30%	-7.7%	(5,650)
Electric/Gas	$19,221	$170/Unit	$20,043	$177	2.36%	$0.26	$185	$20,905	$20,043	$177	$0.25	2.26%	4.3%	862
Water, Sewer, & Trash	$71,710	$635/Unit	$30,296	$268	8.30%	$0.93	$650	$73,450	$71,710	$635	$0.91	8.10%	2.4%	1,740
Property Insurance	$81,287	$1.03 /sf	$75,932	$672	7.32%	$0.82	$573	$64,749	$75,932	$672	$0.96	8.58%	-14.7%	(11,183)
Property Tax (@ 100%) 2.3943	$75,359	$667/Unit	$71,482	$633	9.27%	$1.04	$726	$82,000	$77,907	$689	$0.99	8.80%	5.3%	4,093
Reserve for Replacements					3.19%	$0.36	$250	$28,250	$28,250	$250	$0.36	3.19%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.51%	$0.06	$40	$4,520	$4,520	$40	$0.06	0.51%	0.0%	-
TOTAL EXPENSES					**63.21%**	**$7.08**	**$4,950**	**$559,376**	**$559,554**	**$4,952**	**$7.09**	**63.23%**	**0.0%**	**$ (178)**
NET OPERATING INCOME ("NOI")					**36.79%**	**$4.12**	**$2,881**	**$325,561**	**$325,382**	**$2,879**	**$4.12**	**36.77%**	**0.1%**	**$ 178**

CONTROLLABLE EXPENSES							$2,970/Unit			$2,909/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

The Bryan, Mission, 9% HTC #24168

DEBT / GRANT SOURCES

APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE

DEBT (Must Pay)	Fee	Cumulative DCR UW	Cumulative DCR App	Pmt	Rate	Amort	Term	Principal
PNC	0.25%	1.16	1.16	280,955	6.00%	40	40.0	$4,100,000
Adjustment to Debt Per §11.302(c)(2)	0.25%							
CASH FLOW DEBT / GRANTS								
City of Mission		1.16	1.16		0.00%	0	0.0	$500
				$280,955	**TOTAL DEBT / GRANT SOURCES**			**$4,100,500**

AS UNDERWRITTEN DEBT/GRANT STRUCTURE

Principal	Term	Amort	Rate	Pmt	Cumulative DCR	Cumulative LTC
$4,100,000	40.0	40.0	6.00%	$280,955	1.16	18.0%
	40.0	40.0	6.00%		1.16	0.0%
$500	0.0	0.0	0.00%		1.16	0.0%
$4,100,500		**TOTAL DEBT SERVICE**		**$280,955**	**1.16**	18.0%

NET CASH FLOW	$44,427	$44,606	APPLICANT	NET OPERATING INCOME	$325,561	$44,606	NET CASH FLOW

EQUITY SOURCES

APPLICANT'S PROPOSED EQUITY STRUCTURE

EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount
PNC	LIHTC Equity	79.0%	$2,000,000	$0.90	$17,998,200
Rufino Contreras Affordable Housing	Deferred Developer Fees	3.0%	(26% Deferred)		$679,309
Additional (Excess) Funds Req'd		0.0%			
TOTAL EQUITY SOURCES		82.0%			$18,677,509

AS UNDERWRITTEN EQUITY STRUCTURE

Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
$17,998,200	$0.8999	$2,000,000	79.0%	$17,699	Applicant Request
$679,309	(26% Deferred)		3.0%	**Total Developer Fee:**	**$2,659,514**
$0			0.0%		
$18,677,509			82.0%		

TOTAL CAPITALIZATION	$22,778,009	$22,778,009		15-Yr Cash Flow after Deferred Fee:	$72,752

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis								Eligible Basis			
	Acquisition	New Const. Rehab	Total Costs			Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition			$15,929 / Unit		$1,800,000	$1,800,000	$15,929 / Unit				0.0%	$0
Building Acquisition	$0		$ / Unit		$0	$0	$ / Unit			$0	0.0%	$0
					$0	$0					0.0%	$0
Off-Sites			$1,031 / Unit		$116,500	$116,500	$1,031 / Unit		$0		0.0%	$0
Site Work		$1,298,400	$11,835 / Unit		$1,337,400	$1,337,400	$11,835 / Unit		$1,298,400		0.0%	$0
Site Amenities		$204,200	$1,807 / Unit		$204,200	$204,200	$1,807 / Unit		$204,200		0.0%	$0
Building Cost		$11,425,801	$155.00 /sf	$108,311/Unit	$12,239,110	$11,736,936	$103,867/Unit	$148.64 /sf	$11,425,801		4.3%	$502,174
Contingency		$694,861	5.37%	5.00%	$694,861	$694,861	5.19%	5.37%	$694,861		0.0%	$0
Contractor Fees		$1,907,257	14.00%	13.07%	$1,907,257	$1,907,257	13.54%	14.00%	$1,907,257		0.0%	$0
Voluntary Eligible "Hard Costs" (After 11.9(e)(2))						$0					0.0%	$0
Soft Costs	$0	$799,874	$7,300 / Unit		$824,874	$824,874	$7,300 / Unit		$799,874	$0	0.0%	$0
Financing	$0	$430,889	$6,320 / Unit		$714,184	$714,184	$6,320 / Unit		$430,889	$0	0.0%	$0
Developer Fee	$0	$2,514,192	15.00%	15.00%	$2,659,514	$2,584,188	15.00%	15.00%	$2,514,192	$0	2.9%	$75,326
Reserves				4 Months	$280,110	$280,110	4 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$19,275,474**	$201,575 / Unit		**$22,778,009**	**$22,200,510**	$196,465 / Unit		**$19,275,474**	**$0**	**2.6%**	**$577,500**
Acquisition Cost	$0				$0							
Contingency		$0			$0							
Contractor's Fee		($0)			$0							
Financing Cost		$0										
Developer Fee	$0	($0)	15.00%		$0							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$19,275,474**	$201,575/unit		**$22,778,009**	**$22,200,510**	$196,465/unit		**$19,275,474**	**$0**	**2.6%**	**$577,500**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):	$22,778,009

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

The Bryan, Mission, 9% HTC #24168

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	**Construction Rehabilitation**	**Acquisition**	**Construction**
ADJUSTED BASIS	$0	$19,275,474	$0	$19,275,474
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$19,275,474	$0	$19,275,474
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$25,058,116	$0	$25,058,116
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$25,058,116	$0	$25,058,116
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$2,255,230	$0	$2,255,230
CREDITS ON QUALIFIED BASIS	$2,255,230		$2,255,230	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		**FINAL ANNUAL LIHTC ALLOCATION**		
			Credit Price $0.8999	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$2,255,230	$20,295,044	----	----	----
Needed to Fill Gap	$2,075,486	$18,677,509	----	----	----
Applicant Request	$2,000,000	$17,998,200	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Elevator Served		78,962 SF	$95.70	7,556,532
Adjustments				
Exterior Wall Finish	4.30%		4.12	$324,974
Elderly	9.00%		8.61	680,088
9-Ft. Ceilings	3.54%		3.39	267,318
Roof Adjustment(s)			2.15	169,500
Subfloor			(0.21)	(16,845)
Floor Cover			5.68	448,330
Enclosed Corridors	$84.35	20,455	21.85	1,725,345
Balconies	$36.23	10,950	5.02	396,719
Plumbing Fixtures	$2,130	36	0.97	76,680
Rough-ins	$790	226	2.26	178,540
Built-In Appliances	$3,675	113	5.26	415,275
Exterior Stairs	$3,550	6	0.27	21,300
Heating/Cooling			3.12	246,361
Storage Space	$84.35	0	0.00	0
Carports	$16.05	0	0.00	0
Garages	$30.00	0	0.00	0
Common/Support Area	$131.95	4,855	8.11	640,637
Elevators	$132,200	2	3.35	264,400
Other:			0.00	0
Fire Sprinklers	$3.65	104,272	4.82	380,593
SUBTOTAL			**174.46**	**13,775,747**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**174.46**	**$13,775,747**
Plans, specs, survey, bldg permits	3.30%		(5.76)	($454,600)
Contractor's OH & Profit	11.50%		(20.06)	(1,584,211)
NET BUILDING COSTS		$103,867/unit	$148.6/sf	$11,736,936

Long-Term Pro Forma

The Bryan, Mission, 9% HTC #24168

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$884,936	$902,635	$920,688	$939,102	$957,884	$1,057,581	$1,167,655	$1,289,185	$1,423,365	$1,571,510	$1,735,074	$1,915,661
TOTAL EXPENSES	3.00%	$559,376	$575,714	$592,534	$609,850	$627,676	$725,005	$837,561	$967,741	$1,118,319	$1,292,510	$1,494,037	$1,727,210
NET OPERATING INCOME ("NOI")		**$325,561**	**$326,921**	**$328,153**	**$329,251**	**$330,207**	**$332,576**	**$330,094**	**$321,445**	**$305,046**	**$278,999**	**$241,037**	**$188,452**
EXPENSE/INCOME RATIO		63.2%	63.8%	64.4%	64.9%	65.5%	68.6%	71.7%	75.1%	78.6%	82.2%	86.1%	90.2%
MUST -PAY DEBT SERVICE													
PNC		$280,955	$280,892	$280,824	$280,753	$280,677	$280,220	$279,605	$278,775	$277,655	$276,145	$274,108	$271,360
TOTAL DEBT SERVICE		$280,955	$280,892	$280,824	$280,753	$280,677	$280,220	$279,605	$278,775	$277,655	$276,145	$274,108	$271,360
DEBT COVERAGE RATIO		1.16	1.16	1.17	1.17	1.18	1.19	1.18	1.15	1.10	1.01	0.88	0.69
ANNUAL CASH FLOW		**$44,606**	**$46,029**	**$47,329**	**$48,499**	**$49,531**	**$52,355**	**$50,489**	**$42,670**	**$27,390**	**$2,854**	**($33,071)**	**($82,909)**
Deferred Developer Fee Balance		$634,704	$588,674	$541,345	$492,847	$443,316	$185,536	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$72,752	$304,401	$475,232	$542,678	$454,203	$145,459

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1152 **Agenda Date:** 9/4/2025 **Agenda #:** 31.

Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for West End Lofts

RECOMMENDED ACTION

WHEREAS, West End Lofts was awarded 9% housing tax credits during the 2024 Competitive Housing Tax Credit cycle;

WHEREAS, the Development Owner executed a Carryover Allocation Agreement that included certifications stating each building receiving an allocation would be placed in service by December 31, 2026;

WHEREAS, the Development Owner has requested an extension to the placement in service deadline under 10 TAC §11.6(5), related to Credit Returns Resulting from Force Majeure Events;

WHEREAS, the Department lacks authority to extend federal placement in service deadlines and may only reset such deadlines by requiring the credits to be returned and immediately reallocated to the Development, as permitted solely under the force majeure provision of the Qualified Allocation Plan (QAP); and

WHEREAS, the Development Owner has submitted documentation demonstrating that a qualifying force majeure event has occurred;

NOW, therefore, it is hereby

RESOLVED, that the request to treat the matter under the force majeure provisions of 10 TAC §11.6(5) is approved, and that the 2024 Qualified Allocation Plan, Uniform Multifamily Rules, and the 2025 Program Calendar shall be applicable to the Development.

BACKGROUND

Development	West End Lofts
Target Population	General
HTC Award	$2,000,000
City	Dallas
Total Units	154
HTC Units	63
Initial Year of Award	2024
Extension Requested	One year

West End Lofts is a 154-unit Development located in Dallas, Dallas County. The Development

proposes the Adaptive Reuse of an existing 120-year-old building and the New Construction of an additional residential building. The project received an award of 9% Housing Tax Credits in 2024. As a result, the current deadline to place in service is December 31, 2026.

The project is currently advancing but has experienced material delays due to difficulties in obtaining required electrical equipment from the local utility and in scheduling the installation and electrification of this equipment. Specifically, the Developer is required to obtain this equipment from Oncor, and the earliest that the equipment can be installed and electrified is February 2027. The project will need an additional four to six months of work once it is electrified, which places construction completion as late as August 2027.

Despite these delays, the development team continues to move the project forward and has secured financing commitments through Hunt Capital Partners and Bank OZK, which are serving as the tax credit investor and construction lender. The project currently anticipates completion beyond the original schedule due to these utility-related constraints. To allow for unforeseen equipment delivery and installation delays, the Developer has requested a force majeure extension of the placed-in-service deadline.

APPLICABLE RULE

Under 10 TAC §11.6(5), a Development Owner may return credits and receive a reallocation outside the standard allocation process if the return is the result of a qualifying force majeure event occurring prior to issuance of IRS Form(s) 8609. Pursuant to 10 TAC §11.6(5), the Department's Governing Board may approve execution of a Carryover Allocation Agreement for the current program year with the Development Owner that returned the credits, but only if the following conditions are met:

> (A) The credits were returned as a result of "Force Majeure" events that occurred before issuance of Forms 8609. Force Majeure events are the following sudden and unforeseen circumstances outside the control of the Development Owner: acts of God such as fire, tornado, flooding, significant and unusual rainfall or subfreezing temperatures, or loss of access to necessary water or utilities as a direct result of significant weather events; explosion; vandalism; orders or acts of military authority; unrelated party litigation; changes in law, rules, or regulations; national emergency or insurrection; riot; acts of terrorism; supplier failures; or materials or labor shortages. If a Force Majeure event is also a presidentially declared disaster, the Department may treat the matter under the applicable federal provisions. Force Majeure events must make construction activity impossible or materially impede its progress.

Staff has reviewed this request and determined that the delay in necessary electrical equipment constitutes a force majeure event under the rules.

IMPACT OF BOARD DECISION

If the Board approves the request:

- The credits will be returned and reallocated, with the 2024 Qualified Allocation Plan, Uniform Multifamily Rules, and the 2025 Program Calendar applicable to the Development.

- A new Carryover Allocation Agreement will be executed.
- The new 10% Test deadline will be July 1, 2026.
- The new placed-in-service deadline will be December 31, 2027.

If the Board denies the request:

- The current placed-in-service deadline of December 31, 2026, remains in place.
- The Development Owner may either meet the existing deadline, return the credits, or have the award terminated for failing to meet the deadline.
- Returned credits will first be reallocated within the original subregion in accordance with 10 TAC §11.6(2). If no pending applications are eligible within the subregion, the credits will be added to the statewide collapse for reallocation.

This request has no impact on any funding source other than the Low Income Housing Tax Credit program.

RECOMMENDATION

Staff recommends approval of the request to return and reallocate tax credits for West End Lofts under the force majeure provisions of 10 TAC §11.6(5).

powered by Legistar™

August 21, 2025

Cody Campbell
Director of Multifamily Finance
P.O. Box 13941
Austin, Texas 78701-3941

Re: HTC 24165 West End Lofts– Force Majeure Extension Request

Dear Mr. Campbell:

I am writing today to submit a force majeure request for a 9% Housing Tax Credit development, West End Lofts which was awarded in 2024. We are currently experiencing various forms of force majeure events that make progressing our project forward, challenging.

This is an extremely complicated transaction; however, we have two issues in particular that are delaying us that are unforeseen to our development team. The first is transformers and the need for a new vault. The location of our project in the Dallas CBD requires us to allow ONCOR to provide the equipment and install and electrify the equipment. We are not able to use alternative means to procure the transformers, nor are we able to undertake the work ourselves. The current schedule for ONCOR has the earliest possible date for electrification as the end of February 2027. Once full electrification occurs our contractor has advised that we will need a four to six months of work with full electrification to complete the development. These ONCOR transformer delays have increased significantly since the time of application and the standards for ONCOR vaults have been updated during that time as well. This has delayed our development timeline greatly and forced us to delay the start of construction to fully coordinate with ONCOR.

The other impediment has been the consistent delays at National Parks Service regarding our Part II application for Historic Tax Credits. Every submittal we have needed regarding our proposed development has been delayed weeks or months, and the delayed NPS feedback has adversely impacted the timelines for our design and other submittals.

In spite of these delays, the Development Team has continued to move forward. We have acquired the development site, all of our sources committed and we have plans submitted for permits that should be issued in the next thirty days.

The delays associated with ONCOR and NPS negatively impacted the timeline of this transaction to the point that the Force Majeure is now needed to ensure a Placed in Service date that the developer can meet. These delays were not due to the negligent or willful acts or omission of the Development Owner, Affiliate, or Related Party. The were out of the control of the Development team.

If this Force Majeure is approved, the developer is prepared to close before the end of the year and begin construction shortly thereafter.

Please reach out to me directly if you have any questions regarding this request.

Sincerely,

Sarah Anderson
S. Anderson Consulting
1305 E 6th St., Ste 12
Austin, TX 78702
512-554-4721

ANDRES

August 22, 2025

Cody Campbell
Director of Multifamily Finance
P.O. Box 13941
Austin, Texas 78701-3941

Re: HTC 24165 West End Lofts– Force Majeure Extension Request

Mr. Campbell:
Our firm, Andres Construction Services, has been selected as the general contractor for West End Lofts. This marks the second project working with Sycamore Development, building affordable housing in the Dallas market.

While working diligently through the complexities of downtown Dallas development and construction, we have run into a significant delay in our dealings with the electrical provider, ONCOR.

Acquisition of Oncor material currently stands at well over a year to obtain. Once the material is obtained, the installation of material is nearing 3 months to complete and be ready for building energization. Broken down even further, the total process for transformers is 110 weeks with the following timeline. The initial 12 weeks account for the design phase. 90 weeks from submission of design and 8 weeks of installation and electrification. Since that initial timeline we have seen minor decreases in waiting period, however the earliest date of electrification is approximately February 28th, 2026. This date is negatively impacting the contracted completion date.

Once electrification occurs, we will need time to complete tasks that are unable to finalize on temporary power. Tasks include vertical transportation, life safety, mechanical and system startup and balance and final inspections allowing occupancy. For context, our firm will need 6 months of post-electrification work to complete and occupy the development.

Thank you for your time and please feel free to reach out if you have any questions or concerns.

Best,

Jonathan D. Haywood

3710 Rawlins Suite 1510, Dallas, Texas 75219
(214) 521-2118 fax (214) 521-4620 mail@andresconstruction.com

Bank OZK | Affordable Housing Finance Group

August 21, 2025

Mr. Bobby Wilkinson
Texas Department of Housing & Community Affairs
c/o Sycamore Strategies & Hunt Capital Partners

221 East 11th Street
Austin, Texas 78701-2410

Re: West End Lofts, Dallas, Dallas County, Texas, 75202, TDHCA #24165

Dear Mr. Wilkinson & TDHCA Board Members,

Bank OZK is a Bank with $41.45B in assets, headquartered in Little Rock, AR, but rapidly growing in Texas and with a large corporate and retail branch presence in Dallas.

Through a partnership with the tax credit syndicator Hunt Capital Partners, we are slated to be the Federal LIHTC and Historic Tax Credit investor for the 2024 9% development, West End Lofts. We are also slated to be the construction lender for West End Lofts.

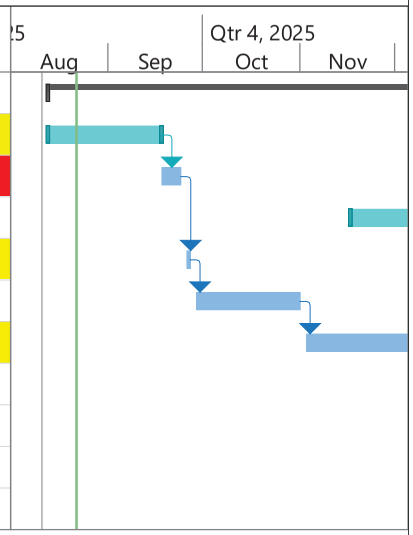
In conducting ongoing due diligence for this investment and lending opportunity, we are aware that the Borrower faces an extended timeline for securing energy transformers with Oncor. With that extended timeline, we doubt that the Borrower can achieve the original Placed in Service ("PIS") deadline for its 2024 9% LIHTC award. Therefore, we respectfully ask that the Board approve the *Force Majeure* request in order to afford West End Lofts more time with its PIS deadline.

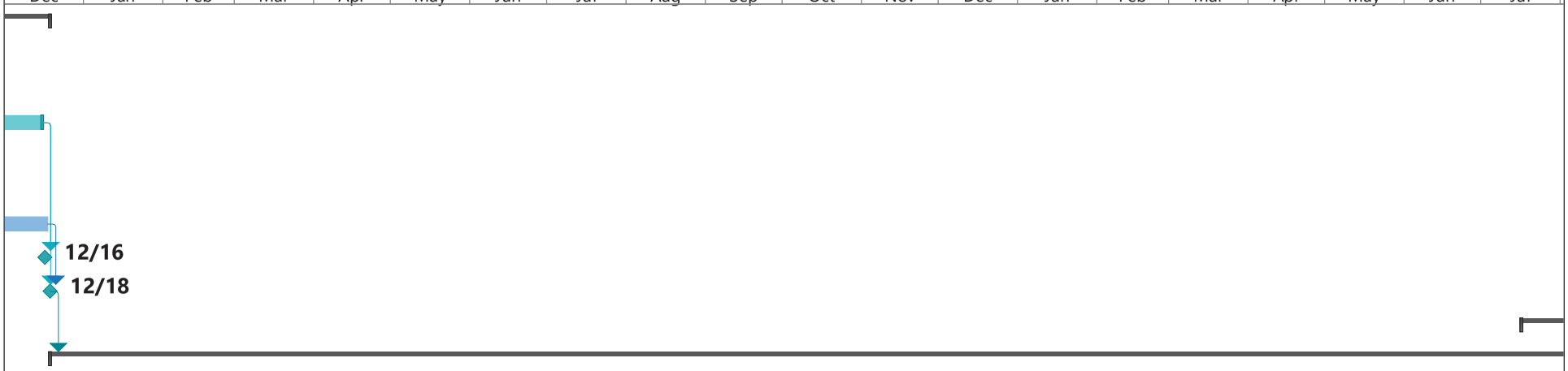
We are excited about the opportunity to help transform the West End neighborhood of downtown Dallas, and appreciate your understanding of the challenges that developers face as they seek to bring more affordable housing to the communities we serve.

Sincerely,

Patrick Russell
Executive Vice President
Affordable Housing
Bank OZK
704-340-6952

ID	Task Name	Duration	Start	Finish
1	**Preconstruction**	**90 days**	**Wed 8/13/25**	**Thu 12/18/25**
2	Andres - DD Drawing Pricing	25 days	Wed 8/13/25	Wed 9/17/25
3	DD drawings Pricing Review and Incorporation into GMP set	4 days	Thu 9/18/25	Tue 9/23/25
4	Paving and Drainage Contract - COD	20 days	Mon 11/17/25	Mon 12/15/25
5	Line Design - GMP Drawings and Specifications Due to Andres	1 day	Fri 9/26/25	Fri 9/26/25
6	Andres - GMP Pricing	25 days	Mon 9/29/25	Fri 10/31/25
7	Owner - Closing (45 Calendar Days)	32 days	Mon 11/3/25	Wed 12/17/25
8	Permit Issued	1 day	Tue 12/16/25	Tue 12/16/25
9	Notice to Proceed	1 day	Thu 12/18/25	Thu 12/18/25
10	**Owner Turns**	**13 days**	**Fri 7/16/27**	**Wed 8/4/27**
13	**Project Duration**	**415 days**	**Fri 12/19/25**	**Wed 8/4/27**

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24165 West End Lofts - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 8, 2024

PROPERTY IDENTIFICATION

Application #	**24165**
Development	**West End Lofts**
City / County	**Dallas / Dallas**
Region/Area	**3 / Urban**
Population	**General**
Set-Aside	**General**
Activity	**Adaptive Re-Use**

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$2,000,000	**$1,946,789**	**$12,641/Unit**	**$0.87**

KEY PRINCIPALS / SPONSOR

Sycamore Strategies
Jessica Krochtengel, Zachary Krochtengel

Related Parties	Contractor - TBD	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	56	36%
1	25	16%
2	69	45%
3	4	3%
4	-	0%
TOTAL	154	100%

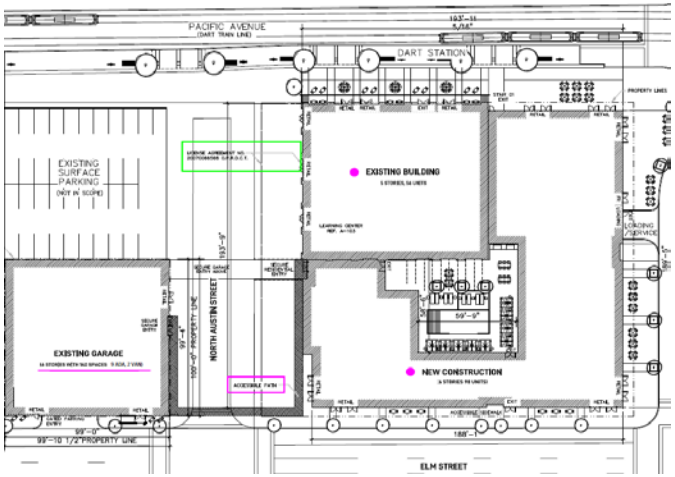
INCOME DISTRIBUTION

Income	# Units	% Total
20%	-	0%
30%	23	15%
40%	-	0%
50%	-	0%
60%	23	15%
70%	4	3%
80%	13	8%
MR	91	59%
TOTAL	154	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.18	**Expense Ratio**	38.8%
Breakeven Occ.	84.0%	**Breakeven Rent**	$1,570
Average Rent	$1,731	**B/E Rent Margin**	$161
Property Taxes	$1,954/unit	**Exemption/PILOT**	0%
Total Expense	$7,591/unit	**Controllable**	$3,741/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			0.6%
Highest Unit Capture Rate	5%	0 BR/30%	8
Dominant Unit Cap. Rate	1%	2 BR/60%	11
Premiums (↑80% Rents)	Yes		$746/Avg.
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten	TDHCA's Costs - Based on SCR		
Avg. Unit Size	816 SF	**Density**	134.1/acre
Acquisition		$143K/unit	$22,000K
Building Cost	$352.56/SF	$288K/unit	$44,288K
Hard Cost		$321K/unit	$49,377K
Total Cost		$645K/unit	$99,287K
Developer Fee	$9,463K	(25% Deferred)	Paid Year: 7
Contractor Fee	$5,728K	**30% Boost**	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Citbank	15/40	7.00%	$21,000,000	1.18
TOTAL DEBT (Must Pay)			$21,000,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Dallas	0/0	0.00%	$500	1.18
City of Dallas TIF	0/0	0.00%	$49,000,000	1.18
CASH FLOW DEBT / GRANTS			$49,000,500	

EQUITY / DEFERRED FEES	
Source	Amount
Hunt Capital Partners	$16,935,367
Hunt Capital Partners	$4,440,126
Hunt Capital Partners	$5,550,158
Sycamore Strategies, LLC	$2,360,530
TOTAL EQUITY SOURCES	$29,286,180
TOTAL DEBT SOURCES	$70,000,500
TOTAL CAPITALIZATION	$99,286,680

CONDITIONS

1 Receipt and acceptance by Carryover:

a: Formal approval for $49M loan from the City of Dallas tax increment reinvestment zone clearly stating all terms, conditions and sources of funding.

b: Per 11.302(a)(2), $13,691,128 of the City of Dallas' $49M loan would need to be restructured with market rate interest to avoid oversourcing of soft government funds if the Dallas funds are specifically set aside for building affordable housing.

2 Receipt and acceptance by Cost Certification:

a: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

b: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

c: Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.

d: Certification of comprehensive testing for lead in the drinking water and that any appropriate abatement procedures were implemented.

e: Attorney opinion validating that the City of Dallas TIRZ funds are not federally sourced and that if funds are federally sources it can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

RISK PROFILE

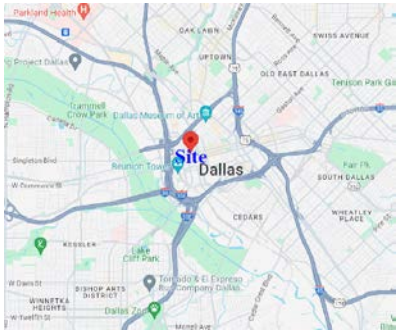
STRENGTHS/MITIGATING FACTORS

- Easily accessible to DART light rail, highways, and employment centers
- Very low gross capture rate
- Developer's construction and management experience in Texas.

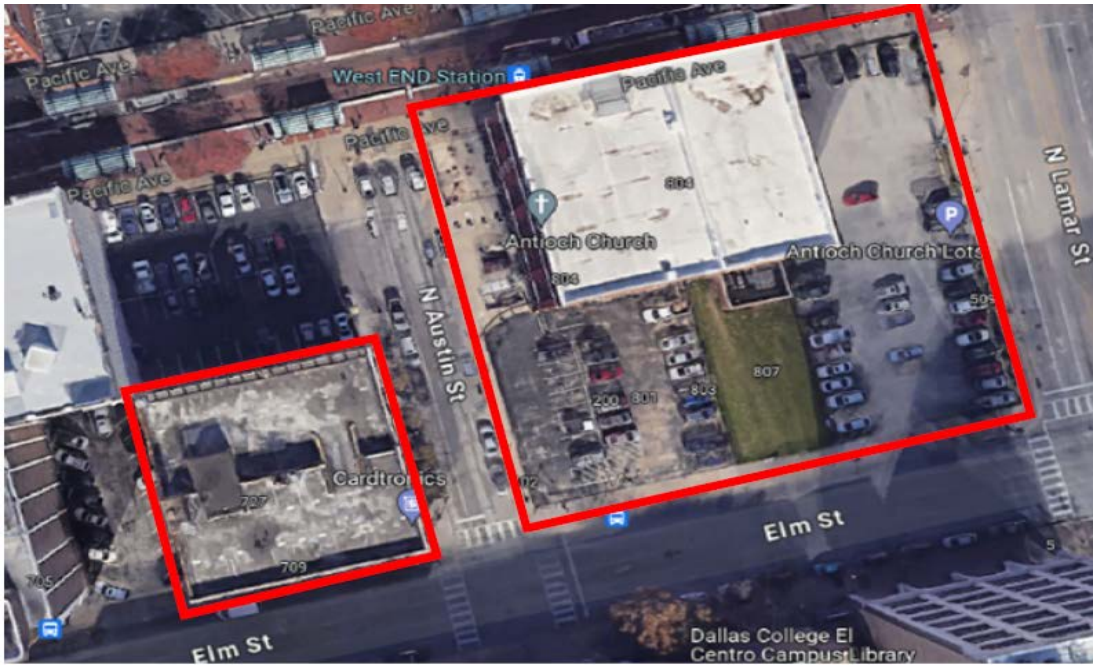
WEAKNESSES/RISKS

- Complicated, expensive project
- Urban setting raises concern about existing infrastructure lifespan.
- Infeasible without $49M that is not committed
- Market rate risk (59% of units)

AREA MAP



AERIAL PHOTOGRAPH(s)



Real Estate Analysis Division
Underwriting Report
July 8, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24165** Program(s): **9% HTC**

West End Lofts

Address/Location: 805 Elm St

City: Dallas County: Dallas Zip: 75202

Population: General Program Set-Aside: General Area: Urban

Activity: Adaptive Re-Use Building Type: Mid-Rise (Over 5 Stories) Region: 3

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION						
TDHCA Program	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm Lien	Const. Term	Const Lien
LIHTC (9% Credit)	$2,000,000				**$1,946,789**						

CONDITIONS

1 Receipt and acceptance by Carryover:

a: Formal approval for $49M loan from the City of Dallas tax increment reinvestment zone clearly stating all terms, conditions and sources of funding.

b: Per 11.302(a)(2), $13,691,128 of the City of Dallas' $49M loan would need to be restructured with market rate interest to avoid oversourcing of soft government funds if the Dallas funds are specifically set aside for building affordable housing.

2 Receipt and acceptance by Cost Certification:

a: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

b: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

c: Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.

d: Certification of comprehensive testing for lead in the drinking water and that any appropriate abatement procedures were implemented.

e: Attorney opinion validating that the City of Dallas TIRZ funds are not federally sourced and that if funds are federally sources it can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	23
60% of AMI	60% of AMI	23
70% of AMI	70% of AMI	4
80% of AMI	80% of AMI	13

DEVELOPMENT SUMMARY

This Application is for the adaptive reuse of an existing historic (120 year old) building and the new construction of a second residential building that will provide 154 units of housing and wrap around the historic building. The historic building is 5 stories and the new construction building will be 6 stories, both elevator served, which will surround a courtyard. The Development includes a learning center which will offer after school educational services as required by the 2024 QAP. The Development Site also includes an existing parking garage that will be connected to the residential buildings through an accessible sky bridge.

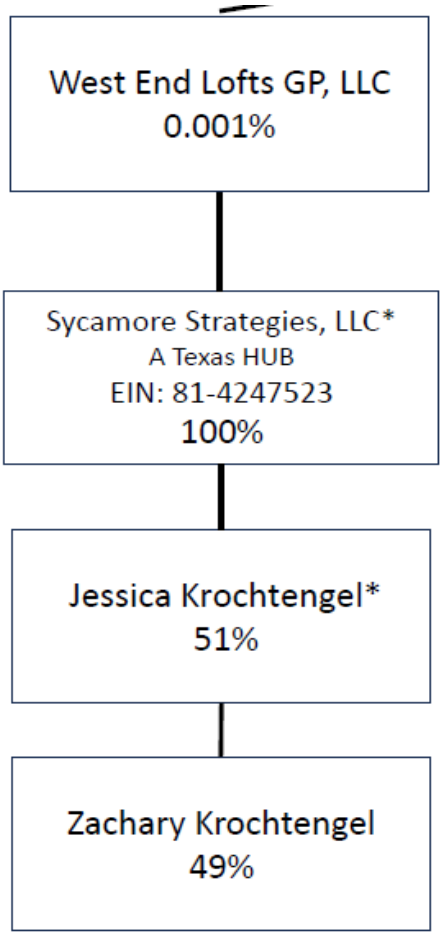
RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Easily accessible to DART light rail, highways, and employment centers
▫	Very low gross capture rate
▫	Developer's construction and management experience in Texas.
▫	

WEAKNESSES/RISKS	
▫	Complicated, expensive project
▫	Urban setting raises concern about existing infrastructure lifespan.
▫	Infeasible without $49M that is not committed
▫	Market rate risk (59% of units)

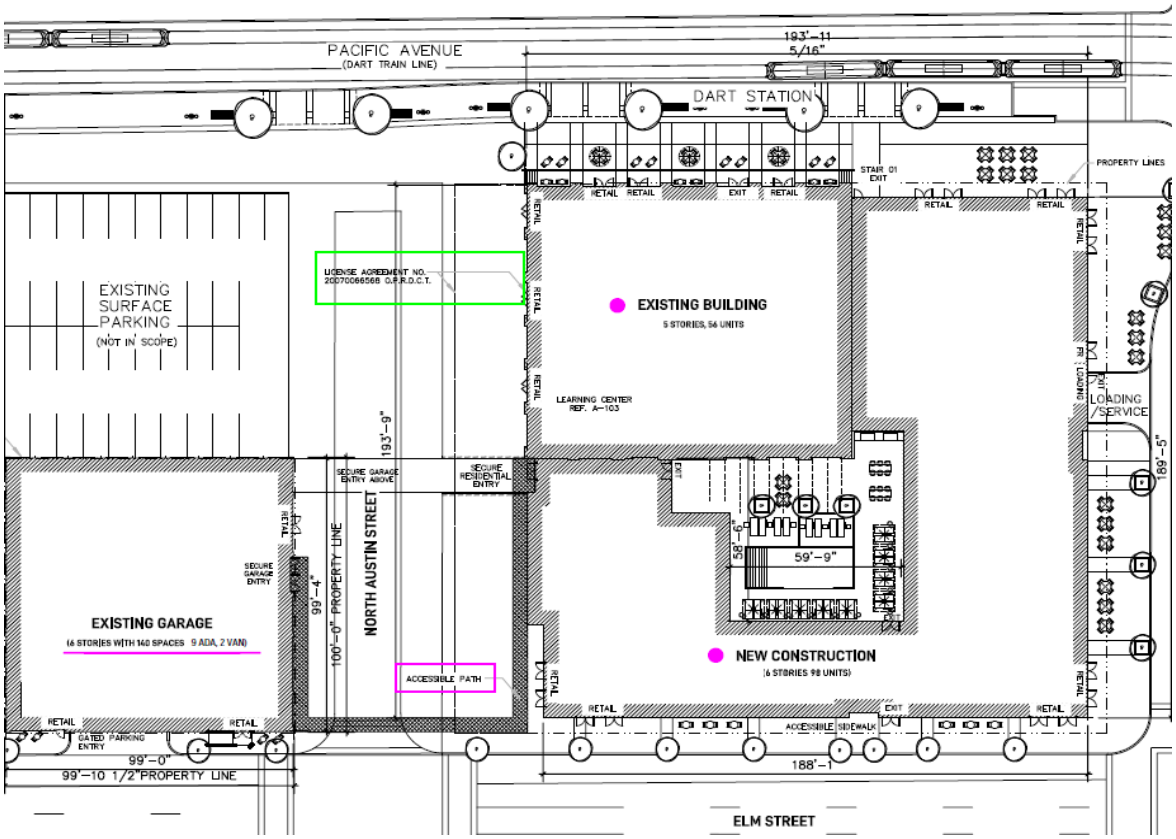
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



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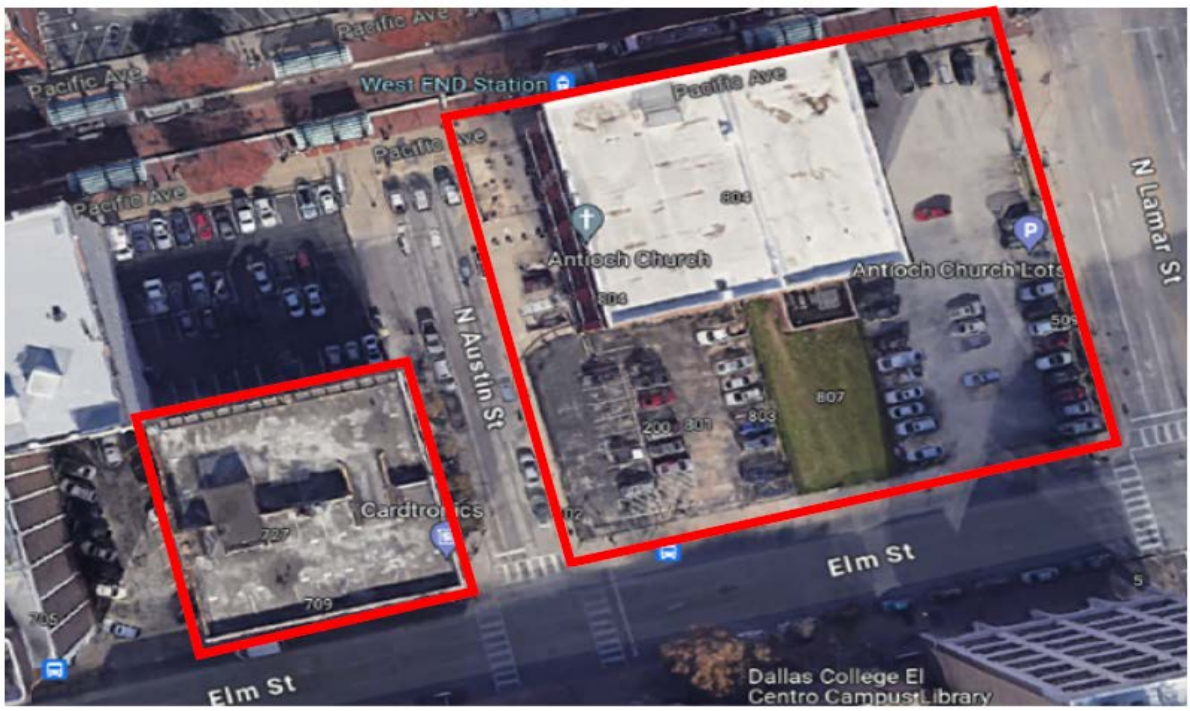

Parking	No Fee		Tenant-Paid		Total	
Garage	140	*0.9/unit*	0	--	140	*0.9/unit*
Total Parking	**140**	*0.9/unit*	**0**	--	**140**	*0.9/unit*

Comments:

Per local zoning, 1 space per 2,000 Gross Square Feet for levels 2-6. There is 117,500 SF, so 59 spaces are required. The existing parking garage will provide 140 spaces and will be exclusive to Tenants and free of charge.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	New	Existing											Total Buildings
Floors/Stories	6	5											
Number of Bldgs	1	1											2
Units per Bldg	98	56											
Total Units	98	56											154

Avg. Unit Size (SF)	**816 sf**	**Total NRA (SF)**	**125,618**	**Common Area (SF)***	**56,663**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 1.148 acres Density: 134.1 units/acre

Site Control: 1.15 **Site Plan:** 1.148 **Appraisal:** 0.918 **ESA:** 1.148

Feasibility Report Survey: 1.148 **Feasibility Report Engineer's Plan:** 1.148 **Existing LURA:** NA

Control Type: Agreement of Sale and Purchase (Tract 1) and Commercial Contract of Sale (Tract 2)

Tract 1: 0.230 acres Cost: $7,000,000 Seller: Downtown Dallas Lodging, LLC

Tract 2: 0.918 acres Cost: $15,000,000 Seller: Antioch Church

Development Site: 1.15 acres Cost: $22,000,000 $142,857 per unit

Buyer: Sycamore Strategies, LLC

Related-Party Seller/Identity of Interest: No

Comments:

This Project consists of two tracts with two separate Sellers. Tract 1 (.23 acres) is an existing 6 story parking garage occupying the entire property. Tract 2 (.92 acres) is currently a 5-story building with two surface parking lots.

APPRAISED VALUE

Appraiser: Jack Poe Company Inc Date: 2/29/2024

Land as Vacant:	0.92 acres	$8,000,000	Per Unit:	$51,948
Existing Buildings: (as-is)		$1,090,000	Per Unit:	$7,078
Land + Buildings: (as-is)		$9,090,000	Per Unit:	$59,026
Total Development: (as-is)		**$9,090,000**	Per Unit:	**$59,026**

Comments:

The Appraisal is only for the acquisition of the Antioch Church building. Applicant is not claiming any portion of the parking garage building acquisition in Eligible Basis and therefore did not provide an appraisal for the garage.

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	Central Area CA-1(A)	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	NA	Title Issues?	No

Current Uses of Subject Site:

This Project consists of two tracts with two separate Sellers. Tract 1 (.23 acres) is an existing 6 story parking garage occupying the entire property. Tract 2 (.92 acres) is currently a 5-story building with two surface parking lots.

TENANT RELOCATION PLAN

West End Lofts proposes the adaptive reuse of a historic structure and also includes an adjacent parking garage structure. The historic structure is currently occupied by the seller and operating as a religious institution. There are no residents or other tenants. The seller/owner is aware of the timeline for the potential redevelopment of the property. The parking garage structure has existing commercial tenants in stand-alone retail spaces and those leases will remain.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: EcoSystems Environmental Inc. Date: 2/23/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- The ESA provider identified evidence of a former filling station and gasoline storage tanks located at the parking garage building.
- The ESA provider identified several building materials at both of the buildings at the Subject Property that are suspect for containing regulated amounts of asbestos and lead paint. Further, based on the age of the water distribution systems through the buildings at the Subject Property, there is potential for lead in drinking water.

Comments:

Due to the proximity of the DART light rail line, a noise study is recommended.

MARKET ANALYSIS

Provider: Apartment Market Data Date: 1/30/2024

Primary Market Area (PMA): 25 sq. miles 3 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
23100	Cabana Design District	Y	U/C	General	58	160
20197	Villas at Western Heights	Y	New	Elderly	130	130
21136	Oaklawn Place	Y	New	Elderly	84	84

Stabilized Affordable Developments in PMA		
	Total Units	1,926
	Total Developments	11
	Average Occupancy	99%

Comments:

#19701 2400 Bryan, a 240 unit property, has been placed in service and is at 95% occupancy.

OVERALL DEMAND ANALYSIS

	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	51,274			
Potential Demand from the Primary Market Area	18,183			
10% External Demand	1,818			
GROSS DEMAND	20,001			
Subject Affordable Units	63			
Unstabilized Competitive Units	58			
RELEVANT SUPPLY	121			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**0.6%**			

Population: General **Market Area:** Urban **Maximum Gross Capture Rate:** 10%

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND

	Market Analyst				
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate
30% AMGI	4,228	423	23	27	1.1%
60% AMGI	7,498	750	23	7	0.4%
70% AMGI	3,509	351	4	12	0.4%
80% AMGI	2,948	295	13	12	0.8%

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE

	Market Analyst									
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
0 BR/30%	203	20	8	3	4.9%					
0 BR/60%	647	65	8	0	1.1%					
0 BR/70%	467	47	2	1	0.6%					
0 BR/80%	550	55	5	1	1.0%					
1 BR/30%	450	45	4	11	3.0%					
1 BR/60%	1,228	123	3	3	0.4%					
1 BR/70%	827	83	1	4	0.5%					
1 BR/80%	984	98	2	4	0.6%					
2 BR/30%	545	55	10	11	3.5%					
2 BR/60%	972	97	11	3	1.3%					
2 BR/70%	588	59	1	7	1.2%					
2 BR/80%	742	74	6	7	1.6%					
3 BR/30%	356	36	1	2	0.8%					
3 BR/60%	240	24	1	1	0.8%					

Market Analyst Comments:

"The AnySite demographics estimate the demand growth for new rental units to be 944 units per year. The calculated historical absorption for the PMA was 2,172 units annually since 2020. This site is located in an area in which the demand for "affordable" housing is strong. The site also has excellent linkages, and demand generators. The Market Analyst believes that there is a sufficient 'income qualified' population, with significant demand, to support the Pro Forma rents of the project. The level of tax credit rent being charged is 30% to 77% lower than the adjusted rents charged at market rate comparables within the PMA. The level of rent being charged is appropriate and achievable compared to other "affordable" projects within the PMA. The absorption period of new supply is within acceptable levels." (p.17)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$1,841,821	Avg. Rent:	$1,731	Expense Ratio:	38.8%
Debt Service:	$1,566,007	B/E Rent:	$1,570	Controllable Expenses:	$3,741
Net Cash Flow:	$275,814	UW Occupancy:	92.5%	Property Taxes/Unit:	$1,954
Aggregate DCR:	1.18	B/E Occupancy:	84.0%	Program Rent Year:	2023

Applicant elected to use Income Averaging at 54% and restricted only 41% of the Units. Underwriter did not include commercial lease income and used Applicant's number of $30/unit for other income. Water/trash and G&A expenses are underwritten based on area comparables. The projected 15-year cash flow is $4.67M after deferred developer fee is paid in Year 7.

Market rents were underwritten at Applicant rents which are $21-$55(1-2.5%) lower than the Market Analyst achievable rent. Market Rents are $555 (35%) higher than gross 80% rents and higher than the $2.25/psf rent mentioned in Appraisal which does pose a feasibility risk if the market rents are not fully achieved.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on SCR)					
Acquisition	$6,968,641/ac	$142,857/unit	**$22,000,000**	Contractor Fee	**$5,727,720**
Off-site + Site Work		$17,781/unit	**$2,738,205**	Soft Cost + Financing	**$11,076,461**
Building Cost	$352.56/sf	$287,584/unit	**$44,287,909**	Developer Fee	**$9,462,595**
Contingency	5.00%	$15,268/unit	**$2,351,306**	Reserves	**$1,642,484**
Total Development Cost	$644,719/unit	**$99,286,680**		**Rehabilitation Cost**	**$305,364/unit**

Qualified for 30% Basis Boost?	Located in a Small Area Difficult Development Area (SADDA)

Acquisition:

Building acquisition cost included in Eligible Basis is limited to the appraised value of the buildings, exclusive of land value, as determined by an appraisal that meets the requirements of §11.304 of this chapter (relating to Appraisal Rules and Guidelines). Applicant submitted one appraisal for the Church Building with a total as-is value of $9.09M. The Appraiser appraised the as-is land value at $8M which limits the appraised value of the building according to Rule to $1.09M which is includable in basis. This resulted in a reduction of basis and credit allocation.

Building Cost:

Building costs of $287k/unit ($352/SF) are based on SCR provider estimate.

REHABILITATION COSTS / UNIT / % HARD COST							
Site Work	$2,663,205	$17,294/unit	5%	Finishes/Fixtures	$12,716,887	$82,577/unit	26%
Building Shell	$27,748,945	$180,188/unit	56%	HVAC	$3,283,077	$21,319/unit	7%
Amenities	$75,000	$487/unit	0%	Appliances	$539,000	$3,500/unit	1%
Total Exterior	**$30,487,150**	**$197,969/unit**	**65%**	**Total Interior**	**$16,538,964**	**$107,396/unit**	**35%**

SCOPE & COST REVIEW

Provider: Coda Consulting Group Date: 2/28/2024

Scope of Work:

SITE WORK

Majority of areas not covered by new and existing buildings will be covered by new hardscape.
Substantial utility work for electrical, water and sanitary sewers.

GARAGE RENOVATION

Exterior brick restoration
Replace or restore window on upper garage floors
Major structural repairs to concrete joists

805 BUILDING RENOVATION

Termite damaged wood to be replaced
Beam and joint reinforcements
Bring existing floor system to current fire rating and sound transmission concerns
Install new mechanical, electrical, and plumbing systems
Build out four retail spaces totaling 5050SF

SKYBRIDGE

Construct a four level brand new sky bridge, non-AC

NEW APARTMENT BUILDING

Provide 8 mobility accessible units and 4 sensory impaired units.
Lead paint and asbestos abatement
Install new HVAC units
Install new plumbing-tubs, toilets, sinks, water heaters
Install new doors and windows
Install new cabinets, flooring
Purchase new appliances

Developer Fee:

Applicant overstated Developer Fee by $1.9M due to lower adjusted eligible acquisition costs.

Comments:

It should be noted that the $5,104,104 in Federal Historic Tax Credits were not removed from basis due to the Applicant self limiting eligible building cost by $6.5M for scoring purposes.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$99,286,680	$41,498,598	$1,946,789

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
Citbank	Conventional Loan	$80,502,056	7.50%	87%
Hunt Capital Partners	HTC	$3,479,652	$0.87	4%
Hunt Capital Partners	Federal Historic Credits	$888,025	$0.00	1%
Sycamore Strategies, LLC	Deferred Developer Fee	$8,131,343	0.00%	9%
		$93,001,076	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Citbank	$21,000,000	7.00%	40	15.0	$21,000,000	7.00%	40	15.0	21%
City of Dallas	$500	0.00%	0	0.0	$500	0.00%	0	0.0	0%
City of Dallas TIF	$49,000,000	0.00%	0	0.0	$49,000,000	0.00%	0	0.0	49%
Total	**$70,000,500**				**$70,000,500**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
Hunt Capital Partners	$17,398,260	$0.87		$16,935,367	$0.87	17%	
Hunt Capital Partners	$4,440,126			$4,440,126		4%	
Hunt Capital Partners	$5,550,158			$5,550,158		6%	
Sycamore Strategies, LLC	$3,835,041		41%	$2,360,530		2%	25%
Total	**$31,223,585**			**$29,286,180**			
				$99,286,680	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.965	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.613	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$99,286,680
Permanent Sources (debt + non-HTC equity)	$79,990,784
Gap in Permanent Financing	$19,295,896

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$16,935,367	$1,946,789
Needed to Balance Sources & Uses	$19,295,896	$2,218,141
Requested by Applicant	$17,398,260	$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$16,935,367**	**$1,946,789**

Deferred Developer Fee	**$2,360,530**	**(25% deferred)**
Repayable in	**7 years**	

Recommendation:

Underwriter recommend $1,946,789 in annual 9% Housing Tax Credits as determined by eligible basis.

Underwriter:	*Eric Weiner*
Manager of Real Estate Analysis:	*Diamond Unique Thompson*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

West End Lofts, Dallas, 9% HTC #24165

LOCATION DATA	
CITY:	Dallas
COUNTY:	Dallas
Area Median Income	$105,600
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	56	36.4%	0	0	0	0
1	25	16.2%	0	0	0	0
2	69	44.8%	0	0	0	0
3	4	2.6%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	**154**	**100.0%**	**-**	**-**	**-**	**-**

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	40.91%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	816 sf

54% Average Income		20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
	Income									
	# Units	-	23	-	-	23	4	13	91	**154**
	% Total	0.0%	14.9%	0.0%	0.0%	14.9%	2.6%	8.4%	59.1%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$541	8	0	1	629	$541	$76	$465	$0	$0.74	$465	**$3,720**	**$3,720**	$465	$0.74	$0	$1,950	$3.10	$1,971
TC 60%	$1,083	8	0	1	629	$1,083	$76	$1,007	$0	$1.60	$1,007	**$8,056**	**$8,056**	$1,007	$1.60	$0	$1,950	$3.10	$1,971
TC 70%	$1,263	2	0	1	629	$1,263	$76	$1,187	$0	$1.89	$1,187	**$2,374**	**$2,374**	$1,187	$1.89	$0	$1,950	$3.10	$1,971
TC 80%	$1,444	5	0	1	629	$1,444	$76	$1,368	$0	$2.18	$1,368	**$6,840**	**$6,840**	$1,368	$2.18	$0	$1,950	$3.10	$1,971
MR		33	0	1	629	$0	$76		NA	$3.10	$1,950	**$64,350**	**$64,350**	$1,950	$3.10	NA	$1,950	$3.10	$1,971
TC 30%	$580	4	1	1	681	$580	$89	$491	$0	$0.72	$491	**$1,964**	**$1,964**	$491	$0.72	$0	$2,100	$3.08	$2,155
TC 60%	$1,160	3	1	1	681	$1,160	$89	$1,071	$0	$1.57	$1,071	**$3,213**	**$3,213**	$1,071	$1.57	$0	$2,100	$3.08	$2,155
TC 70%	$1,353	1	1	1	681	$1,353	$89	$1,264	$0	$1.86	$1,264	**$1,264**	**$1,264**	$1,264	$1.86	$0	$2,100	$3.08	$2,155
TC 80%	$1,547	2	1	1	681	$1,547	$89	$1,458	$0	$2.14	$1,458	**$2,916**	**$2,916**	$1,458	$2.14	$0	$2,100	$3.08	$2,155
MR		15	1	1	681	$0	$89		NA	$3.08	$2,100	**$31,500**	**$31,500**	$2,100	$3.08	NA	$2,100	$3.08	$2,155
TC 30%	$696	10	2	2	989	$696	$117	$579	$0	$0.59	$579	**$5,790**	**$5,790**	$579	$0.59	$0	$2,450	$2.48	$2,477
TC 60%	$1,392	11	2	2	989	$1,392	$117	$1,275	$0	$1.29	$1,275	**$14,025**	**$14,025**	$1,275	$1.29	$0	$2,450	$2.48	$2,477
TC 70%	$1,624	1	2	2	989	$1,624	$117	$1,507	$0	$1.52	$1,507	**$1,507**	**$1,507**	$1,507	$1.52	$0	$2,450	$2.48	$2,477
TC 80%	$1,856	4	2	1	989	$1,856	$117	$1,739	$0	$1.76	$1,739	**$6,956**	**$6,956**	$1,739	$1.76	$0	$2,450	$2.48	$2,477
TC 80%	$1,856	2	2	2	989	$1,856	$117	$1,739	$0	$1.76	$1,739	**$3,478**	**$3,478**	$1,739	$1.76	$0	$2,450	$2.48	$2,477
MR		41	2	2	989	$0	$117		NA	$2.48	$2,450	**$100,450**	**$100,450**	$2,450	$2.48	NA	$2,450	$2.48	$2,477
TC 30%	$804	1	3	2	1,286	$804	$144	$660	$0	$0.51	$660	**$660**	**$660**	$660	$0.51	$0	$3,050	$2.37	$3,075
TC 60%	$1,608	1	3	2	1,286	$1,608	$144	$1,464	$0	$1.14	$1,464	**$1,464**	**$1,464**	$1,464	$1.14	$0	$3,050	$2.37	$3,075
MR		2	3	2	1,286	$0	$144		NA	$2.37	$3,050	**$6,100**	**$6,100**	$3,050	$2.37	NA	$3,050	$2.37	$3,075
TOTALS/AVERAGES:		**154**			**125,618**				**$0**	**$2.12**	**$1,731**	**$266,627**	**$266,627**	**$1,731**	**$2.12**	**$0**	**$2,227**	**$2.73**	**$2,256**

ANNUAL POTENTIAL GROSS RENT:	**$3,199,524**	**$3,199,524**	

*MFDL units float among Unit Types

STABILIZED PRO FORMA

West End Lofts, Dallas, 9% HTC #24165

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Local Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$2.12	$1,731	$3,199,524	$3,199,524	$1,731	$2.12		0.0%	$0
late fees, app fees, pet fees							$30.00	$55,440						
Total Secondary Income							$30.00		$55,440	$30.00			0.0%	$0
POTENTIAL GROSS INCOME								$3,254,964	$3,254,964				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(244,122)	(244,122)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$3,010,842	$3,010,842				0.0%	$0
General & Administrative	$86,409	$561/Unit	$73,533	$477	2.50%	$0.60	$488	$75,200	$73,533	$477	$0.59	2.44%	2.3%	1,667
Management	$70,180	3.1% EGI	$55,182	$358	5.00%	$1.20	$978	$150,542	$150,542	$978	$1.20	5.00%	0.0%	-
Payroll & Payroll Tax	$222,543	$1,445/Unit	$258,335	$1,678	8.62%	$2.07	$1,685	$259,500	$258,335	$1,678	$2.06	8.58%	0.5%	1,165
Repairs & Maintenance	$124,090	$806/Unit	$104,643	$679	3.41%	$0.82	$668	$102,800	$107,800	$700	$0.86	3.58%	-4.6%	(5,000)
Electric/Gas	$40,702	$264/Unit	$80,741	$524	1.02%	$0.25	$200	$30,800	$40,702	$264	$0.32	1.35%	-24.3%	(9,902)
Water, Sewer, & Trash	$132,132	$858/Unit	$127,275	$826	3.58%	$0.86	$700	$107,800	$127,275	$826	$1.01	4.23%	-15.3%	(19,475)
Property Insurance	$104,327	$0.83 /sf	$60,808	$395	3.34%	$0.80	$653	$100,494	$100,494	$653	$0.80	3.34%	0.0%	-
Property Tax (@ 100%) 2.294796	$168,573	$1,095/Unit	$94,669	$615	9.99%	$2.40	$1,954	$300,864	$300,864	$1,954	$2.40	9.99%	0.0%	-
Reserve for Replacements					1.28%	$0.31	$250	$38,500	$38,500	$250	$0.31	1.28%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.08%	$0.02	$16	$2,520	$2,520	$16	$0.02	0.08%	0.0%	-
TOTAL EXPENSES					**38.83%**	**$9.31**	**$7,591**	**$1,169,020**	**$1,200,566**	**$7,796**	**$9.56**	**39.87%**	**-2.6%**	**$ (31,545)**
NET OPERATING INCOME ("NOI")					**61.17%**	**$14.66**	**$11,960**	**$1,841,821**	**$1,810,276**	**$11,755**	**$14.41**	**60.13%**	**1.7%**	**$ 31,545**
CONTROLLABLE EXPENSES							$3,741/Unit			$3,946/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

West End Lofts, Dallas, 9% HTC #24165

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Citbank		1.16	1.18	1,566,007	7.00%	40	15.0	$21,000,000	$21,000,000	15.0	40.0	7.00%	$1,566,007	1.18	21.2%
CASH FLOW DEBT / GRANTS															
City of Dallas		1.16	1.18		0.00%	0	0.0	$500	$500	0.0	0.0	0.00%		1.18	0.0%
City of Dallas TIF		1.16	1.18		0.00%	0	0.0	$49,000,000	$49,000,000	0.0	0.0	0.00%		1.18	49.4%
				$1,566,007		TOTAL DEBT / GRANT SOURCES		$70,000,500	$70,000,500		TOTAL DEBT SERVICE		$1,566,007	1.18	70.5%
NET CASH FLOW		$244,269	$275,814						APPLICANT	NET OPERATING INCOME		$1,841,821	$275,814	NET CASH FLOW	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
Hunt Capital Partners	LIHTC Equity	17.5%	$2,000,000	$0.87	$17,398,260	$16,935,367	$0.87	$1,946,789	17.1%	$12,641	Eligible Basis	
Hunt Capital Partners	Federal Historic Credits	4.5%		$0.87	$4,440,126	$4,440,126	$0.87		4.5%			
Hunt Capital Partners	State Historic Credits	5.6%		$0.87	$5,550,158	$5,550,158	$0.87		5.6%			
Sycamore Strategies, LLC	Deferred Developer Fees	3.9%	(34% Deferred)		$3,835,041	$2,360,530	(25% Deferred)		2.4%	Total Developer Fee:		$9,462,595
Additional (Excess) Funds Req'd		0.0%				$0			0.0%			
TOTAL EQUITY SOURCES		31.4%			$31,223,585	$29,286,180			29.5%			
TOTAL CAPITALIZATION					$101,224,085	$99,286,680				15-Yr Cash Flow after Deferred Fee:		$4,671,130

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis								Eligible Basis				
	Acquisition	New Const. Rehab	Total Costs				Total Costs		New Const. Rehab	Acquisition		%	$
Land Acquisition				$51,948 / Unit	$8,000,000		$8,000,000	$51,948 / Unit				0.0%	$0
Building Acquisition	$14,000,000			$90,909 / Unit	$14,000,000		$14,000,000	$90,909 / Unit		$1,090,000		0.0%	$0
Off-Sites		$0		$ / Unit	$0		$0	$ / Unit	$0			0.0%	$0
Site Work		$2,663,205		$17,294 / Unit	$2,663,205		$2,663,205	$17,294 / Unit	$2,663,205			0.0%	$0
Site Amenities		$75,000		$487 / Unit	$75,000		$75,000	$487 / Unit	$75,000			0.0%	$0
Building Cost		$18,176,925	$352.56 /sf	$287,584/Unit	$44,287,909		$44,287,909	$287,584/Unit	$352.56 /sf	$18,176,925		0.0%	$0
Contingency		$1,464,059	7.00%	5.00%	$2,351,306		$2,351,306	5.00%	7.00%	$1,464,059		0.0%	$0
Contractor Fees		$3,133,086	14.00%	11.60%	$5,727,720		$5,727,720	11.60%	14.00%	$3,133,086		0.0%	$0
Soft Costs	$0	$1,756,976		$11,409 / Unit	$1,756,976		$1,756,976	$11,409 / Unit		$1,756,976	$0	0.0%	$0
Financing	$0	$7,726,486		$60,516 / Unit	$9,319,485		$9,319,485	$60,516 / Unit		$7,726,486	$0	0.0%	$0
Developer Fee	$2,100,000	$5,249,361	15.00%	18.07%	$11,400,000	192.66%	9,462,595	15.00%	15.00%	$5,249,361	$163,500	20.5%	$1,937,405
Reserves				7 Months	$1,642,484		$1,642,484	7 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	$16,100,000	$40,245,098		$657,299 / Unit	$101,224,085		$99,286,680	$644,719 / Unit		$40,245,098	$1,253,500	2.0%	$1,937,405
Acquisition Cost	($12,910,000)				$0								
Contingency		$0			$0								
Contractor's Fee		$0			$0								
Financing Cost		$0											
Developer Fee	($1,936,500)	$0	15.00%	15.00%	($1,937,405)	15.00%							
Reserves					$0								
ADJUSTED BASIS / COST	$1,253,500	$40,245,098		$644,719/unit	$99,286,680		$99,286,680	$644,719/unit		$40,245,098	$1,253,500	0.0%	$0
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA					$99,286,680								

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

West End Lofts, Dallas, 9% HTC #24165

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$1,253,500	$40,245,098	$1,253,500	$40,245,098
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$1,253,500	$40,245,098	$1,253,500	$40,245,098
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$1,253,500	$52,318,627	$1,253,500	$52,318,627
Applicable Fraction	40.91%	40.91%	41%	41%
TOTAL QUALIFIED BASIS	$512,795	$21,403,075	$512,795	$21,403,075
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$20,512	$1,926,277	$20,512	$1,926,277
CREDITS ON QUALIFIED BASIS	$1,946,789		$1,946,789	

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8699	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$1,946,789	$16,935,367	**$1,946,789**	**($53,211)**	**($462,893)**
Needed to Fill Gap	$2,218,141	$19,295,896	**----**	**----**	**----**
Applicant Request	$2,000,000	$17,398,260	**----**	**----**	**----**

Long-Term Pro Forma

West End Lofts, Dallas, 9% HTC #24165

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$3,010,842	$3,071,059	$3,132,480	$3,195,129	$3,259,032	$3,598,235	$3,972,742	$4,386,228	$4,842,750	$5,346,787	$5,903,285	$6,517,704
TOTAL EXPENSES	3.00%	$1,169,020	$1,202,586	$1,237,128	$1,272,675	$1,309,258	$1,508,795	$1,739,177	$2,005,219	$2,312,494	$2,667,450	$3,077,551	$3,551,434
NET OPERATING INCOME ("NOI")		**$1,841,821**	**$1,868,473**	**$1,895,352**	**$1,922,454**	**$1,949,774**	**$2,089,440**	**$2,233,565**	**$2,381,008**	**$2,530,256**	**$2,679,337**	**$2,825,734**	**$2,966,270**
EXPENSE/INCOME RATIO		38.8%	39.2%	39.5%	39.8%	40.2%	41.9%	43.8%	45.7%	47.8%	49.9%	52.1%	54.5%
MUST -PAY DEBT SERVICE													
Citbank		$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007
TOTAL DEBT SERVICE		$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007	$1,566,007
DEBT COVERAGE RATIO		1.18	1.19	1.21	1.23	1.25	1.33	1.43	1.52	1.62	1.71	1.80	1.89
ANNUAL CASH FLOW		**$275,814**	**$302,466**	**$329,345**	**$356,447**	**$383,767**	**$523,433**	**$667,558**	**$815,002**	**$964,249**	**$1,113,330**	**$1,259,728**	**$1,400,263**
Deferred Developer Fee Balance		$2,084,715	$1,782,249	$1,452,904	$1,096,457	$712,690	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$1,623,172	$4,671,130	$8,450,195	$12,972,581	$18,241,594	$24,249,092	$30,972,412