Texas Department of Housing and Community Affairs

Board Book

Thursday, July 10, 2025
10:00 AM

Dewitt C. Greer State Highway Building
125 E. 11th Street
Williamson Board Room
Austin, TX 78701

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: 46
- Total Units Proposed: 10,541

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: 22

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: $437,228,639
Total Households Served: 1,799

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: $4,205,551
Total Households Served: 11,514

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: $4,205,551
Total Individuals Served: 11,514

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: $12,162,097
Total Households Served: 2,197

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: $10,841,284
Total Households Served: 111

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: $15,924,459
Total Individuals Served: 99,510

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: $1,325,500
Total Households Served: 27

Total Expended Funds: $626,373,426
Total Households Served: 167,575

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: 9/1/2024-2/28/2025 (4% Program figures as of 3/10/2025; 9% LIHTC Program figures as of 3/19/2025)

* 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.

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 summary for June 12, 2025 — Beau Eccles

ASSET MANAGEMENT

2. Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Clifton Riverside (HTC #21078/22836/23918) — Rosalio Banuelos

3. Presentation, discussion, and possible action regarding a Material Amendment to the Application for Reserves at Holdsworth (HTC #21114/23926, HOME #1003221) — Rosalio Banuelos

BOND FINANCE

4. Report on the closing of the Department's Residential Mortgage Revenue Bonds 2025 Series B (Non-AMT) and Series C (Taxable) — Scott Fletcher

HOUSING RESOURCE CENTER

5. Presentation, discussion, and possible action on the 2025-2029 State of Texas Consolidated Plan — Jeremy Stremler

6. Presentation, discussion, and possible action on the 2026 Regional Allocation Formula Methodology — Jeremy Stremler

RULES

7. Presentation, discussion, and possible action on an order adopting amendments to 10 TAC Chapter 23, §23.50, Tenant-Based Rental Assistance General Requirements, and directing their publication for adoption in the Texas Register. — Abigail Versyp

CONSENT AGENDA REPORT ITEMS

8. Media Analysis and Outreach Report, May 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

9. Executive Director's Report — Bobby Wilkinson

FUNDING ANNOUNCEMENTS AND AWARDS

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 — Cody Campbell

ACTION REPORT ITEMS

11. Report on legislation passed by the 89th Texas Legislature impacting the Department — Michael Lyttle

BOND FINANCE

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 — Scott Fletcher

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 — Scott Fletcher

ASSET MANAGEMENT

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) — Rosalio Banuelos

15. Presentation, discussion, and possible action on authority for processing of amendments to extend elderly restrictions past the Compliance Period as non-material amendments — Rosalio Banuelos

LEGAL

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) — Sascha Stremler

RULES

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 — Brooke Boston

MULTIFAMILY FINANCE

18. Presentation, discussion, and possible action regarding an appeal of the underwriting report for Fredericksburg Senior Apartments — Cody Campbell

19. Presentation, discussion, and possible action regarding an appeal of the underwriting report for Azle Oaks Apartments — Cody Campbell

20. Presentation, discussion, and possible action on a request for an extension of the previously approved deadline to Place in Service for Paige Estates — Josh Goldberger

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 — Josh Goldberger

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 — Josh Goldberger

23. Presentation, discussion, and possible action regarding an appeal of the termination of the Application for Liberty Senior Living — Cody Campbell

24. Presentation, discussion, and possible action regarding an appeal of the termination of the Application for Culebra Apartments — Cody Campbell

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 — Cody Campbell

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 #: 1087 **Agenda Date:** 7/10/2025 **Agenda #:** 1.

Presentation, discussion, and possible action on the Board meeting minutes summary for June 12, 2025

RECOMMENDED ACTION

Approve the Board meeting minutes summary for June 12, 2025

RESOLVED, that the Board meeting minutes summary for June 12, 2025, is hereby approved as presented.

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
June 12, 2025

On Thursday, the twelfth day of June 2025, at 10:00 a.m., the regular meeting 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 1-5) and Consent Agenda Report Item 7. Consent Agenda Report Item 6 – TDHCA Quarterly Status Report on Temporary Allocations: June 2025 – was moved to the Action Item agenda.

2) Chairman Vasquez exercised his right to change the order of the agenda as printed and the Board first took up Action Item 21 – Presentation, discussion, and possible action on an appeal of the termination of Trinity East Senior (25090) – as presented by Cody Campbell, TDHCA Director of Multifamily Finance. Additional information was provided by Mr. Eccles. Following public comment (listed below), the Board unanimously adopted staff recommendation to approve the appeal.

- Neal Rackleff, Houston Housing Authority, provided comments in support of staff recommendation
- Lieutenant Nathan Carroll, City of Houston Police Department, provided comments in support of staff recommendation
- Alvaro Guzman, Executive Assistant Chief of Police, City of Houston Police Department, provided comments in support of staff recommendation.
- Barry Palmer, Coats Rose law firm, provided comments in support of staff recommendation
- Brian Terry, Houston Housing Authority, provided comments in support of staff recommendation

3) Action Item 6 – TDHCA Quarterly Status Report on Temporary Allocations: June 2025 – was presented by Brooke Boston, TDHCA Deputy Executive Director. The Board heard the report and took no further action.

4) Action Item 8 – the Executive Director's Report – was presented by Bobby Wilkinson, TDHCA Executive Director. Additional information was provided by Wendy Quackenbush, TDHCA Director of Multifamily Compliance. The Board heard the report and took no further action.

5) Action Item 9 – Report on the Meeting of the Internal Audit and Finance Committee – was presented by Ajay Thomas, Chairman, TDHCA Governing Board Audit and Finance Committee. The Board accepted the report and took no further action.

6) Action Item 10 – Presentation, discussion, and possible action on the SFY 2026 Operating Budget – was presented by Paul Ford, TDHCA Financial Services Manager, with additional information from Mr. Wilkinson. The Board unanimously adopted staff recommendation to approve the operating budget.

7) Action Item 11 – Presentation, discussion, and possible action on the SFY 2026 Housing Finance Division Budget – was presented by Mr. Ford. The Board unanimously adopted staff recommendation to approve the finance division budget.

8) Action Item 12 – Presentation, discussion, and possible action regarding the Issuance of a Multifamily Housing Governmental Note (The Legacy on Kiest) Series 2025, Resolution No. 25-022, and a Determination Notice of Housing Tax Credits – was presented by Teresa Morales, TDHCA Director of Multifamily Bonds, with additional information from Mr. Wilkinson. The Board adopted staff recommendation to issue the note as well as approve the resolution and determination notice.

9) Action Item 13 – Presentation, discussion, and possible action on the 2026 Low Income Home Energy Assistance Program State Plan and Awards – was presented by Michael De Young, TDHCA Director of Community Affairs. The Board unanimously adopted staff recommendation as listed in the item, including a revised exhibit presented at the meeting, to approve the plan and awards.

10) Mr. De Young also presented Action Item 14 – Presentation, discussion, and possible action on the 2026-2027 Community Services Block Grant State Plan and Awards. Staff recommendation was for approval of the plan and awards and the Board unanimously concurred.

11) Action Item 15 – Presentation, discussion, and possible action on the approval of a loan for 2910 Motley Senior Living – was presented by Connor Jones, Manager of TDHCA's Multifamily Direct Loan Program, with additional information from Mr. Eccles. The Board unanimously adopted staff recommendation to approve the loan.

12) Action Item 16 – Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(b)(1)(A)(vii) of the Qualified Allocation Plan (QAP) relating to the percentage of efficiency and/or one-bedroom units for Lofts at Creekview – was presented by Ms. Morales with additional information from Mr. Wilkinson. The Board unanimously approved the rule waiver request per staff recommendation.

13) Action Item 17 – Presentation, discussion, and possible action regarding a Material Amendment to the Land Use Restriction Agreements for Villa Elaina (HTF #853338) and The Cornerstone (HTF #1000358) – was presented by Rosalio Banuelos, TDHCA Director of Asset Management. Following public comment (listed below), the Board unanimously adopted staff recommendation to approve the material amendment request.

- Walter Moreau, Foundation Communities and the developer of Villa Elaina and The Cornerstone, provided comments in support of staff recommendation

14) Action Item 18 – Presentation, discussion, and possible action regarding a Material Amendment for Sunset Ridge formerly Green Manor Apartments (HTC #24261) – was presented by Mr. Banuelos. The Board unanimously adopted staff recommendation to approve the material amendment request.

15) Action Item 19 – 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 pulled from the agenda.

16) Action Item 20 – Presentation, discussion, and possible action on point penalties for 2024 9% Housing Tax Credit Applications related to the Readiness to Proceed scoring item – was presented by Mr. Campbell with additional information from Mr. Wilkinson and Mr. Eccles. Following public comment (listed below), the Board amended staff recommendation and unanimously approved a motion assessing one penalty point to seven applications referenced in the item and no penalty points for Freedom’s Path at Kerrville II and Park at Dogwood.

- Donna Rickenbacker, MREC Companies, provided comments on the item
- Sam Hagerty, Baker Hostetler, provided comments on the item
- Lora Myrick, BETCO Consulting, provided comments on the item
- Taylor Thomas, Palladium USA, provided comments on the item
- John Shackelford, Shackelford, McKinley, and Norton, provided comments on the item
- Kim Parker, Palladium USA, provided comments on the item
- Michelle Snowden, Shackelford, McKinley, and Norton, provided comments on the item
- Byron Burkhalter, Park Development Group, provided comments on the item
- Barry Palmer, Coats Rose law firm, provided comments on the item
- Juli Gonzalez, BETCO Consulting, provided comments on the item

17) Action Item 22 – Presentation, discussion, and possible action on a scoring appeal for Meadow Heights (25065) – was presented by Mr. Campbell with additional information from Mr. Wilkinson. Following public comment (listed below), the Board unanimously affirmed staff recommendation to deny the appeal.

- Priscilla Martinez, Rural Development and affiliated with Meadow Heights, provided comments in opposition to staff recommendation
- Robbye Meyer, Arx Advantage, and consultant for Meadow Heights, provided comments in opposition to staff recommendation
- Felipe Martinez, Rural Development and affiliated with Meadow Heights, provided comments in opposition to staff recommendation
- Justin Meyer, Arx Advantage, and consultant for Meadow Heights, provided comments in opposition to staff recommendation

18) Action Item 23 – 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 three Buena Vida Developments – was presented by Joshua Goldberger, Manager of TDHCA's 9% Competitive Housing Tax Credit Program. The Board unanimously adopted staff recommendation to approve the force majeure requests.

19) Action Item 24 – 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 2910 Motley Senior Living and 3606 S Cockrell Hill Road Senior – was presented by Mr. Goldberger. Following public comment (listed below), the Board unanimously adopted staff recommendation to approve the force majeure requests.

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

20) Action Item 25 – 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 Bailey at Stassney – was presented by Mr. Goldberger. The Board unanimously adopted staff recommendation to approve the force majeure request.

21) Action Item 26 – 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 Bailey at Berkman – was presented by Mr. Goldberger with additional information from Mr. Wilkinson. Following public comment (listed below), the Board by a 5-1 vote (Chairman Vasquez voted nay) adopted staff recommendation to approve the force majeure request.

- Oscar Paul, National CORE, and the developer, provided comments on the item
- Sarah Anderson, S. Anderson Consulting, provided comments on the item

- Jason Aldridge, National Equity Fund, provided comments on the item

22) Action Item 27 – 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 Stella Haven – was presented by Mr. Goldberger. Following public comment (listed below), the Board by a 5-1 vote (Chairman Vasquez voted nay) adopted staff recommendation to approve the force majeure request.

- Abby Penner, Saigebrook Development, and the developer, provided comments in support of staff recommendation

23) Action Item 28 – 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 Ovetta Rosedale – was presented by Mr. Goldberger. Staff recommended approval of the force majeure request and the Board concurred unanimously.

24) Action Item 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 Georgian Oaks – was presented by Mr. Goldberger with additional information from Mr. Wilkinson. The Board by a 5-1 vote (Chairman Vasquez voted nay) adopted staff recommendation to approve the force majeure request.

25) Action Item 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 Dashwood Trails – was presented by Mr. Goldberger. Following public comment (listed below), the Board by a 5-1 vote (Member Harper voted nay) adopted staff recommendation to approve the force majeure request.

- Michael Fogel, Trinity Housing Development, and the developer, provided comments in support of staff recommendation

26) Action Item 31 – Presentation, discussion, and possible action to issue a list of approved Applications for 2025 Housing Tax Credits (HTC) in accordance with Tex. Gov't Code §2306.6724(e) – was presented by Mr. Campbell. The Board unanimously approved staff recommendation to issue the list of active applications.

27) 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:

- Donna Beth Lee Raley Shaw provided comments regarding fair housing concerns

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 2:57 p.m. The next meeting is scheduled for Thursday, July 10, 2025.

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Secretary

Approved:

____
Chair

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1070 **Agenda Date:** 7/10/2025 **Agenda #:** 2.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Clifton Riverside (HTC #21078/22836/23918)

RECOMMENDED ACTION

WHEREAS, Clifton Riverside (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2021, a Force Majeure reallocation of credits in 2022, and Supplemental Credits in 2023 for the new construction of 94 units for the general population in Fort Worth, Tarrant County;

WHEREAS, after award, and during the financing due diligence period, work began to release an easement held by the Tarrant Regional Water District (TRWD), which restricted the development of a portion of the land originally submitted in the tax credit application, and in exchange for the 0.678-acre of the site that was within the 100-year floodplain on the western side of the Development, TRWD agreed to a release of the easement on the property site allowing for the development to proceed;

WHEREAS, OPG Clifton Riverside Partners, LP (the Development Owner or Owner) requests approval to decrease the size of the Development site from 2.939 acres identified at Application to 2.261 acres, which is a decrease of 0.678-acre and results in a 29.99% increase in residential density, from approximately 31.984 units per acre to 41.575 units per acre;

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

WHEREAS, the requested change does not materially alter the Development in a negative manner, was not reasonably foreseeable or preventable by the Owner at the time of Application, and would not have adversely affected the selection of the Application; and

NOW, therefore, it is hereby

RESOLVED, that the requested amendment of the Application for Clifton Riverside 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

Clifton Riverside received an award of 9% Housing Tax Credits in 2021, a Force Majeure reallocation of credits in 2022, and Supplemental Credits in 2023 for the new construction of 94 units, of which 79 are designated as low-income units, for the general population in Fort Worth, Tarrant County. Construction of the Development has been completed.

In a letter dated June 6, 2025, April Engstrom, the representative for the Owner, requested approval for a material amendment to the Application to decrease the size of the Development site by 0.678-acre, going from 2.939 acres identified at Application to 2.261 acres, which results in a 29.99% increase in the residential density, from approximately 31.984 units per acres to 41.575 units per acre. Board approval is required for a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F).

The Owner states that after award, and during the financing due diligence period, work began to release an easement held by the Tarrant Regional Water District (TRWD), which restricted the development of a portion of the land originally submitted in the tax credit application, and in exchange for the 0.678-acre of the site that was within the 100-year floodplain on the western side of the Development site, TRWD agreed to the release of the easement on the Development site.

This land exchange required an extensive review by the US Army Corps of Engineers and the US Department of Fish and Wildlife, resulting in over six months of review. There were no funds associated with the exchange of land, and additionally, this change had no impact on the unit mix submitted in the original Application. There were no improvements on the 0.678-acre portion that is proposed to be removed from the Development site.

The Owner indicated that the increase to the residential density and the site plan change was necessary for the integrity of the original project submitted at application, as the restrictive easement would not have allowed for development to a portion of the site, which would have ultimately decreased the number of units, and was a risk to the financial viability of the overall project. At the time of application, the extent of these changes was not foreseeable due to all the parties involved in the review and approval of this land exchange.

Staff has reviewed the original Application against this amendment request and has concluded that the change described above would not have affected the award. The final tax credit recommendation will be determined upon finalization of the cost certification review process.

Staff recommends approval of the requested material amendment to the Application.

June 6, 2025

TDHCA
Attn: Lucy Weber, Asset Manager | Region 3
Asset Management Division
221 E. 11th St.
Austin, TX 78701

Re: Clifton Riverside, 21078/22836/23918

Dear Ms. Weber,

Overland Property Group, on behalf of Clifton Riverside, is requesting a material amendment to the residential density and the site plan.

Prior to the financial closing, changes were made to the land size, resulting in a reduction of acreage by 0.678 acres, bringing to total acreage of the site to 2.261 acres, down from the original 2.939. This change affected the site plan as well.

After award, and during the financing due diligence period, work began to release an easement held by the Tarrant Regional Water District (TRWD), which restricted the development of a portion of the land originally submitted in the tax credit application. A portion of the western boundary of the site was within the 100-year floodplain near the Trinity River. In exchange for the 0.678 acres of flood plain land, TRWD agreed to a release of the easement on the property site allowing for the development to proceed.

This land exchange ultimately required an extensive review by the US Army Corps of Engineers, and the US Department of Fish and Wildlife, resulting in over six months of review. There were no funds associated with the exchange of land, and, additionally had no impact on the unit mix submitted in the original application.

The increase to residential density and the site plan change was necessary for the integrity of the original project submitted at application, as the restrictive easement would not have allowed for development to a portion of the site, which would have ultimately decreased the number of units, and was a risk to the financial viability of the overall project.

We are requesting approval of this amendment to memorialize the acreage changes that were implemented prior to the financial closing, and necessary to the construction of Clifton Riverside. While we are always looking to avoid instances that warrant a material amendment, at the time of application the extent of these changes was not foreseeable because of all the necessary parties involved in the review/approvals of the land exchange.

Please reach out to me should you have any questions as you review.

Sincerely,

April Engstrom

April Engstrom | Director of Development
Overland Property Group
5345 W. 151st Terrace, Leawood, Kansas 66224
C: 785.212.0810
aengstrom@overlandpg.com | www.overlandpg.com

BUILDING CODE INFORMATION

OCCUPANCY OVERALL:	R-2 W/ MIXED	
OCCUPANCY GROUPS:	B	OFFICE
	R-2	APARTMENTS
CONSTRUCTION TYPE:	V-A	
AREA ALLOWED SM /FLR:	B	54,000 SF
	R-2	36,000 SF
AREA INCREASE 75% ADD:	R-2	45,000 SF
(NON-SEPARATED USES. PER IBC SEC. 302.3.2)		
ALLOWABLE TOTAL BLDG AREA:	(4x45,000)	180,000 SF

ACTUAL BUILDING AREA:

FIRST FLOOR	R-2	26,658 SF
SECOND FLOOR	R-2	26,825 SF
THIRD FLOOR	R-2	26,758 SF
FOURTH FLOOR	R-2	26,540 SF
TOTAL BUILDING AREA	R-2	106,781 SF

ALLOWABLE STORIES R-2 S: 4

ALLOWABLE HEIGHT R-2 S: 60'

ACTUAL STORIES: 4

ACTUAL HEIGHT: 45'

TOTAL OCCUPANT LOAD:

FIRST FLOOR	210
SECOND FLOOR	107
THIRD FLOOR	107
FOURTH FLOOR	94
TOTAL	518

OCCUPANT LOAD FACTORS:

OCCUPANCY	USE	LOAD FACTOR	MAX. OCC=1 EXIT
B	LOBBY/COMMONS	15 sf/OCCUPANT	49
B	OFFICE	100 sf/OCCUPANT	49
B	MECH/ELEC	300 sf/OCCUPANT	49
R-2	APARTMENTS	200 sf/OCCUPANT	10

FIRE RESISTANCE RATING FOR BUILDING ELEMENTS; V-A

EXTERIOR BEARING WALLS:	1 HOUR	*(INTERIOR RATING ONLY, IBC SEC. 705.5, FS>10')*
STRUCTURAL FRAME:	1 HOUR	
INTERIOR BEARING WALLS:	1 HOUR	
INTERIOR NON-BEARING WALLS:	0 HOUR	
SHAFT ENCLOSURES:	2 HOUR	
FLOOR/CEILING ASSEMBLY:	1 HOUR	
CEILING/ROOF ASSEMBLY:	1 HOUR	
CORRIDOR/DWELLING UNITS:	.5 HOUR	*(INTERIOR RATING ONLY, IBC SEC. 1020.1)*

OCCUPANCY SEPARATIONS: *(NON-SEPARATED USES. PER IBC SEC. 302.3.2)*
ALLOWABLE AREA & HEIGHT CALCULATIONS ARE BASED ON THE MOST RESTRICTIVE USE. DIFFERENT USES ARE NOT SEPARATED BY FIRE BARRIERS.
R2 TO R2 SEPARATION OF DWELLING UNITS = 1HR, 45 MIN. OPNGS

ROOF COVERINGS
CLASS B OR BETTER, TABL 1505.1

INCIDENTAL SEPARATIONS: *(PER IBC TABLE 508.2.5)*
STORAGE ROOMS OVER 100 SF - SPRINKLER SYSTEM (SMOKE BARRIER)
DWELLING UNITS -1 HR FIRE PARTITIONS

SPECIAL CONDITIONS:
EXIT & EMERGENCY LIGHTING, PORTABLE FIRE EXTINGUISHERS, MANUAL FIRE ALARM
EGRESS - NO STEPS EXISTING OR PROPOSED AT REQUIRED EXITS
NON-RATED STAIR ENCLOSURES, 1019.3, EXCEP 4

FIRE ALARM REQUIREMENTS:
REQUIRED, PROVIDED - MANUAL FIRE ALARM SYSTEM, 907.2.9.1 & NFPA 72
SIGNALING SYSTEM IS AUDIBLE/VISUAL PER NFPA 72 & ADA INSTALLED THROUGHOUT
INITIATING DEVICES: PULL STATIONS; SMOKE DETECTION @ SLEEPING & COMMON AREAS, AUTOMATIC SPRINKLER SYSTEM FLOW AND TAMPER SWITCHES MONITORED.

SMOKE ALARM REQUIREMENTS:
REQUIRED, PROVIDED - SLEEPING ROOMS & AT EACH FLOOR

AUTOMATIC FIRE SUPPRESSION SYSTEM:
REQUIRED, PROVIDED PER NFPA 13

EMERGENCY POWER SOURCE:
EXIT SIGNS, EXIT ILLUMINATION & EMERGENCY LIGHTING IS BY BATTERY BACK-UP

HAZARDOUS MATERIALS: *(PER IBC TABLE 307.1(1))*
NO HAZARDOUS MATERIALS ARE TO BE STORED

STANDPIPES:
NOT REQUIRED PER 905.3.1(1) HEIGHT EXCEPTION

SMOKE CONTROL:
NOT REQUIRED

SMOKE PARTITIONS:
NOT REQUIRED

ASSEMBLY
SIGNS TO BE MOUNTED IN ASSEMBLY AREAS OF MAXIMUM OCCUPANT LOAD

EXITING: REFERENCE PLAN

LEGEND

DESIGNATED EMERGENCY EXIT
68"/24.4" ⟵ EXIT WIDTH (ACTUAL/REQUIRED)
122/340 ⟵ OCCUPANT LOAD (ACTUAL/ALLOWED)

1 HOUR CONSTRUCTION (LD BRG WALLS)

1/2 HOUR FIRE PARTITION; CORRIDOR W/ 20 MIN OPENINGS *(PER IBC TABLE 1016.5)*
(INTERIOR RATING IBC TSBLR 1020.1)

1 HOUR FIRE PARTITION; BETWEEN DWELLING, SLEEPING UNITS W/ 45 MIN OPENINGS *(PER IBC 709.3 & 715.4)*

2 HOUR CONSTRUCTION; EXIT ENCLOSURE, SHAFT WALLS, W/ 90 MIN OPENINGS *(PER IBC TABLE 716.5)*

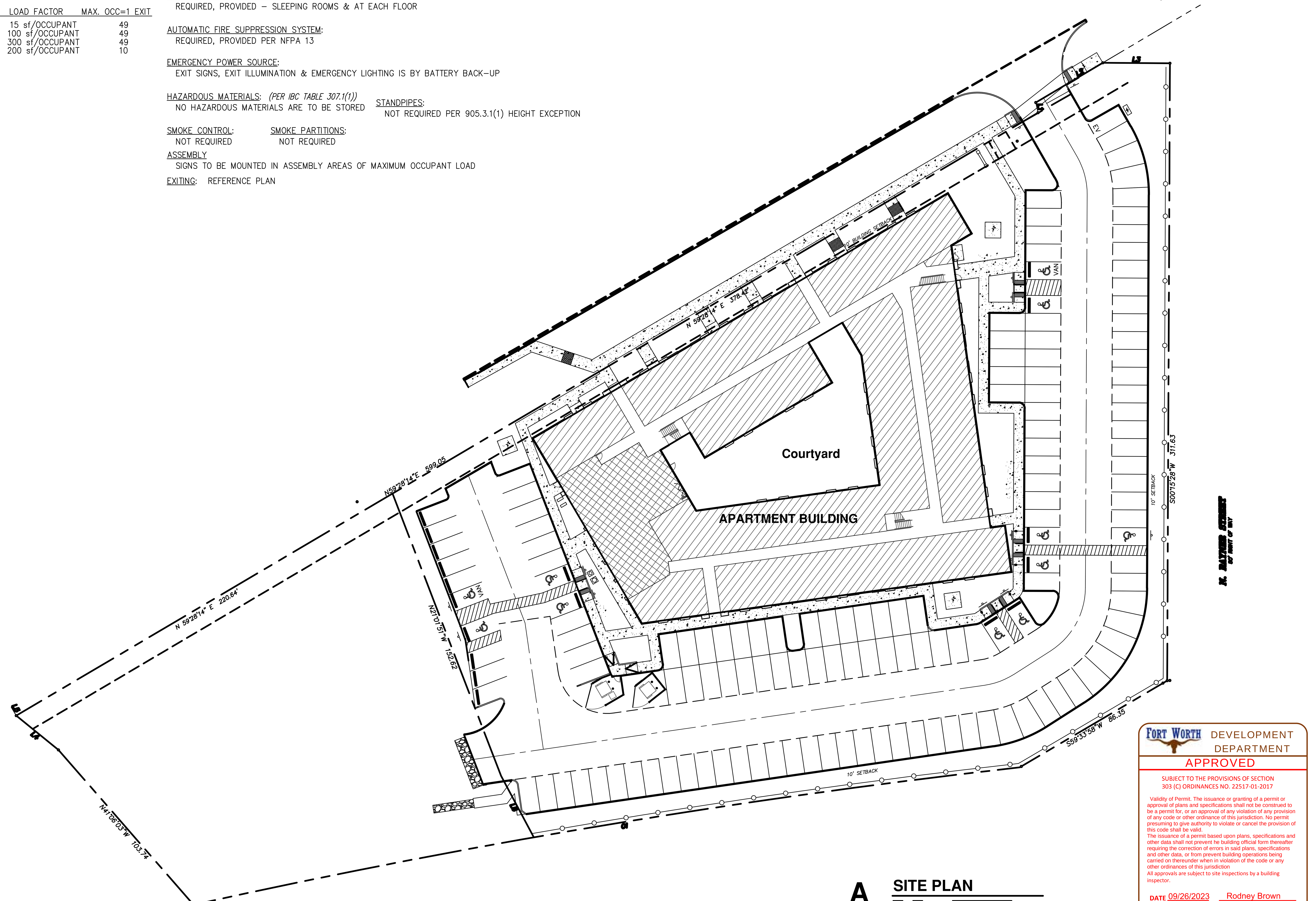
EXIT LIGHT
EMERGENCY LIGHT
EXIT/EMERGENCY LIGHT
FIRE EXTINGUISHER — FE
FIRE HYDRANT — FH
FIRE ALARM REMOTE ANNUNCIATOR PANEL — FAAP
FIRE ALARM CONTROL PANEL — FACP

EXAMPLE:

OCCUPANCY GROUP (AU = ACCESSORY USE) ----------	A-1	
OCCUPANCY USE ----------------------------	ASSEMBLY HALL	
ROOM SQUARE FOOT/OCCUPANT LOAD FACTOR --------	5,550	15
OCCUPANT LOAD/REQUIRED NUMBER OF EXITS --------	370	2

PROJECT INFORMATION

TYPE OF CONSTRUCTION	NEW APARTMENT COMPLEX
FACILITY NAME	CLIFTON RIVERSIDE APARTMENTS
FACILITY ADDRESS	2406 EAST BELKNAP FORT WORTH, TX
OWNER NAME	OPG CLIFTON RIVERSIDE PARTNERS, LLC
OWNER ADDRESS	254 N SANTA FE AVE, STE A SALINA, KS 67401 ph: 913-396-6310 fax: 913-396-6312
REASON FOR SUBMITTAL	NEW CONSTRUCTION
COUNTY	TARRANT
FIRE DEPARTMENT	FORT WORTH
WATER SUPPLY	FORT WORTH
BUILDING INSPECTION DEPT	FORT WORTH
AUTHORITY HAVING JURISDICTION	FORT WORTH
ARCHITECT	JONES GILLAM RENZ ARCHITECTS, INC. 730 N. NINTH ST. SALINA, KS 67401 ph: 785-827-0386 fax: 785-827-0392
CODES/REGULATIONS	2015 INTERNATIONAL BUILDING CODE 2015 INTERNATIONAL MECHANICAL CODE 2015 INTERNATIONAL PLUMBING CODE 2020 NATIONAL ELECTRICAL CODE 2015 INTERNATIONAL FIRE CODE 2015 INTERNATIONAL ENERGY CONSERVATION CODE FAIR HOUSING ACT DESIGN MANUAL 2010 ADA STANDARDS for ACCESSIBLE DESIGN 2009 ICC A117.1 ACCESSIBLE & USABLE BUILDINGS and FACILITIES 2012 TDLR TEXAS ACCESSIBILITY STANDARDS 2018 ANSI/AARST CC-1000-2018



A SITE PLAN

0 30' 60' 120'

FORT WORTH DEVELOPMENT DEPARTMENT
APPROVED
SUBJECT TO THE PROVISIONS OF SECTION 303 (C) ORDINANCES NO. 22517-01-2017

Validity of Permit. The issuance or granting of a permit or approval of plans and specifications shall not be construed to be a permit for, or an approval of any violation of any provision of any code or other ordinance of this jurisdiction. No permit presuming to give authority to violate or cancel the provision of this code shall be valid.
The issuance of a permit based upon plans, specifications and other data shall not prevent he building official form thereafter requiring the correction of errors in said plans, specifications and other data, or from prevent building operations being carried on thereunder when in violation of the code or any other ordinances of this jurisdiction
All approvals are subject to site inspections by a building inspector.

DATE 09/26/2023 Rodney Brown
BUILDING OFFICIAL

Architects Planners Designers
730 N. Ninth
P.O. BOX 2928
Salina, KS 67402
785.827.0386
1881 Main Street, Suite 301
Kansas City, MO 64108
jgr@jgrarchitects.com
JONES GILLAM RENZ

CLIFTON RIVERSIDE APARTMENTS

NEW APARTMENTS

FORT WORTH, TEXAS

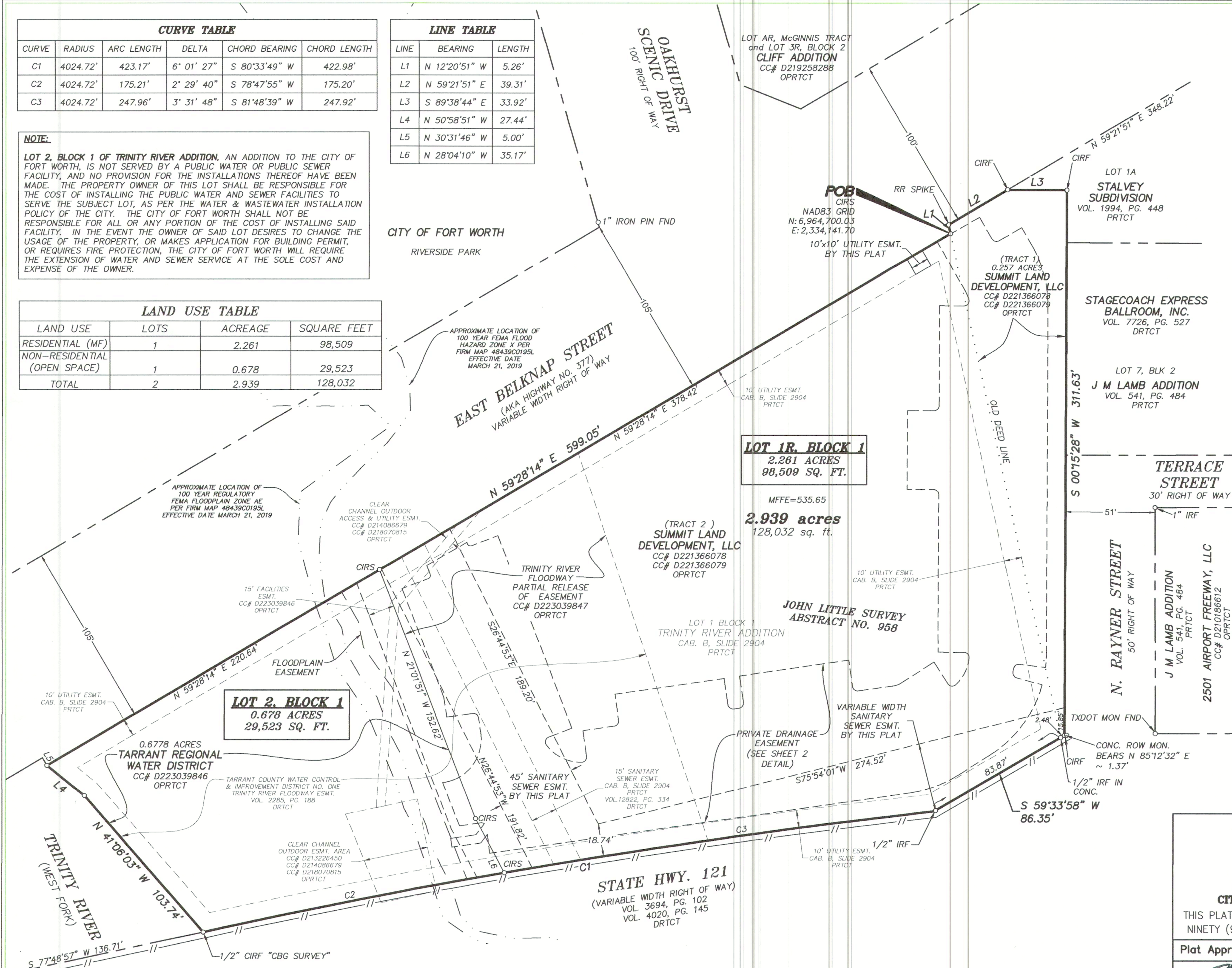
REGISTERED ARCHITECT
JEFFREY S GILLAM
22415
STATE OF TEXAS

REVISION:

DATE: 1-28-2022

JOB: 21-3137

SHEET: CFP1



CURVE TABLE

CURVE	RADIUS	ARC LENGTH	DELTA	CHORD BEARING	CHORD LENGTH
C1	4024.72'	423.17'	6° 01' 27"	S 80°33'49" W	422.98'
C2	4024.72'	175.21'	2° 29' 40"	S 78°47'55" W	175.20'
C3	4024.72'	247.96'	3° 31' 48"	S 81°48'39" W	247.92'

LINE TABLE

LINE	BEARING	LENGTH
L1	N 12°20'51" W	5.26'
L2	N 59°21'51" E	39.31'
L3	S 89°38'44" E	33.92'
L4	N 50°58'51" W	27.44'
L5	N 30°31'46" W	5.00'
L6	N 28°04'10" W	35.17'

NOTE:

LOT 2, BLOCK 1 OF TRINITY RIVER ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, IS NOT SERVED BY A PUBLIC WATER OR PUBLIC SEWER FACILITY, AND NO PROVISION FOR THE INSTALLATIONS THEREOF HAVE BEEN MADE. THE PROPERTY OWNER OF THIS LOT SHALL BE RESPONSIBLE FOR THE COST OF INSTALLING THE PUBLIC WATER AND SEWER FACILITIES TO SERVE THE SUBJECT LOT, AS PER THE WATER & WASTEWATER INSTALLATION POLICY OF THE CITY. THE CITY OF FORT WORTH SHALL NOT BE RESPONSIBLE FOR ALL OR ANY PORTION OF THE COST OF INSTALLING SAID FACILITY. IN THE EVENT THE OWNER OF SAID LOT DESIRES TO CHANGE THE USAGE OF THE PROPERTY, OR MAKES APPLICATION FOR BUILDING PERMIT, OR REQUIRES FIRE PROTECTION, THE CITY OF FORT WORTH WILL REQUIRE THE EXTENSION OF WATER AND SEWER SERVICE AT THE SOLE COST AND EXPENSE OF THE OWNER.

LAND USE TABLE

LAND USE	LOTS	ACREAGE	SQUARE FEET
RESIDENTIAL (MF)	1	2.261	98,509
NON-RESIDENTIAL (OPEN SPACE)	1	0.678	29,523
TOTAL	2	2.939	128,032

OWNER'S CERTIFICATE

STATE OF TEXAS)(
COUNTY OF TARRANT)(

WHEREAS SUMMIT LAND DEVELOPMENT, LLC, ACTING BY AND THROUGH THE UNDERSIGNED, IT'S DULY AUTHORIZED AGENT, AND **TARRANT REGIONAL WATER DISTRICT**, A WATER CONTROL AND IMPROVEMENT DISTRICT, ACTING BY AND THROUGH THE UNDERSIGNED, IT'S DULY AUTHORIZED AGENT, ARE THE SOLE OWNERS OF A 2.939 ACRE TRACT OF LAND SITUATED IN THE JOHN LITTLE SURVEY, ABSTRACT No. 958, TARRANT COUNTY, TEXAS, BEING THE REMAINDER OF LOT 1, BLOCK 1, TRINITY RIVER ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE PLAT RECORDED IN CABINET B, SLIDE 2904, PLAT RECORDS, TARRANT COUNTY, TEXAS (PRTCT) AND ALL OF A CALLED 0.257 ACRE TRACT OF LAND DESCRIBED IN THE SPECIAL WARRANTY DEED TO SUMMIT LAND DEVELOPMENT, LLC, AS RECORDED IN COUNTY CLERK'S INSTRUMENT No. D221366078 (TRACTS 1 AND 2), OFFICIAL PUBLIC RECORDS, TARRANT COUNTY, TEXAS (OPRTCT) AND DESCRIBED IN THE DEED WITHOUT WARRANTY TO SUMMIT LAND DEVELOPMENT, LLC, AS RECORDED IN COUNTY CLERK'S INSTRUMENT No. D221366079, OPRTCT, AND ALL OF A 0.6778 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO TARRANT REGIONAL WATER DISTRICT, AS RECORDED IN COUNTY CLERK'S INSTRUMENT No. D223039846, OPRTCT. SAID 2.939 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" CAPPED IRON ROD STAMPED "MMA" SET (N: 6,964,700.03, E: 2,334,141.70, HEREINAFTER CALLED 5/8" IRON ROD SET) FOR THE NORTH CORNER OF SAID LOT 1, BLOCK 1, AT THE INTERSECTION OF THE WEST LINE OF SAID 0.257 ACRE TRACT (TRACT 1) AND THE SOUTH RIGHT-OF-WAY LINE OF A 5' RIGHT-OF-WAY DEDICATION FOR EAST BELKNAP STREET (ALSO KNOWN AS U.S. HIGHWAY 377, A VARIABLE WIDTH RIGHT-OF-WAY, CABINET B, SLIDE 2904, PRTCT);

THENCE NORTH 12°20'51" WEST, WITH THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 5.26 FEET TO A RAILROAD SPIKE FOUND FOR THE NORTHWEST CORNER OF SAID TRACT 1 AND THE NORTH CORNER OF SAID 5' RIGHT-OF-WAY DEDICATION;

THENCE NORTH 59°21'51" EAST, WITH THE NORTH LINE OF SAID TRACT 1 AND THE SOUTH RIGHT-OF-WAY LINE OF SAID EAST BELKNAP STREET, A DISTANCE OF 39.31 FEET TO A 5/8" IRON ROD SET FOR THE NORTH CORNER OF SAID TRACT 1 AND THE WEST CORNER OF LOT 1, STALVEY SUBDIVISION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE PLAT RECORDED IN VOLUME 1994, PAGE 448, PRTCT;

THENCE SOUTH 89°38'44" EAST, WITH THE COMMON LINE OF SAID TRACT 1 AND SAID STALVEY SUBDIVISION, A DISTANCE OF 33.92 FEET TO A 5/8" IRON ROD SET FOR THE NORTHEAST CORNER OF SAID TRACT 1 AND AN INTERIOR ELL CORNER OF SAID STALVEY SUBDIVISION;

THENCE SOUTH 00°15'28" WEST, WITH THE COMMON LINE OF SAID TRACT 1 AND SAID STALVEY SUBDIVISION, PASSING A POINT FOR THE SOUTHWEST CORNER OF SAID STALVEY SUBDIVISION AND CONTINUE WITH THE COMMON LINE OF SAID TRACT 1 AND THE WEST LINE OF THE REMAINDER OF LOT 7, BLOCK 2, JOHN M. LAMB ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE PLAT RECORDED IN VOLUME 541, PAGE 484, PRTCT, PASSING A POINT FOR THE SOUTHWEST CORNER OF SAID LOT 7, IN THE NORTH RIGHT-OF-WAY LINE OF TERRACE STREET, A 30' WIDE RIGHT-OF-WAY, AND IN THE WEST RIGHT-OF-WAY LINE OF N. RAYNER STREET, A 50 FOOT RIGHT-OF-WAY (VOLUME 541, PAGE 484, PRTCT), AND CONTINUE WITH THE EAST LINE OF SAID TRACT 1 AND THE WEST RIGHT-OF-WAY LINE OF SAID N. RAYNER STREET, FOR A TOTAL DISTANCE OF 311.63 FEET TO A 5/8" IRON ROD SET FOR THE SOUTHEAST CORNER OF SAID TRACT 1 AND IN THE NORTH RIGHT-OF-WAY LINE OF STATE HIGHWAY 121 (A VARIABLE WIDTH RIGHT-OF-WAY, VOLUME 3694, PAGE 102 AND VOLUME 4020, PAGE 145, DEED RECORDS, TARRANT COUNTY, TEXAS (DRTCT), FROM WHICH A CONCRETE RIGHT-OF-WAY MONUMENT FOUND, BEARS NORTH 85°12'32" EAST, A DISTANCE OF 1.37 FEET;

THENCE SOUTH 59°33'58" WEST, WITH THE SOUTH LINE OF SAID TRACT 1 AND THE NORTH RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY 121, PASSING A 1/2" IRON ROD IN CONCRETE FOUND FOR THE SOUTHWEST CORNER OF SAID TRACT 1 AND THE SOUTHEAST CORNER OF SAID LOT 1, BLOCK 1, AT A DISTANCE OF 2.48 FEET, AND CONTINUE WITH THE SOUTH LINE OF SAID LOT 1, BLOCK 1 AND THE NORTH RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY 121, A TOTAL DISTANCE OF 86.35 FEET TO A 1/2" IRON ROD FOUND FOR THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 4,024.72 FEET AND A CHORD WHICH BEARS SOUTH 80°33'49" WEST, A DISTANCE OF 422.98 FEET;

THENCE IN A SOUTHWESTERLY DIRECTION, WITH THE SOUTH LINE OF SAID LOT 1, BLOCK 1, THE NORTH RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY 121 AND WITH SAID NON-TANGENT CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 06°01'27", AN ARC DISTANCE OF 423.17 FEET TO A 1/2" CAPPED IRON ROD STAMPED "CBG SURVEY" FOUND FOR THE SOUTHWEST CORNER OF SAID LOT 1, BLOCK 1 AND AT THE EAST LINE OF THE TRINITY RIVER;

THENCE WITH THE WEST LINE OF SAID LOT 1, BLOCK 1, THE FOLLOWING COURSES AND DISTANCES:

NORTH 41°06'03" WEST, A DISTANCE OF 103.74 FEET TO A 5/8" IRON ROD SET FOR ANGLE POINT;

NORTH 50°58'51" WEST, A DISTANCE OF 27.44 FEET TO A 5/8" IRON ROD SET FOR THE NORTHWEST CORNER OF SAID LOT 1, BLOCK 1 AND IN THE SOUTH RIGHT-OF-WAY LINE OF SAID EAST BELKNAP STREET;

THENCE NORTH 59°28'14" EAST, WITH THE NORTH LINE OF SAID LOT 1, BLOCK 1 AND THE SOUTH RIGHT-OF-WAY LINE OF SAID EAST BELKNAP STREET, A DISTANCE 599.05 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 128,032 SQUARE FEET OR 2.939 ACRES OF LAND, MORE OR LESS.

VICINITY MAP

NO SCALE

40 0 20 40 80

1 inch = 40 ft.

LEGEND/ABBREVIATIONS

IRF	IRON ROD FOUND
CIRS	5/8" YELLOW PLASTIC CAPPED IRON ROD SET MARKED "MMA"
CIRF MMA	5/8" YELLOW PLASTIC CAPPED IRON ROD FOUND MARKED "MMA"
MON.	MONUMENT
OPRTCT	OFFICIAL PUBLIC RECORDS, TARRANT COUNTY, TEXAS
PRTCT	PLAT RECORDS, TARRANT COUNTY, TEXAS
DRTCT	DEED RECORDS, TARRANT COUNTY, TEXAS
POB	POINT OF BEGINNING
(XXX)	RECORD DATA
ESMT.	EASEMENT
FND.	FOUND
MEAS.	MEASURED
VOL.	VOLUME
PG.	PAGE
UE	UTILITY EASEMENT
DE	DRAINAGE EASEMENT

BOUNDARY LINE
ADJOINER LINE / LOT LINE
ORIGINAL LOT LINE
EASEMENT LINE
ROADWAY CENTERLINE
SURVEY LINE
TXDOT CONTROL OF ACCESS LINE

MAINTENANCE NOTE:

FLOODPLAIN/DRAINAGEWAY MAINTENANCE: THE EXISTING CREEK, STREAM, RIVER, OR DRAINAGE CHANNEL TRAVERSING ALONG OR ACROSS PORTIONS OF THIS ADDITION, WILL REMAIN UNOBSTRUCTED AT ALL TIMES AND WILL BE MAINTAINED BY THE INDIVIDUAL LOT OWNERS WHOSE LOTS ARE TRAVERSED BY, OR ADJACENT TO, THE DRAINAGE WAYS. THE CITY OF FORT WORTH WILL NOT BE RESPONSIBLE FOR THE MAINTENANCE, EROSION CONTROL, AND/OR OPERATION OF SAID DRAINAGE WAYS. PROPERTY OWNERS SHALL KEEP THE ADJACENT DRAINAGE WAYS TRAVERSING THEIR PROPERTY CLEAN AND FREE OF DEBRIS, SILT OR OTHER SUBSTANCES, WHICH WOULD RESULT IN UNSANITARY CONDITIONS, AND THE CITY SHALL HAVE THE RIGHT OF ENTRY FOR THE PURPOSE OF INSPECTING THE MAINTENANCE WORK BY THE PROPERTY OWNERS. THE DRAINAGE WAYS ARE OCCASIONALLY SUBJECT TO STORM WATER OVERFLOW AND/OR BANK EROSION THAT CANNOT BE DEFINED. THE CITY OF FORT WORTH SHALL NOT BE LIABLE FOR ANY DAMAGES RESULTING FROM THE OCCURRENCE OF THOSE PHENOMENA, NOR THE FAILURE OF ANY STRUCTURE(S) WITHIN THE DRAINAGE WAYS. THE DRAINAGE WAY CROSSING EACH LOT IS CONTAINED WITHIN THE FLOODPLAIN EASEMENT LINE AS SHOWN ON THE PLAT.

OWNER'S DEDICATION

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

THAT, **SUMMIT LAND DEVELOPMENT, LLC**, ACTING BY AND THROUGH THE UNDERSIGNED, DO HEREBY ADOPT THIS PLAT DESIGNATING THE HEREIN ABOVE DESCRIBED REAL PROPERTY AS **LOTS 1R & 2, BLOCK 1, TRINITY RIVER ADDITION**, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, AND DO HEREBY DEDICATE TO THE PUBLIC'S USE THE STREETS AND EASEMENTS SHOWN THEREON, EXCEPT THE PRIVATE EASEMENTS SHOWN THEREON. THIS PLAT DOES NOT ALTER OR REMOVE EXISTING DEED RESTRICTION OR COVENANTS, IF ANY, ON THIS PROPERTY.

PURSUANT TO SECTION 12.002 OF THE TEXAS PROPERTY CODE, I HAVE OBTAINED ORIGINAL TAX CERTIFICATES FROM EACH TAXING UNIT WITH JURISDICTION OVER EACH PARCEL OF REAL PROPERTY IN SAID SUBDIVISION INDICATING THAT NO DELINQUENT AD VALOREM TAXES ARE OWED ON THE REAL PROPERTY WHICH IS THE SUBJECT OF THE PLAT OR REPLAT I HAVE SUBMITTED TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS FOR FILING AND RECORDING WITH THE TARRANT COUNTY CLERK'S OFFICE.

WITNESS MY HAND THIS THE 10 DAY OF May, 2023.

GRANTOR:

SUMMIT LAND DEVELOPMENT, LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: OVERLAND PROPERTY GROUP, LLC, A DELAWARE LIMITED LIABILITY COMPANY, ITS MANAGER
BY: OVERLAND PROPERTY GROUP, LLC, A KANSAS LIMITED LIABILITY COMPANY, ITS MANAGER

BY: [signature]
PATRICK BEATTY, MANAGER

STATE OF Kansas §
COUNTY OF Saline §

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON THIS 10 DAY OF May, 2023, BY PATRICK BEATTY, MANAGER, OVERLAND PROPERTY GROUP, LLC, A KANSAS LIMITED LIABILITY COMPANY, IN ITS CAPACITY AS MANAGER OF OVERLAND PROPERTY GROUP, LLC, A DELAWARE LIMITED LIABILITY COMPANY, ON BEHALF OF SAID LIMITED LIABILITY COMPANY.

Megan Wetter
NOTARY PUBLIC, STATE OF Kansas
PRINTED NAME: Megan Wetter
COMMISSION EXPIRES: 10/26/2026

NOTARY PUBLIC - State of Kansas
MEGAN WETTER
MY APPT. EXPIRES 10/26/26

OWNER'S DEDICATION

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

THAT **TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT**, ACTING BY AND THROUGH THE UNDERSIGNED, ITS DULY AUTHORIZED AGENT, DOES HEREBY ADOPT THIS PLAT DESIGNATING THE HEREIN DESCRIBED REAL PROPERTY AS **LOTS 1R & 2, BLOCK 1, TRINITY RIVER ADDITION**, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS AND DOES HEREBY DEDICATE TO THE PUBLIC THE DRAINAGE EASEMENT DESCRIBED AND DEPICTED IN THIS PLAT (THE "DRAINAGE EASEMENT"). **EXCEPT FOR THE DRAINAGE EASEMENT, BY EXECUTING THIS PLAT, TARRANT REGIONAL WATER DISTRICT IS NOT RELEASING, DEDICATING, OR OTHERWISE CONVEYING ANY RIGHT, TITLE OR INTEREST OWNED BY SAID WATER DISTRICT, ALL SUCH RIGHTS, TITLES, AND INTERESTS BEING HEREBY EXPRESSLY RESERVED.** THIS PLAT DOES NOT ALTER OR REMOVE EXISTING DEED RESTRICTIONS OR COVENANTS, IF ANY, AFFECTING THIS PROPERTY.

WITNESS MY HAND THIS THIS THE 22nd DAY OF June, 2023

TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT DISTRICT

BY: [signature]
R. STEVE CHRISTIAN, REAL PROPERTY DIRECTOR

STATE OF TEXAS §
COUNTY OF TARRANT §

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON THIS 22nd DAY OF June, 2023, BY R. STEVE CHRISTIAN, REAL PROPERTY DIRECTOR OF TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT, ON BEHALF OF SAID DISTRICT.

Richard B. Carroll
NOTARY PUBLIC, STATE OF TEXAS
PRINTED NAME: Richard B. Carroll
COMMISSION EXPIRES: 05-18-2024

RICHARD B. CARROLL
Notary Public, State of Texas
Comm. Expires 05-18-2024
Notary ID 4065647

FORT WORTH

CITY PLAN COMMISSION
CITY OF FORT WORTH, TEXAS
THIS PLAT IS VALID ONLY IF RECORDED WITHIN NINETY (90) DAYS AFTER DATE OF APPROVAL.

Plat Approval Date: 6/23/23
BY: Donald Boren Chairman
BY: 6/23/23 Secretary

SURVEYOR'S CERTIFICATE

THAT I, LON E. WHITTEN, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY DECLARE THAT I PREPARED THIS PLAT FROM AN ACTUAL AND ACCURATE SURVEY OF THE LAND AND THAT THE CORNER MONUMENTS SHOWN HEREON AS SET WERE PROPERLY PLACED UNDER MY PERSONAL SUPERVISION IN ACCORDANCE WITH THE SUBDIVISION REGULATIONS OF THE CITY OF FORT WORTH, TEXAS.

LON E. WHITTEN DATE: MAY 9, 2023
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5893
lwhitten@mmatexas.com

STATE OF TEXAS REGISTERED PROFESSIONAL LAND SURVEYOR LON E. WHITTEN 5893

STATE OF TEXAS §
COUNTY OF TARRANT §

BEFORE ME, THE UNDERSIGNED AUTHORITY ON THIS DAY PERSONALLY APPEARED LON E. WHITTEN, KNOWN 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 CONSIDERATIONS THEREIN EXPRESSED IN THE CAPACITY THEREIN STATED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE ON THIS 9 DAY OF May, 2023

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

MY COMMISSION EXPIRES: 10.05.2026

LESLIE LARSON
MY COMMISSION EXPIRES
OCTOBER 5, 2026
NOTARY ID: 131750050

OWNER:

TARRANT REGIONAL WATER DISTRICT
800 E. NORTHSIDE DRIVE
FORT WORTH, TX 76102

OWNER:

SUMMIT LAND DEVELOPMENT, LLC
254 N SANTA FE, SUITE A
SALINA, KS 67401

DEVELOPER:

JGR ARCHITECTS
730 NORTH NINTH STREET
SALINA, KS 67401
TEL: 785-827-0386
cgillam@jgrarchitects.com
CONTACT: CHRIS GILLAM

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS
06/28/2023 12:10 PM
D223113563
PLAT
Pages: 4
Fees: $76.00
MARY LOUISE NICHOLSON
COUNTY CLERK

PLAT CASE NO.: FS-21-244

FINAL SHORT PLAT

LOTS 1R & 2, BLOCK 1 TRINITY RIVER ADDITION (REPLAT)

BEING ALL OF LOT 1, BLOCK 1, TRINITY RIVER ADDITION, AN ADDITION TO THE CITY OF FORT WORTH AS SHOWN ON THE PLAT RECORDED IN CABINET B, SLIDE 2904, PLAT RECORDS, TARRANT COUNTY, TEXAS AND ALL OF A CALLED 0.257 ACRE ADJOINING UNPLATTED TRACT OF LAND SITUATED IN THE JOHN LITTLE SURVEY, ABSTRACT NO. 958
CITY OF FORT WORTH, TARRANT COUNTY, TEXAS
1 BUILDABLE LOT
1 PRIVATE OPEN SPACE LOT

MAY 2023

SURVEYOR/ENGINEER:

mma
civil engineering surveying landscape architecture planning
tbpels registration number: f - 2759
tbpels registration/license number: 10088000
519 east border
arlington, texas 76010
817-469-1671
fax: 817-274-8757
www.mmatexas.com

SHEET 1 OF 2

THIS PLAT IS FILED IN DOCUMENT # D223113565, OPRTCT DATE: 6/28/2023

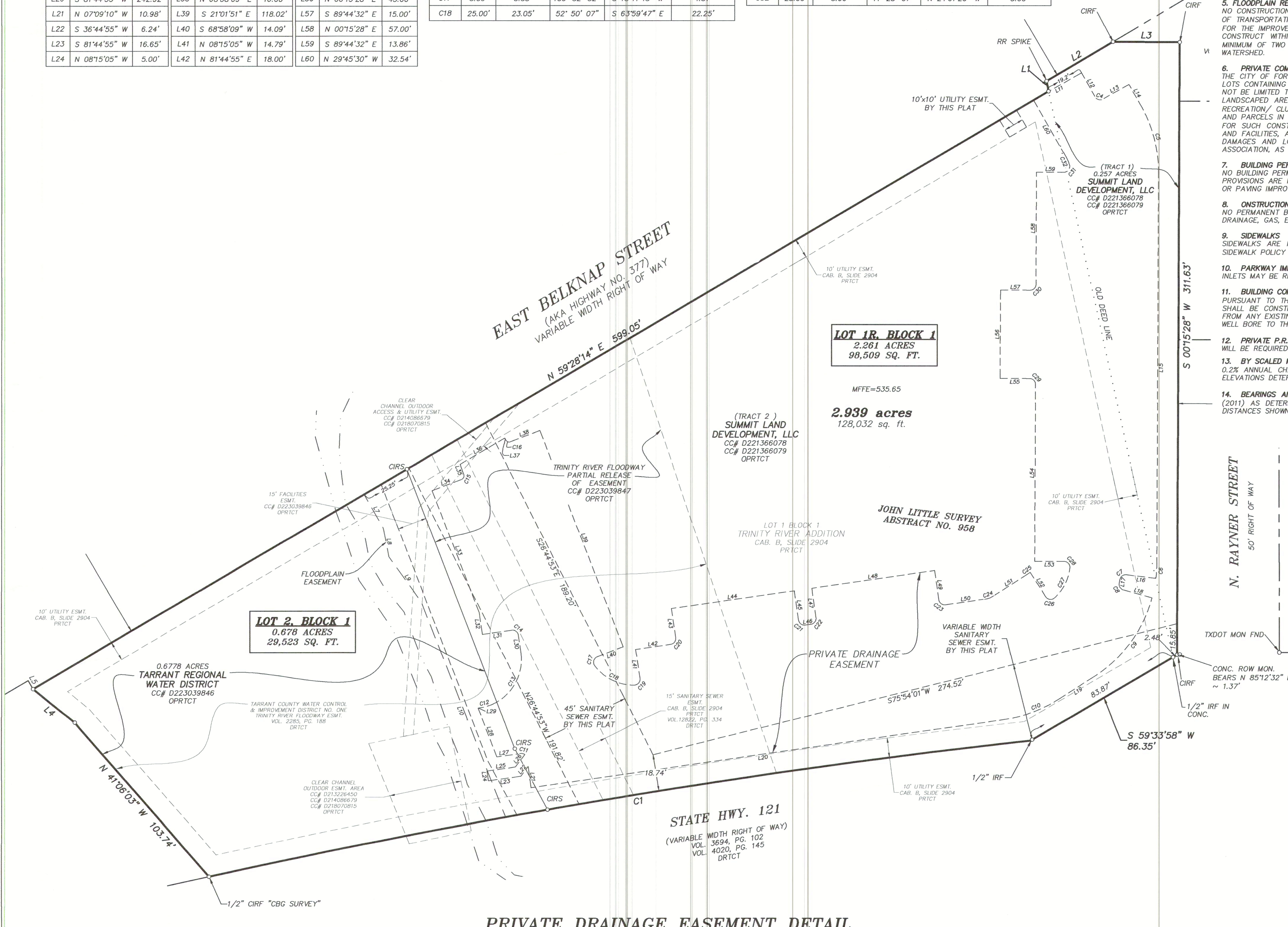
LINE TABLE		
LINE	BEARING	LENGTH
L7	S 29°33'46" E	19.50'
L8	S 11°01'55" E	15.17'
L9	S 35°31'34" E	28.49'
L10	S 21°20'12" E	117.48'
L11	N 60°11'43" E	28.00'
L12	S 29°44'57" E	14.09'
L13	N 60°15'03" E	15.00'
L14	S 29°44'57" E	12.02'
L15	S 00°15'28" W	198.41'
L16	N 83°06'55" W	15.08'
L17	S 11°04'30" W	1.79'
L18	S 74°44'05" E	15.08'
L19	S 57°23'32" W	21.89'
L20	S 81°44'55" W	242.92'
L21	N 07°09'10" W	10.98'
L22	S 36°44'55" W	6.24'
L23	S 81°44'55" W	16.65'
L24	N 08°15'05" W	5.00'

LINE TABLE		
LINE	BEARING	LENGTH
L25	N 81°44'55" E	14.58'
L26	N 36°44'55" E	7.94'
L27	S 81°44'55" W	12.14'
L28	N 21°01'51" W	26.66'
L29	N 81°44'55" E	0.58'
L30	N 08°15'05" W	8.71'
L31	S 81°44'55" W	15.00'
L32	N 08°15'05" W	11.23'
L33	N 21°01'51" W	66.72'
L34	N 68°58'09" E	16.00'
L35	N 21°01'51" W	5.44'
L36	N 59°48'05" E	26.34'
L37	S 21°01'51" E	0.78'
L38	N 68°58'09" E	16.00'
L39	S 21°01'51" E	118.02'
L40	S 68°58'09" W	14.09'
L41	N 08°15'05" W	14.79'
L42	N 81°44'55" E	18.00'

LINE TABLE		
LINE	BEARING	LENGTH
L43	N 08°15'05" W	15.00'
L44	N 81°44'55" E	63.00'
L45	S 08°15'05" E	15.00'
L46	N 81°44'55" E	3.00'
L47	N 08°15'05" W	15.00'
L48	N 81°44'55" E	63.00'
L49	S 08°15'05" E	15.00'
L50	N 81°44'55" E	21.12'
L51	N 57°23'32" E	21.89'
L52	S 32°36'28" E	14.70'
L53	N 89°44'32" W	14.85'
L54	N 00°15'28" E	90.00'
L55	N 89°44'32" W	15.00'
L56	N 00°15'28" E	45.00'
L57	S 89°44'32" E	15.00'
L58	N 00°15'28" E	57.00'
L59	S 89°44'32" E	13.86'
L60	N 29°45'30" W	32.54'

CURVE TABLE					
CURVE	RADIUS	ARC LENGTH	DELTA	CHORD BEARING	CHORD LENGTH
C4	3.00'	4.71'	90° 00' 00"	S 74°44'57" E	4.24'
C5	69.00'	36.14'	30° 00' 25"	S 14°44'44" E	35.73'
C6	69.00'	7.98'	6° 37' 37"	S 03°34'17" W	7.98'
C7	3.00'	4.55'	86° 48' 55"	S 53°28'38" W	4.12'
C8	3.00'	4.55'	86° 48' 55"	S 31°19'38" E	4.12'
C9	69.00'	50.73'	42° 07' 37"	S 36°19'44" W	49.60'
C10	69.00'	29.33'	24° 21' 23"	S 69°34'14" W	29.11'
C11	3.00'	2.26'	43° 14' 57"	N 76°37'36" W	2.21'
C12	23.58'	6.39'	15° 31' 43"	N 75°09'36" E	6.37'
C13	25.19'	32.91'	74° 50' 24"	N 29°19'12" E	30.62'
C14	3.00'	4.71'	90° 00' 00"	N 53°15'05" W	4.24'
C15	2.00'	3.14'	90° 00' 00"	N 23°58'09" E	2.83'
C16	2.00'	3.14'	90° 00' 00"	S 66°01'51" E	2.83'
C17	3.00'	5.58'	106° 32' 52"	S 15°41'43" W	4.81'
C18	25.00'	23.05'	52° 50' 07"	S 63°59'47" E	22.25'

CURVE TABLE					
CURVE	RADIUS	ARC LENGTH	DELTA	CHORD BEARING	CHORD LENGTH
C19	3.00'	5.12'	97° 50' 15"	N 40°40'03" E	4.52'
C20	3.00'	4.71'	90° 00' 00"	N 36°44'55" E	4.24'
C21	3.00'	4.71'	90° 00' 00"	S 53°15'05" E	4.24'
C22	3.00'	4.71'	90° 00' 00"	N 36°44'55" E	4.24'
C23	3.00'	4.71'	90° 00' 00"	S 53°15'05" E	4.24'
C24	7.00'	2.98'	24° 21' 23"	N 69°34'14" E	2.95'
C25	7.00'	1.11'	9° 06' 20"	N 52°50'22" E	1.11'
C26	3.00'	5.28'	100° 45' 41"	S 82°59'18" E	4.62'
C27	25.00'	17.29'	39° 37' 18"	N 26°49'12" E	16.95'
C28	3.00'	5.07'	96° 45' 05"	N 41°21'59" W	4.49'
C29	3.00'	4.71'	89° 59' 58"	N 44°44'33" W	4.24'
C30	3.00'	4.71'	90° 00' 00"	N 45°15'28" E	4.24'
C31	3.00'	5.68'	108° 32' 51"	N 35°59'03" E	4.87'
C32	25.00'	5.00'	11° 28' 07"	N 24°01'26" W	5.00'



PRIVATE DRAINAGE EASEMENT DETAIL

PLAT NOTES

1. WATER/WASTEWATER IMPACT FEES
THE CITY OF FORT WORTH HAS AN ORDINANCE IMPLEMENTING THE ASSESSMENT AND COLLECTION OF WATER AND WASTEWATER IMPACT FEES. THE TOTAL AMOUNT ASSESSED IS ESTABLISHED ON THE RECORDATION DATE OF THIS PLAT APPLICATION, BASED UPON SCHEDULE I OF THE CURRENT IMPACT FEE ORDINANCE. THE AMOUNT TO BE COLLECTED IS DETERMINED UNDER SCHEDULE II THEN IN EFFECT ON THE DATE A BUILDING PERMIT IS ISSUED, OR THE CONNECTION DATE TO THE MUNICIPAL WATER AND/OR WASTEWATER SYSTEM.

2. UTILITY EASEMENTS
ANY PUBLIC UTILITY, INCLUDING THE CITY OF FORT WORTH, SHALL HAVE THE RIGHT TO MOVE AND KEEP MOVED ALL OR PART OF ANY BUILDING, FENCE, TREE, SHRUB, OTHER GROWTH OR IMPROVEMENT WHICH IN ANY WAY ENDANGERS OR INTERFERES WITH THE CONSTRUCTION, MAINTENANCE, OR EFFICIENCY OF ITS RESPECTIVE SYSTEMS ON ANY OF THE EASEMENTS SHOWN ON THE PLAT; AND THEY SHALL HAVE THE RIGHT AT ALL TIMES TO INGRESS AND EGRESS UPON SAID EASEMENTS FOR THE PURPOSE OF CONSTRUCTION, RECONSTRUCTION, INSPECTION, PATROLLING, MAINTAINING, AND ADDING TO OR REMOVING ALL OR PART OF ITS RESPECTIVE SYSTEMS WITHOUT THE NECESSITY AT ANY TIME OF PROCURING THE PERMISSION OF ANYONE.

3. TRANSPORTATION IMPACT FEES
THE CITY OF FORT WORTH HAS AN ORDINANCE IMPLEMENTING THE ASSESSMENT AND COLLECTION OF TRANSPORTATION IMPACT FEES. THE TOTAL AMOUNT ASSESSED IS ESTABLISHED ON THE APPROVAL DATE OF THIS PLAT APPLICATION, BASED UPON SCHEDULE 1 OF THE IMPACT FEE ORDINANCE IN EFFECT AS OF THE DATE OF THE PLAT. THE AMOUNT TO BE COLLECTED IS DETERMINED UNDER SCHEDULE 2 OF SAID ORDINANCE, AND IS DUE ON THE DATE A BUILDING PERMIT IS ISSUED.

4. SITE DRAINAGE STUDY
A SITE DRAINAGE STUDY, SHOWING CONFORMANCE WITH THE APPROVED ROADWAY DRAINAGE PLAN, MAY BE REQUIRED BEFORE ANY BUILDING PERMIT WILL BE ISSUED ON THIS SITE (A GRADING PLAN IN SOME INSTANCES MAY BE ADEQUATE.) IF THE SITE DOES NOT CONFORM, THEN A DRAINAGE STUDY MAY BE REQUIRED ALONG WITH A CFA FOR ANY REQUIRED DRAINAGE IMPROVEMENTS AND THE CURRENT OWNER SHALL SUBMIT A LETTER TO THE DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS STATING AWARENESS THAT A SITE DRAINAGE STUDY WILL BE REQUIRED BEFORE ANY PERMIT IS ISSUED. THE CURRENT OWNER WILL INFORM EACH BUYER OF THE SAME.

5. FLOODPLAIN RESTRICTION
NO CONSTRUCTION SHALL BE ALLOWED WITHIN THE FLOODPLAIN EASEMENT, WITHOUT THE WRITTEN APPROVAL OF THE DIRECTOR OF TRANSPORTATION AND PUBLIC WORKS. IN ORDER TO SECURE APPROVAL, DETAILED ENGINEERING PLANS AND/OR STUDIES FOR THE IMPROVEMENTS, SATISFACTORY TO THE DIRECTOR, WILL BE PREPARED AND SUBMITTED BY THE PARTY(IES) WISHING TO CONSTRUCT WITHIN THE FLOODPLAIN. WHERE CONSTRUCTION IS PERMITTED, ALL FINISHED FLOOR ELEVATIONS SHALL BE A MINIMUM OF TWO (2) FEET ABOVE THE FLOODPLAIN BASE FLOOD ELEVATION RESULTING FROM ULTIMATE DEVELOPMENT OF THE WATERSHED.

6. PRIVATE COMMON AREAS AND FACILITIES
THE CITY OF FORT WORTH SHALL NOT BE HELD RESPONSIBLE FOR THE CONSTRUCTION, MAINTENANCE OR OPERATION OF ANY LOTS CONTAINING PRIVATE COMMON AREAS OR FACILITIES IDENTIFIED AS SUCH ON THIS PLAT. SAID AREAS SHALL INCLUDE, BUT NOT BE LIMITED TO: PRIVATE STREETS, EMERGENCY ACCESS EASEMENTS, AND GATED SECURITY ENTRANCES; RECREATION AREAS, LANDSCAPED AREAS AND OPEN SPACES; WATER AND WASTEWATER DISTRIBUTION SYSTEMS AND TREATMENT FACILITIES; AND RECREATION/ CLUBHOUSE/EXERCISE/ BUILDINGS AND FACILITIES. THE LAND OWNERS AND SUBSEQUENT OWNERS OF THE LOTS AND PARCELS IN THIS SUBDIVISION, ACTING JOINTLY AND SEVERALLY AS A LAND OWNERS ASSOCIATION, SHALL BE RESPONSIBLE FOR SUCH CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF THE SUBDIVISION'S PRIVATE COMMON AREAS AND FACILITIES, AND SHALL AGREE TO INDEMNIFY AND HOLD HARMLESS THE CITY OF FORT WORTH, TEXAS, FROM ALL CLAIMS, DAMAGES AND LOSSES ARISING OUT OF, OR RESULTING FROM THE PERFORMANCE OF THE OBLIGATIONS OF SAID OWNERS ASSOCIATION, AS SET FORTH HEREIN.

7. BUILDING PERMITS
NO BUILDING PERMITS SHALL BE ISSUED FOR ANY LOT IN THIS SUBDIVISION UNTIL AN APPROPRIATE CFA OR OTHER ACCEPTABLE PROVISIONS ARE MADE FOR THE CONSTRUCTION OF ANY APPLICABLE WATER, SEWER, STORM DRAIN, STREET LIGHTS, SIDEWALKS, OR PAVING IMPROVEMENTS; AND APPROVAL IS FIRST OBTAINED FROM THE CITY OF FORT WORTH.

8. ONSTRUCTION PROHIBITED OVER EASEMENTS
NO PERMANENT BUILDINGS OR STRUCTURES SHALL BE CONSTRUCTED OVER ANY EXISTING OR PLATTED WATER, SANITARY SEWER, DRAINAGE, GAS, ELECTRIC, CABLE OR OTHER UTILITY EASEMENT OF ANY TYPE.

9. SIDEWALKS
SIDEWALKS ARE REQUIRED ADJACENT TO BOTH SIDES OF ALL PUBLIC AND PRIVATE STREETS, IN CONFORMANCE WITH THE SIDEWALK POLICY PER "CITY DEVELOPMENT DESIGN STANDARDS".

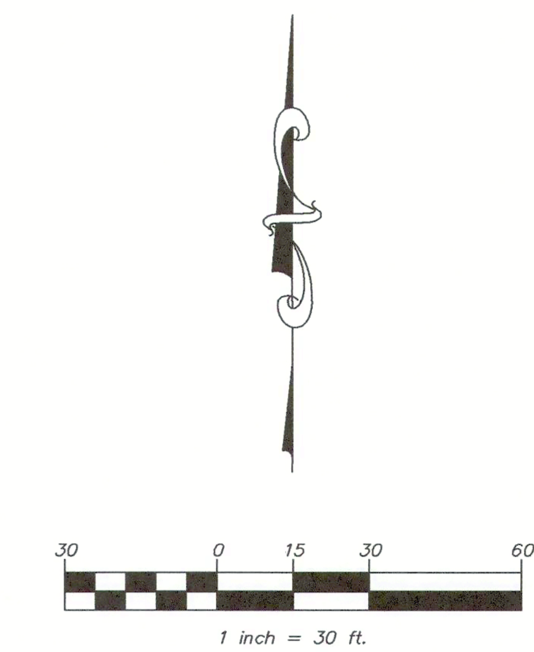
10. PARKWAY IMPROVEMENTS SUCH AS CURB AND GUTTER, PAVEMENT TIE-IN, DRIVE APPROACHES, SIDEWALKS AND DRAINAGE INLETS MAY BE REQUIRED AT THE TIME OF BUILDING PERMIT ISSUANCE VIA A PARKWAY PERMIT.

11. BUILDING CONSTRUCTION DISTANCE LIMITATION TO AN OIL OR GAS WELL BORE
PURSUANT TO THE FORT WORTH CITY CODE, NO BUILDING(S) NOT NECESSARY TO THE OPERATION OF AN OIL OR GAS WELL SHALL BE CONSTRUCTED WITHIN THE SETBACKS REQUIRED BY THE CURRENT GAS WELL ORDINANCE AND ADOPTED FIRE CODE FROM ANY EXISTING OR PERMITTED OIL OR GAS WELL BORE. THE DISTANCE SHALL BE MEASURED IN A STRAIGHT LINE FROM THE WELL BORE TO THE CLOSEST EXTERIOR POINT OF THE BUILDING, WITHOUT REGARDS TO INTERVENING STRUCTURES OR OBJECTS.

12. PRIVATE P.R.V.'S
WILL BE REQUIRED. WATER PRESSURE EXCEEDS 80 P.S.I.

13. BY SCALED MAP LOCATION, THE SUBJECT PROPERTY IS LOCATED IN ZONE "X", AREAS DETERMINED TO BE OUTSIDE OF THE 0.2% ANNUAL CHANCE FLOODPLAIN, AND ZONE "X", AREAS OF 0.2% ANNUAL CHANCE FLOOD, AND ZONE "AE" BASE FLOOD ELEVATIONS DETERMINED, ACCORDING TO THE FLOOD INSURANCE RATE MAP NO. 48439C0195L, MAP REVISED MARCH 21, 2019.

14. BEARINGS AND COORDINATES ARE GRID BASED ON THE "TEXAS COORDINATE SYSTEM OF 1983, NORTH CENTRAL ZONE" (2011) AS DETERMINED BY GPS OBSERVATIONS. THE CONVERGENCE ANGLE AT THE POINT OF BEGINNING IS 0°38'55.7". THE DISTANCES SHOWN HEREIN WERE ADJUSTED TO SURFACE USING A COMBINED SCALE FACTOR OF 1.000136772746.



LEGEND/ABBREVIATIONS

IRF	IRON ROD FOUND
CIRS	5/8" YELLOW PLASTIC CAPPED IRON ROD SET MARKED "MMA"
CIRF MMA	5/8" YELLOW PLASTIC CAPPED IRON ROD FOUND MARKED "MMA"
MON.	MONUMENT
OPRTCT	OFFICIAL PUBLIC RECORDS, TARRANT COUNTY, TEXAS
PRTCT	PLAT RECORDS, TARRANT COUNTY, TEXAS
DRTCT	DEED RECORDS, TARRANT COUNTY, TEXAS
POB	POINT OF BEGINNING
(XXX)	RECORD DATA
ESMT.	EASEMENT
FND.	FOUND
MEAS.	MEASURED
VOL.	VOLUME
PG.	PAGE
UE	UTILITY EASEMENT
DE	DRAINAGE EASEMENT

BOUNDARY LINE
ADJOINER LINE / LOT LINE
ORIGINAL LOT LINE
EASEMENT LINE
ROADWAY CENTERLINE
SURVEY LINE
TXDOT CONTROL OF ACCESS LINE

FINAL SHORT PLAT

LOTS 1R & 2, BLOCK 1
TRINITY RIVER ADDITION
(REPLAT)

BEING ALL OF LOT 1, BLOCK 1, TRINITY RIVER ADDITION, AN ADDITION TO THE CITY OF FORT WORTH AS SHOWN ON THE PLAT RECORDED IN CABINET B, SLIDE 2904, PLAT RECORDS, TARRANT COUNTY, TEXAS AND ALL OF A CALLED 0.257 ACRE ADJOINING UNPLATTED TRACT OF LAND SITUATED IN THE JOHN LITTLE SURVEY, ABSTRACT NO. 958
CITY OF FORT WORTH, TARRANT COUNTY, TEXAS

OWNER:

TARRANT REGIONAL WATER DISTRICT
800 E. NORTHSIDE DRIVE
FORT WORTH, TX 76102

OWNER:

SUMMIT LAND DEVELOPMENT, LLC
254 N SANTA FE, SUITE A
SALINA, KS 67401

DEVELOPER:

JGR ARCHITECTS
730 NORTH NINTH STREET
SALINA, KS 67401
TEL: 785-827-0386
cgillam@jgrarchitects.com
CONTACT: CHRIS GILLAM

FORT WORTH FIRE DEPARTMENT
Lt D Vork
06/23/2023

MAY 2023

SURVEYOR/ENGINEER:

mma
civil engineering surveying landscape architecture planning
tbpels registration number: f - 2759
tbpels registration/license number: 10088000
519 east border
arlington, texas 76010
817-469-1671
fax: 817-274-8757
www.mmatexas.com

PLAT CASE NO.: FS-21-244

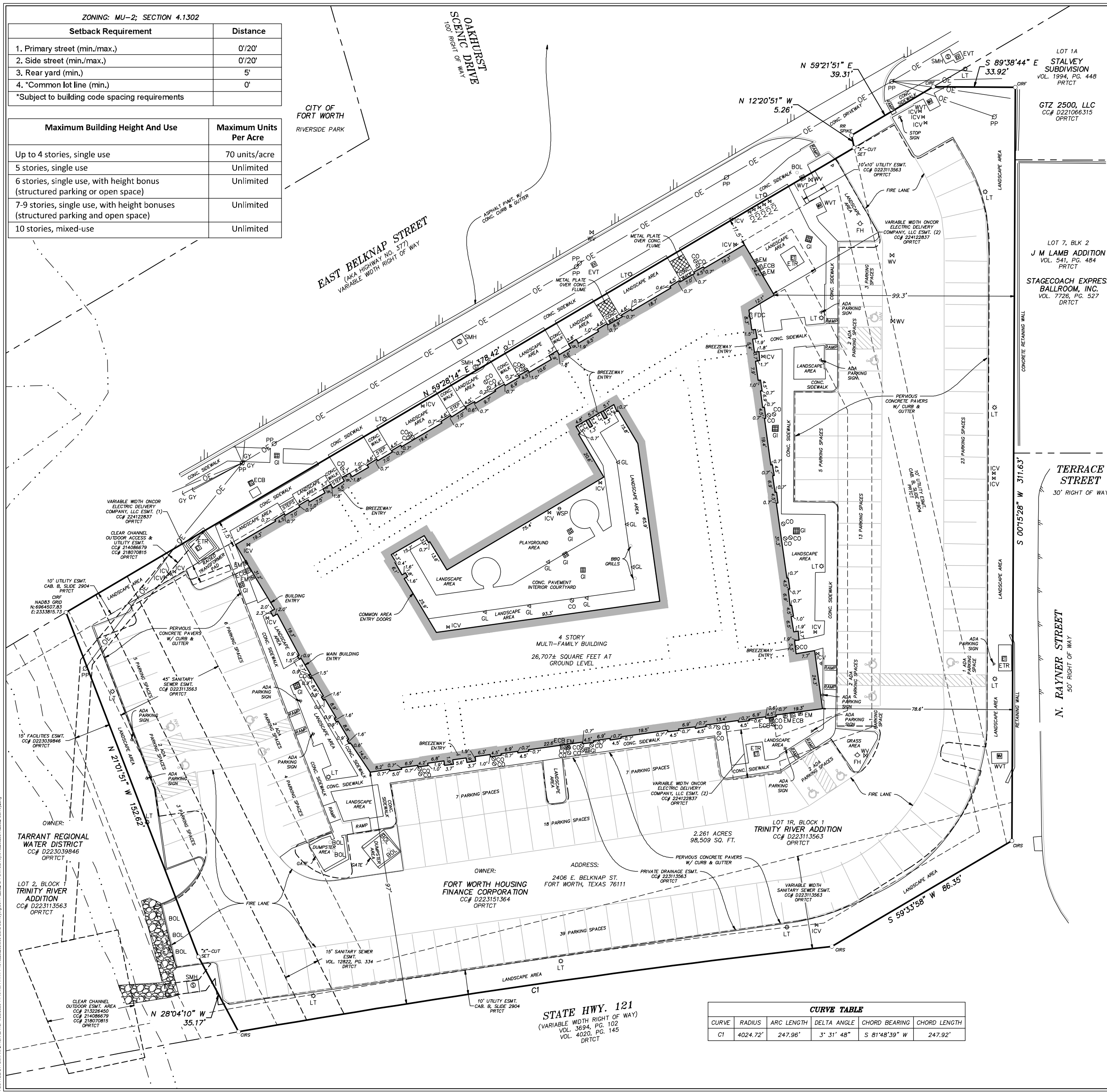
SHEET 2 OF 2

THIS PLAT IS FILED IN DOCUMENT #D223113563, OPRTCT DATE: 6/28/2023

ZONING: MU-2; SECTION 4.1302

Setback Requirement	Distance
1. Primary street (min./max.)	0'/20'
2. Side street (min./max.)	0'/20'
3. Rear yard (min.)	5'
4. *Common lot line (min.)	0'
*Subject to building code spacing requirements	

Maximum Building Height And Use	Maximum Units Per Acre
Up to 4 stories, single use	70 units/acre
5 stories, single use	Unlimited
6 stories, single use, with height bonus (structured parking or open space)	Unlimited
7-9 stories, single use, with height bonuses (structured parking and open space)	Unlimited
10 stories, mixed-use	Unlimited



CURVE TABLE					
CURVE	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	4024.72'	247.96'	3° 31' 48"	S 81°48'39" W	247.92'

LEGAL DESCRIPTION

LOT 1R, BLOCK 1 TRINITY RIVER ADDITION (REPLAT), A SUBDIVISION IN FORT WORTH, TARRANT COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NO. D223113563 OFFICIAL PUBLIC RECORDS, TARRANT COUNTY, TEXAS.

* GENERAL NOTES *

1. THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF COMMITMENT FOR TITLE INSURANCE. THE SURVEYOR HAS NOT ABSTRACTED THE PROPERTY.
2. BEARINGS AND COORDINATES ARE GRID BASED ON THE "TEXAS COORDINATE SYSTEM OF 1983, NORTH CENTRAL ZONE" AS DETERMINED BY GPS OBSERVATIONS. THE CONVERGENCE ANGLE AT THE NORTHWEST CORNER IS 0°38'53.6". DISTANCES HAVE BEEN ADJUSTED TO SURFACE USING A COMBINED SCALE FACTOR OF 1.000136772746.
3. ALL CORNERS CALLED "CIRS" ARE 5/8 INCH CAPPED IRON RODS SET STAMPED "MMA". **(TABLE "A", ITEM 1)**
4. BY SCALED MAP LOCATION, THE SUBJECT PROPERTY IS LOCATED IN ZONE "X", AREAS DETERMINED TO BE OUTSIDE OF THE 0.2% ANNUAL CHANCE FLOODPLAIN, AND ZONE "X", AREAS OF 0.2% ANNUAL CHANCE FLOOD, AND ZONE "AE" BASE FLOOD ELEVATIONS DETERMINED, ACCORDING TO THE FLOOD INSURANCE RATE MAP NO. 48439C0195L, MAP REVISED MARCH 21, 2019. THE SURVEYOR OFFERS NO OPINION AS TO THE FLOOD POTENTIAL OF THE SUBJECT PROPERTY. **(TABLE "A", ITEM 3)**
5. ACCORDING TO THE ZONING VERIFICATION LETTER PROVIDED TO SURVEYOR BY CLIENT, DATED MARCH 1ST, 2021, FROM TDHCA, THE CURRENT ZONING FOR BOTH 2406 AND 2412 E. BELKNAP STREET IS UM-2 (HIGH INTENSITY MIXED-USE). PER SECTION 4.1302 (HIGH INTENSITY MIXED-USE ("MU-2")) OF THE CITY OF FORT WORTH CODE OF ORDINANCES, MULTI-FAMILY RESIDENTIAL DEVELOPMENTS ARE A PERMITTED USE WITHIN THIS ZONING DISTRICT. NO ZONING REPORT HAS BEEN PROVIDED. **(TABLE "A", ITEM 6a and 6b)**
6. 1 MULTIFAMILY BUILDING OBSERVED ON SUBJECT PROPERTY. **(TABLE "A", ITEM 7(a), 7(b)(1).**
7. THE SUBJECT TRACT CONTAINS 134 REGULAR PARKING SPACES AND 11 DISABLED PARKING SPACES. **(TABLE "A", ITEM 9)**
8. NO PARTY WALLS OBSERVED WHILE CONDUCTING THE FIELDWORK. **(TABLE "A", ITEM 10)**
9. THIS SURVEY REFLECTS THE ABOVE GROUND INDICATIONS OF UTILITIES. THE SURVEYOR MAKES NO GUARANTEE THAT THE UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE, OR ABANDONED. FURTHER, THE SURVEYOR DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED. THE SURVEYOR HAS NOT PHYSICALLY LOCATED ALL THE UNDERGROUND UTILITIES, OR OTHER BURIED FEATURES, BUT HAS MADE AN ATTEMPT TO LOCATE THOSE VISIBLE OR INDICATED AS ACCURATELY AS POSSIBLE. **(TABLE "A", ITEM 11)**
10. DISTANCE TO NEAREST INTERSECTING STREET (OAKHURST SCENIC DRIVE) IS 52.5 FEET. **(TABLE "A", ITEM 14)**
11. THERE IS NO EVIDENCE OF CURRENT EARTH MOVING WORK, SOME ONGOING CONSTRUCTION OBSERVED AT THE TIME OF SURVEY. **(TABLE "A", ITEM 16)**
12. NO CHANGES IN STREET RIGHT-OF-WAY LINES STREET OR SIDEWALK CONSTRUCTION OR REPAIRS OBSERVED BY THE SURVEYOR. **(TABLE "A", ITEM 17)**
13. THE SURVEY SHOWS ALL PLOTTABLE OFFSITE EASEMENTS. NO OFFSITE EASEMENTS PROVIDED BY THE CLIENT. THIS SURVEY HAS NOT BEEN ABSTRACTED FOR EASEMENTS EITHER ON OR OFF THE PROPERTY. **(TABLE "A", ITEM 18)**
14. THIS SURVEY IS FOR THE EXCLUSIVE USE OF THE PARTIES NAMED IN THE SURVEYOR'S CERTIFICATE.
15. PROPERTY HAS PEDESTRIAN AND VEHICULAR ACCESS TO EAST BELKNAP STREET, A VARIABLE WIDTH RIGHT-OF-WAY.

SURVEYOR'S CERTIFICATE

TO: FORT WORTH HOUSING FINANCE CORPORATION AND CITY OF FORT WORTH, TEXAS:

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 ITEMS 1, 2, 3, 4, 6(a), 6(b), 7(a), 7(b)(1), 8, 9, 10, 11, 13, 14, 16, 17, AND 18 OF TABLE A THEREOF. THE FIELDWORK WAS COMPLETED ON DECEMBER 17, 2024.

LON E. WHITTEN DATE: JANUARY 22, 2025
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION No. 5893
lwhitten@mmatexas.com

STATE OF TEXAS REGISTERED LON E. WHITTEN 5893 PROFESSIONAL LAND SURVEYOR

PLEASE NOTE THAT THE USE OF THE WORD "CERTIFY" OR "CERTIFICATE" HEREON CONSTITUTES AN EXPRESSION OF PROFESSIONAL OPINION REGARDING THOSE FACTS OR FINDINGS WHICH ARE THE SUBJECT OF THE CERTIFICATION, AND DOES NOT CONSTITUTE A WARRANTY OR GUARANTEE, EITHER EXPRESSED OR IMPLIED.

MMA PROJECT NO. 3402-00-02

VICINITY MAP

NO SCALE

20 0 10 20 40
1 inch = 20 ft.

LEGEND/ABBREVIATIONS

IRF	IRON ROD FOUND
CIRS	5/8" YELLOW PLASTIC CAPPED IRON ROD SET STAMPED "MMA"
CIRF	CAPPED IRON ROD FOUND
OPRTCT	OFFICIAL PUBLIC RECORDS, TARRANT COUNTY, TEXAS
PRTCT	PLAT RECORDS, TARRANT COUNTY, TEXAS
DRTCT	DEED RECORDS, TARRANT COUNTY, TEXAS
ESMT.	EASEMENT
VOL.	VOLUME
PG.	PAGE
UE	UTILITY EASEMENT
DE	DRAINAGE EASEMENT
OE	OVERHEAD ELECTRIC
Ⓢ SMH	SANITARY SEWER MANHOLE
Ⓓ DMH	STORM DRAIN MANHOLE
PP	POWER POLE
EM	ELECTRIC METER
EVT	ELECTRIC VAULT
WSP	WATER SPIGOT
PPD	TELEPHONE PEDESTAL
PPD	LIGHT POLE
GY	GUY ANCHOR
GI	GRATE INLET
GL	GROUND LIGHT
GM	GAS METER
FH	FIRE HYDRANT
WM	WATER METER
WV	WATER VALVE
	BOUNDARY LINE
	ADJOINER LINE / LOT LINE
	ORIGINAL LOT LINE
	EASEMENT LINE
	ROADWAY CENTERLINE
	SURVEY LINE
	TXDOT CONTROL OF ACCESS LINE

ALTA/NSPS LAND TITLE SURVEY OF LOT 1R, BLOCK 1 TRINITY RIVER ADDITION

SITUATED IN THE
JOHN LITTLE SURVEY, ABSTRACT NO. 958
CITY OF FORT WORTH, TARRANT COUNTY, TEXAS

JANUARY 2025

mma
civil engineering surveying landscape architecture planning
tbpels registration number: f - 2759
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519 east border
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File #: 1074 **Agenda Date:** 7/10/2025 **Agenda #:** 3.

Presentation, discussion, and possible action regarding a Material Amendment to the Application for Reserves at Holdsworth (HTC #21114/23926, HOME #1003221)

RECOMMENDED ACTION

WHEREAS, Reserves at Holdsworth (the Development) received an award of 9% Housing Tax Credits (HTCs) and a Multifamily Direct Loan (MFDL) in 2021 and Supplemental Credits in 2023 to construct 36 units, of which 32 are designated as low-income units, of multifamily housing in Kerrville, Kerr County;

WHEREAS, OPG Holdsworth Partners LLC (the Development Owner or Owner) requests approval for a reduction in the Common Area from 1,596 square feet to 1,314 square feet, representing a reduction of 282 square feet or 17.67% from the Common Area represented in the Architect Certification at Application;

WHEREAS, Board approval is required for a reduction of 3% or more in the square footage of the Common Area as directed in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does 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 Reserves at Holdsworth 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

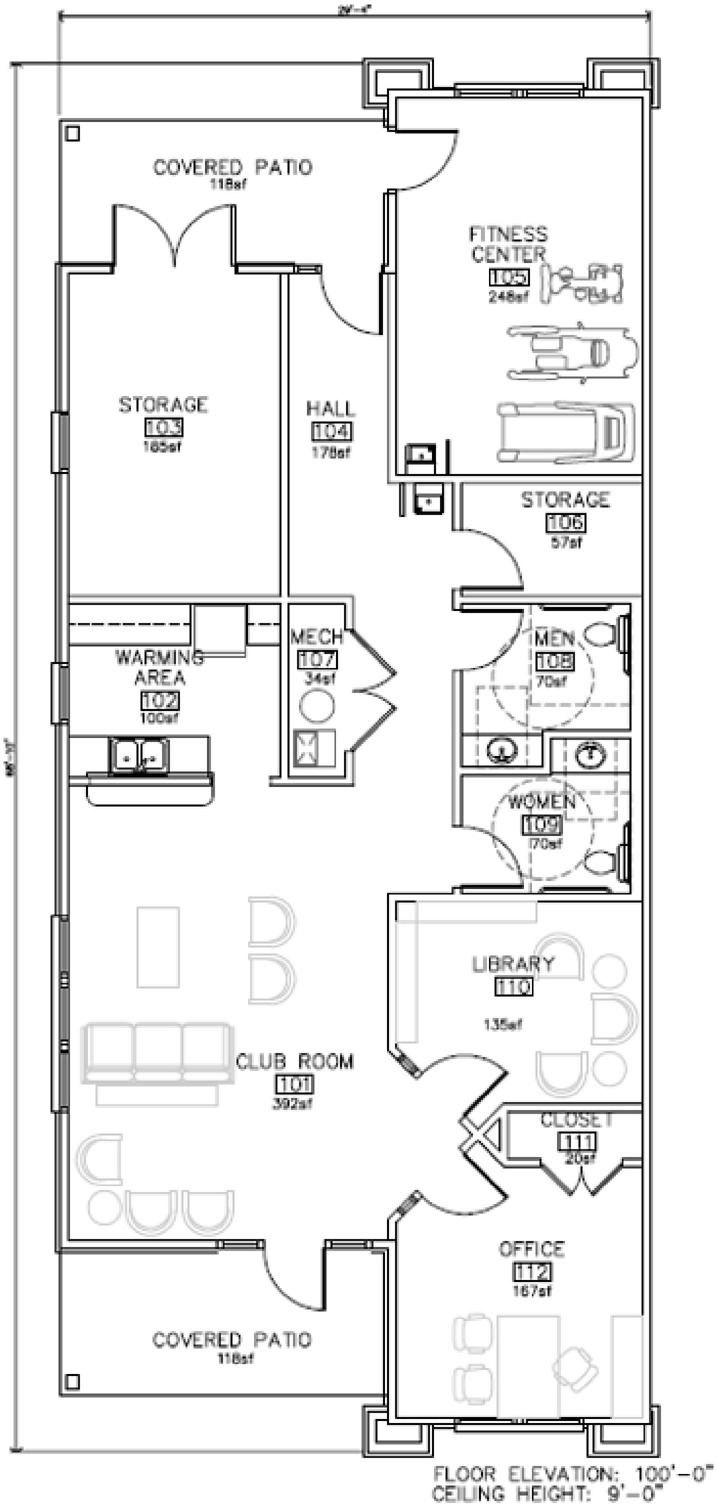
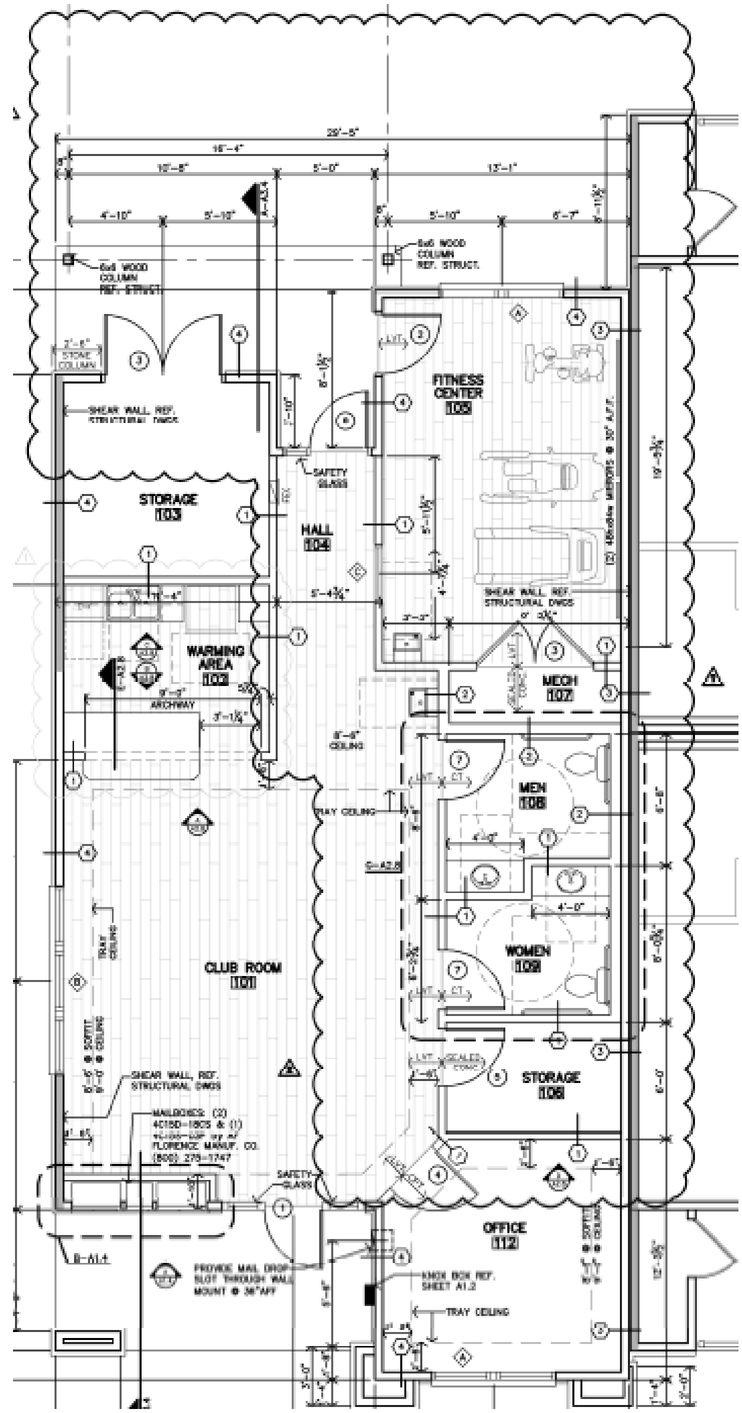
Reserves at Holdsworth received an award of 9% Housing Tax Credits and a Multifamily Direct Loan in 2021 and Supplemental Credits in 2023 to construct 36 units of multifamily housing, of which 32 are designated as low-income units, in Kerrville, Kerr County. Construction of the Development has been completed, and the cost certification documentation for the Development is currently under review by the Department. Upon review of the cost certification, staff identified a change in the square footage of the Common Area from what was represented in the Application.

In a letter dated May 29, 2025, April Engstrom, the Owner representative, requested approval for a reduction in the Common Area. The Application originally identified the Common Area as 1,596 square feet. However, the as-built Common Area is 1,314 square feet, a reduction of 17.67% or 282 square feet. According to the amendment request, the Common Area underwent a redesign during the construction phase to reconcile inefficiencies in design that were identified during the permitting process and implemented during construction. The letter further states that the substantial area of change to the clubhouse was to the library, which was eliminated, and with this change, hallways were narrowed and storage space was minimized to maximize the community room and warming kitchen. The enclosed table compares the floor plans for the Common Area of the Development at Application and the revised floor plan after the amendment.

The change to the Common Area square footage does not materially alter the Development in a negative manner and was not reasonably foreseeable or preventable by the Development Owner at the time of Application. The Owner has indicated that there was no net financial impact on the Development as a result of the proposed changes. Staff has determined that this change does not affect the scoring of the Application or the funding award, and the Development will continue to meet the accessibility requirements. The final recommended HTC amount will be determined upon finalization of the cost certification review process.

Staff recommends approval of the amendment request as presented herein.

Material Alterations as defined in Texas Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D)

Application	Amendment
	

OVERLAND
PROPERTY GROUP

May 29, 2025

TDHCA
Attn: Karen Treadwell, Senior Asset Manager | Regions 9 & 13
Asset Management Division
221 E. 11th St.
Austin, TX 78701

Re: The Reserves at Holdworth, 23926/21114

Dear Ms. Treadwell,

Overland Property Group, on behalf of The Reserves at Holdsworth, is requesting a material amendment to the common area square footage.

During the permit design period, changes were made to the common area space, resulting in a deduction of 282 square feet from the clubhouse, bringing the common area square footage to 1,314 SF down from the original 1,596 SF.

While working on our permit drawings, inefficiencies in design were identified, so there were small adjustments made to the design of the clubhouse, which were implemented during construction. After receiving our tax credit award, additional site work was required and made apparent after geotechnical studies had been performed and the site had been fully cleared. By implementing these small changes to the clubhouse design, we were able to offset costs, enabling construction and lease up to progress quickly.

The substantial area of change to the clubhouse design was to the library, which was eliminated during design, post-application submission. With this change, the hallways were slightly narrowed, and storage space was minimized in order to maximize the community room and warming kitchen space, the two amenity spaces historically most utilized by our residents.

We are requesting approval of this amendment to memorialize the changes to the design that were implemented during the construction period. While we are always looking to avoid instances that warrant a material amendment, at the time of application these changes were unforeseeable due to the inability to begin site work prior to award.

Please reach out to me should you have any questions as you review.

Sincerely,

April Engstrom

April Engstrom | Director of Development
Overland Property Group
5345 W. 151st Terrace, Leawood, Kansas 66224
C: 785.212.0810
aengstrom@overlandpg.com | www.overlandpg.com

File #: 1073 **Agenda Date:** 7/10/2025 **Agenda #:** 4.

Report on the closing of the Department's Residential Mortgage Revenue Bonds 2025 Series B (Non-AMT) and Series C (Taxable)

BACKGROUND

On October 10, 2024, the Board approved the issuance of Mortgage Revenue Bonds for Fiscal Year 2025, in an amount not to exceed $1.1 billion.

On April 10, 2025, the Department provided a report informing the Board of intent to issue Residential Mortgage Revenue Bonds Series 2025 Series B (Tax-Exempt) in the amount of $187,500,000 and Series C $62,500,000. The Preliminary Official Statement (POS) was published April 28, 2025. The Retail and the Institutional Order Period was on May 6, 2025. The Bond Purchase Agreement (BPA) was signed on
May 6, 2025, and the deal was closed on June 10, 2025.

Financing Team The financing team consisted of Bracewell LLP, Bond Counsel; McCall, Parkhurst & Horton, L.L.P., Disclosure Counsel; CSG Advisors, Financial Advisor; and an underwriting team led by RBC as Book Running Senior Manager, Jefferies, and Morgan Stanley as co-senior managers, with Ramirez & Co., Inc., Piper Sandler & Co. Wells Fargo Securities, J.P. Morgan, and Loop Capital Markets LLC, as co-managers.

Use of Proceeds The Series 2025B/C Bonds were issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates, including providing down payment and closing cost assistance for Assisted Mortgage Loans. The Mortgage Certificates purchased with the proceeds of the Series 2025B/C Bonds will be guaranteed as to timely payment of principal and interest by Government National Mortgage Association.

Bond Structure The 2025B Non-AMT bonds are structured with semi-annual par serial bonds from 7/1/2026 through 7/1/2037, par term bonds due in 2040, 2045, 2050 and 2055, and a 6.0 year average life Premium PAC bond structured pro rata @ 75% - 400% PSA to yield 4.06%.

The 2025C Taxable Bonds are structured with semi-annual par serial bonds from 7/1/2026 through 7/1/2032, par term bonds due in 2037, 2040, 2045 and 2050 and a back-ended structured Premium PAC bond with a 5.0 year average life @ 75% - 400% PSA to yield 5.029%.

Ratings Moody's: Aa1 (Moody's reduced the rating from Aaa to Aa1 after bond pricing) S&P: AA+

Borrowing Costs	Bond Arbitrage Yield:	
	Series 2025B	4.6287%
	Series 2025C	5.5449%
	Combined 2025 BC	4.8246%

The par amount of 2025 B Bonds sold was $187,500,000 and the premium received was **$5,995,815** for total 2025 B Bond proceeds of **$193,495,815.** The premium will fund down payment and closing cost assistance for loans originated through this bond issuance, as well as a portion of the lender compensation. Issuer Contribution was $4,145,141.46.

The par amount of the 2025 C Bonds sold was $62,500,000 and the premium received was $1,116,558 for 2025 C Bond proceeds of $63,616,558. Issuer Contribution was $710,358.80.

The RMRB 2025 BC Bonds made $110,625,000 available for assisted loans, providing 3 and 4 points of repayable down payment assistance (DPA), and closing cost assistance in the form of 30-year, non-amortizing, 0% interest second lien loans that are due on sale or refinance of the first mortgage. This series also provided up to $76,875,000 available for unassisted loans, providing Zero Points in DPA at a lower rate than the assisted loans. Eligible loan types are FHA, VA, and USDA-RD loans. Mortgage rates offered on these funds in Non-Targeted Area are currently 6.00% for unassisted loans, 6.250% for 3-point repayable DPA and 6.500% for 4-point repayable DPA. The Department has Targeted Area Loans available at 5.875% for unassisted loans, 6.125% for 3-point repayable DPA and 6.375% for 4-point repayable DPA.

As of June 18, these funds are 75% reserved.

Attached is a detailed summary of the pricing that was prepared by RBC.

$250,000,000

Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds

$187,500,000 Series 2025B (Non-AMT)
$62,500,000 Series 2025C (Taxable)

Final Pricing Book

Retail Pricing: May 6, 2025
Institutional Pricing: May 6, 2025
Closing: June 10, 2025

Prepared By

RBC Capital Markets

TABLE OF CONTENTS

SECTION 1
Overview of Financing

EXECUTIVE SUMMARY

Timing and Underwriting	**Retail Order Period:**	Tuesday, May 6, 2025
	Institutional Pricing:	Tuesday, May 6, 2025
	Closing Date:	Tuesday, June 10, 2025
	Method of Sale:	Negotiated
Underwriters	**Senior Manager:**	RBC Capital Markets, LLC
	Co-Senior Managers:	Jefferies LLC Morgan Stanley
	Co-Managers:	J.P. Morgan Loop Capital Markets Piper Sandler & Co. Ramirez & Co., Inc. Wells Fargo Securities

Use of Proceeds

The Series 2025B/C Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates, including providing down payment and closing cost assistance for Assisted Mortgage Loans. The Mortgage Certificates purchased with the proceeds of the Series 2025B/C Bonds will be guaranteed as to timely payment of principal and interest by Government National Mortgage Association.

Bond Structure

The 2025B Non-AMT bonds are structured with semi-annual par serial bonds from 7/1/2026 through 7/1/2037, par term bonds due in 2040, 2045, 2050 and 2055, and a 6.0 year average life Premium PAC bond structured pro rata @ 75% - 400% PSA to yield 4.06%.

The 2025C Taxable Bonds are structured with semi-annual par serial bonds from 7/1/2026 through 7/1/2032, par term bonds due in 2037, 2040, 2045 and 2050 and a back-ended structured Premium PAC bond with a 5.0 year average life @ 75% - 400% PSA to yield 5.029%.

Ratings

Moody's: Aa1 (Moody's reduced the rating from Aaa to Aa1 after bond pricing)
S&P: AA+

Bondholder Security

Principal or Redemption Price of and interest on all Bonds are payable solely from and are secured by a pledge of and lien on the Trust Estate, which consists generally of the Revenues, Mortgages, Mortgage Loans (including Mortgage Certificates), money and Investment Securities held in the Funds (excluding the Rebate Fund), and other property pledged under the Trust Indenture and any Supplemental Indenture. Revenues include all payments with respect to the Mortgage Loans (net of servicing, accounting and collection fees) which include Mortgage Certificates (net of servicing and guaranty fees) and the earnings on investments of amounts held under the Trust Indenture and any Supplemental Indenture. Revenues do not include payments made in order to obtain or maintain mortgage insurance and fire and other hazard insurance with respect to Mortgage Loans (including Mortgage Certificates), and any payments required to be made with respect to Mortgage Loans (including Mortgage Certificates) for taxes, other governmental charges, and other similar charges customarily required to be escrowed on mortgage loans or commitment fees or other financing charges paid by a Mortgage Lender or the Master Servicer to the Department in connection with a commitment to sell and deliver Mortgage Loans (including Mortgage Certificates) to the Department.

Investment of Proceeds Moneys in all Funds will be invested pursuant to the Depository Agreement with the Texas Treasury Safekeeping Trust Company in Investment Securities. Moneys held or invested in all Funds and Accounts under the Trust Indenture (other than the Rebate Fund) are for the equal and ratable benefit of all owners of the Bonds.

Results of Sale

Bond Issue Component Series 2025B		**Buyer Profile by Allotments**
$30,665,000 7/2026 – 7/2037 Par Serial Bonds	Retail: Institutional:	71% 29%
$ 10,805,000 7/2040 Par Term Bonds	Retail: Institutional:	10% 90%
$21,860,000 7/2045 Par Term Bonds	Retail: Institutional:	9% 91%
$28,135,000 7/2050 Par Term Bonds	Retail: Institutional:	8% 92%
$36,535,000 7/2055 Par Term Bonds	Retail: Institutional:	26% 74%
$59,500,000 1/2056 Premium PAC Bonds	Retail: Institutional:	0% 100%

Bond Issue Component Series 2025C		**Buyer Profile by Allotments**
$6,435,000 7/2026-7/2032 Par Serial Bonds	Retail: Institutional:	0% 100%
$6,635,000 7/2037 Par Term Bonds	Retail: Institutional:	0% 100%

$4,980,000 7/2040 Par Term Bonds	Retail: Institutional:	0% 100%
$10,560,000 7/2045 Par Term Bonds	Retail: Institutional:	0% 100%
$21,390,000 7/2055 Premium PAC Bonds	Retail: Institutional:	0% 100%

Borrowing Cost

Bond Arbitrage Yield

Series 2025B	4.6287%
Series 2025C	5.5449%
Combined 2025B/C	4.8246%

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 28, 2025

NEW ISSUES - BOOK-ENTRY ONLY

RATINGS
Moody's: "Aaa"
S&P: "AA+"
(See "RATINGS" herein)

*Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, interest on the Series 2025B Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2025B BONDS" herein, including information regarding potential alternative minimum tax consequences for corporations. Interest on the Series 2025C Bonds is **not** excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2025C BONDS" herein.*

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

$187,500,000*
Residential Mortgage Revenue and Refunding Bonds, Series 2025B (Non-AMT) ("Series 2025B Bonds")

$62,500,000*
Residential Mortgage Revenue Bonds, Taxable Series 2025C ("Series 2025C Bonds")

Dated Date/Delivery Date:	June 10, 2025*
Due:	January 1 and July 1, as shown on the inside cover.
Interest Payment Dates:	Interest accrued on the Series 2025B Bonds and Series 2025C Bonds (collectively, the "Series 2025 Bonds") will be payable on each January 1 and July 1, commencing January 1, 2026* as described herein.
Interest Rates:	Payable at the rates as shown on the inside cover.
Redemption:	The Series 2025 Bonds are subject to redemption on the dates and at the Redemption Prices more fully described herein. See "THE SERIES 2025 BONDS – Redemption Provisions."
Denominations:	The Series 2025 Bonds will be available to purchasers in book-entry form only in denominations of $5,000 or any integral multiple thereof as described herein.
Tax Matters:	Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2025B Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2025B Bonds is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2025B BONDS" herein. Interest on the Series 2025C Bonds is **not** excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2025C BONDS" herein.
Purpose:	The Series 2025B Bonds are being issued for the primary purpose of (i) acquiring Mortgage Loans (as defined herein), or participations therein, through the purchase of mortgage-backed, pass-through certificates (the "2025 Mortgage Certificates"), including providing down payment and closing cost assistance for Assisted Mortgage Loans (as defined herein), (ii) paying lender compensation related to the 2025 Mortgage Loans (as defined herein), (iii) repaying and/or currently refunding the Repaid FHLB Advances (as defined herein), thereby providing funds for purposes (i)-(ii), and (iv) paying Costs of Issuance (as defined herein). The Series 2025C Bonds are being issued for the primary purpose of (i) acquiring Mortgage Loans, or participations therein, through the purchase of the 2025 Mortgage Certificates, including providing down payment and closing cost assistance for Assisted Mortgage Loans, (ii) paying lender compensation related to the 2025 Mortgage Loans, and (iii) paying Costs of Issuance. The 2025 Mortgage Certificates will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES."
Security:	The Series 2025 Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture (as defined herein) are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture. The Series 2025 Bonds are limited obligations of the Texas Department of Housing and Community Affairs (the "Department") and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2025 Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae guarantees only the payment of the principal of and interest on the Ginnie Mae Certificates when due and does not guarantee the payment of the Series 2025 Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "THE TRUST INDENTURE."
Book-Entry Only System:	The Series 2025 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry."
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Bond Counsel:	Bracewell LLP
Disclosure Counsel:	McCall, Parkhurst & Horton L.L.P.
Underwriters' Counsel:	Chapman and Cutler LLP
Municipal Advisor:	CSG Advisors

RBC Capital Markets

Jefferies **Morgan Stanley**

J.P. Morgan **Loop Capital Markets**

Piper Sandler & Co. **Ramirez & Co., Inc.** **Wells Fargo Securities**

* *Preliminary, subject to change.*

MATURITY SCHEDULE*

$30,665,000 Series 2025B Serial Bonds

Maturity Date	Principal Amount ($)	Interest Rate	Price	CUSIP[(1)]
7/1/2026	1,070,000			
1/1/2027	1,090,000			
7/1/2027	1,110,000			
1/1/2028	1,125,000			
7/1/2028	1,150,000			
1/1/2029	1,175,000			
7/1/2029	1,195,000			
1/1/2030	1,220,000			
7/1/2030	1,240,000			
1/1/2031	1,265,000			
7/1/2031	1,290,000			
1/1/2032	1,315,000			
7/1/2032	1,340,000			
1/1/2033	1,370,000			
7/1/2033	1,400,000			
1/1/2034	1,425,000			
7/1/2034	1,455,000			
1/1/2035	1,485,000			
7/1/2035	1,520,000			
1/1/2036	1,555,000			
7/1/2036	1,590,000			
1/1/2037	1,625,000			
7/1/2037	1,655,000			

$8,900,000 _____% Series 2025B Term Bond due January 1, 2040 Price _______% CUSIP[(1)] _________
$21,325,000 _____% Series 2025B Term Bond due January 1, 2045 Price _______% CUSIP[(1)] _________
$27,425,000 _____% Series 2025B Term Bond due January 1, 2050 Price _______% CUSIP[(1)] _________
$39,685,000 _____% Series 2025B Term Bond due July 1, 2055 Price _______% CUSIP[(1)] _________
$59,500,000 _____% Series 2025B Premium PAC Term Bond due January 1, 2056 Price _______% CUSIP[(1)] _________

(Interest Accrues from Date of Delivery)

* *Preliminary, subject to change.*

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MATURITY SCHEDULE*

$10,190,000 Series 2025C Serial Bonds

Maturity Date	Principal Amount ($)	Interest Rate	Price	CUSIP[(1)]
7/1/2026	430,000			
1/1/2027	440,000			
7/1/2027	450,000			
1/1/2028	460,000			
7/1/2028	470,000			
1/1/2029	480,000			
7/1/2029	490,000			
1/1/2030	505,000			
7/1/2030	515,000			
1/1/2031	530,000			
7/1/2031	540,000			
1/1/2032	555,000			
7/1/2032	570,000			
1/1/2033	585,000			
7/1/2033	600,000			
1/1/2034	615,000			
7/1/2034	635,000			
1/1/2035	650,000			
7/1/2035	670,000			

$6,970,000 _____% Series 2025C Term Bond due January 1, 2040 Price ______% CUSIP[(1)]
$10,245,000 _____% Series 2025C Term Bond due January 1, 2045 Price ______% CUSIP[(1)]
$13,705,000 _____% Series 2025C Term Bond due January 1, 2050 Price ______% CUSIP[(1)]
$21,390,000 _____% Series 2025C Premium PAC Term Bond due July 1, 2055 Price _______% CUSIP[(1)]

(Interest Accrues from Date of Delivery)

* *Preliminary, subject to change.*

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SUPPLEMENT NUMBER 1 TO
OFFICIAL STATEMENT

Dated May 6, 2025

Relating to

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

$187,500,000 **Residential Mortgage Revenue and Refunding Bonds, Series 2025B (Non-AMT)** **("Series 2025B Bonds")**	**$62,500,000** **Residential Mortgage Revenue Bonds, Taxable Series 2025C** **("Series 2025C Bonds")**

This Supplement Number 1 to Official Statement (the "Supplement") modifies, amends and supplements certain information contained in the Official Statement dated May 6, 2025 (the "Original Official Statement") relating to the above-descripted bonds (the "2025 Bonds"). Together, this Supplement and the Original Official Statement constitute the Official Statement for the 2025 Bonds. All capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Original Official Statement.

In order to reflect recent ratings actions of Moody's Ratings ("Moody's") whereby Moody's downgraded its ratings of various United States public finance bonds directly linked to the United States government sovereign rating (including the 2025 Bonds) from "Aaa" to "Aa1", the Original Official Statement is hereby amended by revising the Moody's rating on the front cover from "Aaa" to "Aa1" and the heading "RATINGS" as follows (with deleted language shown with a strike, and new language shown with double underlining):

> "Moody's Ratings ("Moody's") and S&P Global Ratings, a division of S&P Global, Inc. ("S&P"), have assigned ratings to the Series 2025 Bonds of "~~Aaa~~Aa1" and "AA+," respectively. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings do not represent recommendations to buy, sell, or hold the Series 2025 Bonds. The ratings reflect only the respective views of such organizations at the time such ratings were assigned and the Department makes no representation as to the appropriateness of the ratings.
>
> There is no assurance that any ratings assigned to the Series 2025 Bonds will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2025 Bonds."

Except as set forth above, this Supplement does not update, modify, or replace the information contained in the Original Official Statement, which contains information only as of its date.

This Supplement is dated May 23, 2025.

OFFICIAL STATEMENT DATED MAY 6, 2025

NEW ISSUES - BOOK-ENTRY ONLY

RATINGS
Moody's: "Aaa"
S&P: "AA+"
(See "RATINGS" herein)

*Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, interest on the Series 2025B Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2025B BONDS" herein, including information regarding potential alternative minimum tax consequences for corporations. Interest on the Series 2025C Bonds is **not** excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2025C BONDS" herein.*

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

$187,500,000
Residential Mortgage Revenue and Refunding Bonds, Series 2025B (Non-AMT)
("Series 2025B Bonds")

$62,500,000
Residential Mortgage Revenue Bonds, Taxable Series 2025C
("Series 2025C Bonds")

Dated Date/Delivery Date:	June 10, 2025
Due:	January 1 and July 1, as shown on the inside cover.
Interest Payment Dates:	Interest accrued on the Series 2025B Bonds and Series 2025C Bonds (collectively, the "Series 2025 Bonds") will be payable on each January 1 and July 1, commencing January 1, 2026 as described herein.
Interest Rates:	Payable at the rates as shown on the inside cover.
Redemption:	The Series 2025 Bonds are subject to redemption on the dates and at the Redemption Prices more fully described herein. See "THE SERIES 2025 BONDS – Redemption Provisions."
Denominations:	The Series 2025 Bonds will be available to purchasers in book-entry form only in denominations of $5,000 or any integral multiple thereof as described herein.
Tax Matters:	Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2025B Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2025B Bonds is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2025B BONDS" herein. Interest on the Series 2025C Bonds is **not** excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2025C BONDS" herein.
Purpose:	The Series 2025B Bonds are being issued for the primary purpose of (i) acquiring Mortgage Loans (as defined herein), or participations therein, through the purchase of mortgage-backed, pass-through certificates (the "2025 Mortgage Certificates"), including providing down payment and closing cost assistance for Assisted Mortgage Loans (as defined herein), (ii) paying lender compensation related to the 2025 Mortgage Loans (as defined herein), (iii) repaying and/or currently refunding the Repaid FHLB Advances (as defined herein), thereby providing funds for purposes (i)-(ii), and (iv) paying Costs of Issuance (as defined herein). The Series 2025C Bonds are being issued for the primary purpose of (i) acquiring Mortgage Loans, or participations therein, through the purchase of the 2025 Mortgage Certificates, including providing down payment and closing cost assistance for Assisted Mortgage Loans, (ii) paying lender compensation related to the 2025 Mortgage Loans, and (iii) paying Costs of Issuance. The 2025 Mortgage Certificates will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES."
Security:	The Series 2025 Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture (as defined herein) are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture. The Series 2025 Bonds are limited obligations of the Texas Department of Housing and Community Affairs (the "Department") and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2025 Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae guarantees only the payment of the principal of and interest on the Ginnie Mae Certificates when due and does not guarantee the payment of the Series 2025 Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "THE TRUST INDENTURE."
Book-Entry Only System:	The Series 2025 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry."
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Bond Counsel:	Bracewell LLP
Disclosure Counsel:	McCall, Parkhurst & Horton L.L.P.
Underwriters' Counsel:	Chapman and Cutler LLP
Municipal Advisor:	CSG Advisors

RBC Capital Markets

Jefferies **Morgan Stanley**

J.P. Morgan **Loop Capital Markets**

Piper Sandler & Co. **Ramirez & Co., Inc.** **Wells Fargo Securities**

MATURITY SCHEDULE

$30,665,000 Series 2025B Serial Bonds

Maturity Date	Principal Amount ($)	Interest Rate	Price	CUSIP[1]
7/1/2026	1,070,000	3.500%	100.000%	882750D41
1/1/2027	1,090,000	3.550%	100.000%	882750D58
7/1/2027	1,110,000	3.600%	100.000%	882750D66
1/1/2028	1,125,000	3.650%	100.000%	882750D74
7/1/2028	1,150,000	3.700%	100.000%	882750D82
1/1/2029	1,175,000	3.800%	100.000%	882750D90
7/1/2029	1,195,000	3.850%	100.000%	882750E24
1/1/2030	1,220,000	3.875%	100.000%	882750E32
7/1/2030	1,240,000	3.950%	100.000%	882750E40
1/1/2031	1,265,000	4.000%	100.000%	882750E57
7/1/2031	1,290,000	4.050%	100.000%	882750E65
1/1/2032	1,315,000	4.100%	100.000%	882750E73
7/1/2032	1,340,000	4.150%	100.000%	882750E81
1/1/2033	1,370,000	4.200%	100.000%	882750E99
7/1/2033	1,400,000	4.250%	100.000%	882750F23
1/1/2034	1,425,000	4.300%	100.000%	882750F31
7/1/2034	1,455,000	4.350%	100.000%	882750F49
1/1/2035	1,485,000	4.350%	100.000%	882750F56
7/1/2035	1,520,000	4.375%	100.000%	882750F64
1/1/2036	1,555,000	4.450%	100.000%	882750F72
7/1/2036	1,590,000	4.450%	100.000%	882750F80
1/1/2037	1,625,000	4.500%	100.000%	882750F98
7/1/2037	1,655,000	4.500%	100.000%	882750G22

$10,805,000 4.650% Series 2025B Term Bond due July 1, 2040 Price 100.000% CUSIP[1] 882750G30
$21,860,000 4.900% Series 2025B Term Bond due July 1, 2045 Price 100.000% CUSIP[1] 882750G48
$28,135,000 5.000% Series 2025B Term Bond due July 1, 2050 Price 100.000% CUSIP[1] 882750G55
$36,535,000 5.050% Series 2025B Term Bond due July 1, 2055 Price 100.000% CUSIP[1] 882750G63
$59,500,000 6.000% Series 2025B Premium PAC Term Bond due January 1, 2056 Price 110.077% CUSIP[1] 882750G71

(Interest Accrues from Date of Delivery)

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MATURITY SCHEDULE

$6,435,000 Series 2025C Serial Bonds

Maturity Date	Principal Amount ($)	Interest Rate	Price	CUSIP[1]
7/1/2026	430,000	4.299%	100.000%	882750G89
1/1/2027	440,000	4.299%	100.000%	882750G97
7/1/2027	450,000	4.359%	100.000%	882750H21
1/1/2028	460,000	4.352%	100.000%	882750H39
7/1/2028	470,000	4.392%	100.000%	882750H47
1/1/2029	480,000	4.499%	100.000%	882750H54
7/1/2029	490,000	4.519%	100.000%	882750H62
1/1/2030	505,000	4.579%	100.000%	882750H70
7/1/2030	515,000	4.649%	100.000%	882750H88
1/1/2031	530,000	4.781%	100.000%	882750H96
7/1/2031	540,000	4.851%	100.000%	882750J29
1/1/2032	555,000	4.881%	100.000%	882750J37
7/1/2032	570,000	4.931%	100.000%	882750J45

$6,635,000 5.416% Series 2025C Term Bond due July 1, 2037 Price 100.000% CUSIP[1] 882750K68
$4,980,000 5.796% Series 2025C Term Bond due July 1, 2040 Price 100.000% CUSIP[1] 882750K76
$10,560,000 6.047% Series 2025C Term Bond due July 1, 2045 Price 100.000% CUSIP[1] 882750K84
$12,500,000 6.067% Series 2025C Term Bond due January 1, 2050 Price 100.000% CUSIP[1] 882750K92
$21,390,000 6.250% Series 2025C Premium PAC Term Bond due July 1, 2055 Price 105.220% CUSIP[1] 882750L26

(Interest Accrues from Date of Delivery)

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MARKET CONDITIONS AND COMMENTARY

Market Conditions

- On April 2, 2025 (roughly one month prior to pricing) President Trump announced a reciprocal tariff strategy and called April 2, 2025 "Liberation Day". The Executive Order he signed outlined extensive global tariffs policies to correct unfair trading relationships.
- As a result, markets experienced a crisis-level degree of volatility. The global stock market plummeted, the municipal markets saw daily cuts of 30-35bp, and new issuance and secondary trading came to a halt with a complete shut down for 10 days.
- Investors moved to the sidelines opting not to transact until markets stabilized.
- By the end of the month, just prior to pricing on May 6, liquidity improved when the markets rallied after reacting positively to headlines walking back tensions with China and indicating progress on other trade deals. While other markets calmed, concerns over tariffs, economic uncertainty, and mortgage rates continued to drive volatility in the housing market.
- With new issuances suspended, municipal bond funds reported net outflows of \$1.26BN two weeks before pricing and \$400MM the week prior to pricing. The week of pricing, the market bounced back with a forecast of \$9.5BN inflows.
- Fortunately, the municipal market stabilized, and the primary market reopened, garnering strong investor interest for new bond issues, albeit with wider ratios. Underwriters started cutting through the backlog of deals that were on day-to-day status since the beginning of April.
- TDHCA had a lot of company the week it priced including Iowa, Indiana, New Hampshire, Kentucky and Delaware. Despite the crowded field, TDHCA outperformed the other HFAs on the taxable side. On the tax-exempt side, TDHCA PAC priced at the tightest spread compared to the other 6-year PACs that were offered.

Commentary

- RBC pre-marketed the bonds on Monday, May 5th with positive reception, especially for the 2025C taxable bonds given the attractive coupons due to an increase in treasury rates.
- Based on overwhelming demand, TDHCA issued \$250MM incorporating \$187.5MM tax exempt and \$62.5MM of taxable bonds in order to preserve volume cap.
- In the crowded new issue space, investors liked TDHCA's PAC bonds for its wide PAC band, stable average life and TDHCA's history of not cross calling between bond issues.
- Even though TDHCA opted to leave out call protected premium bonds in this structure, significant premium was raised by 2025B and 2025C premium bonds generating \$7.5 million of total premium proceeds for the Department's down payment and closing cost assistance programs.
- Given the aggressive pre-marketing period, RBCCM successfully orchestrated a one-day combined retail and institutional order period for the Bonds on May 6th.
- The 2025B Bonds were roughly 1.8x oversubscribed, generating \$344MM in orders, of which approximately \$40MM were for retail orders.
- Notably, the 2025B PAC bond priced at a spread of 1.02 to the 6-yr MMD, significantly tighter than NH and Delaware's 6-yr average life PAC.

- The 2025C Taxable bonds had a very successful indications or interest order period prior to locking in the bond rates. $189MM orders were placed on $62.5MM bonds, an overall 3.0x oversubscription.
- The long term bonds were 4-5x oversubscribed, as well as the shorter serial maturities.
- The 2025C PAC bond was 2x oversubscribed despite going out a very aggressive level of a spread of 1.13 to the 5-year treasury.
- Cuts across almost all of the maturities ranged from 2 – 5bp.
- The resulting overall bond yield allowed TDHCA to offer a base mortgage rate of 6.15% and offer a competitive loan program throughout 2025.

PARTICIPANTS

Issuer..	Texas Department of Housing and Community Affairs
Bond Counsel	Bracewell LLP
Disclosure Counsel......................	McCall, Parkhurst & Horton, L.L.P.
Financial Advisor........................	CSG Advisors
Senior Manager...........................	RBC Capital Markets, LLC
Co-Senior Managers...................	Jefferies LLC Morgan Stanley
Co-Managers...............................	J.P. Morgan Loop Capital Markets Piper Sandler & Co. Ramirez & Co. Inc. Wells Fargo Securities
Underwriter's Counsel	Chapman and Cutler LLP
Trustee...	The Bank of New York Mellon Trust Company, N.A.
Trustee's Counsel........................	Thalheimer, Cipione, Whelan & Morgan, PLLC.
Master Servicer...........................	The Money Source, Inc. (TMS)
Rating Agencies...........................	Moody's Investors Service Standard & Poor's Rating Services
Printer..	ImageMaster

GROSS SPREAD

	2025B	2025C	TOTAL	TOTAL/BOND
	$187,500,000	$62,500,000	$250,000,000	$250,000,000
Management Fee Schedule				
Underwriting Fee				
Takedown	1,070,318.75	352,787.50	1,423,106.25	5.692
Management Fee	93,750.00	31,250.00	125,000.00	0.500
Expenses	65,437.71	23,074.30	88,512.01	0.354
Total UW Fee	**$1,229,506.46**	**$407,111.80**	**$1,636,618.26**	**$6.546**

BREAKDOWN OF SYNDICATE EXPENSES

	2025B	2025C	TOTAL	TOTAL/BOND
	$187,500,000	$62,500,000	$250,000,000	$250,000,000
Underwriting Expense Schedule				
Day Loan	5,208.33	1,736.11	6,944.44	0.03
CUSIP	1,163.00	823.00	1,986.00	0.01
Ipreo	19,241.38	6,590.19	25,831.57	0.10
DTC Fees	975.00	975.00	1,950.00	0.01
UW Counsel	37,500.00	12,500.00	50,000.00	0.20
DAC Fee	600.00	200.00	800.00	0.00
T&E& Misc.	750.00	250.00	1,000.00	0.00
Total Underwriter Expenses	**$65,437.71**	**$23,074.30**	**$88,512.01**	**$0.354**

SOURCES AND USES OF FUNDS

	2025B		2025C		TOTAL
Sources of Funds					
Par Amount of Bonds	$	187,500,000.00	$	62,500,000.00	$ 250,000,000.00
Bond Premium		5,995,815.00		1,116,558.00	7,112,373.00
Issuer Contribution		4,145,141.46		710,328.80	4,855,470.26
TOTAL SOURCES	**$**	**197,640,956.46**	**$**	**64,326,886.80**	**$ 261,967,843.26**
Uses of Funds					
Mortgage Loan Accounts	$	195,873,750.00	$	63,750,000.00	$ 259,623,750.00
Underwriter Compensation		1,229,506.46		407,111.80	1,636,618.26
Costs of Issuance		537,700.00		169,775.00	707,475.00
TOTAL USES	**$**	**197,640,956.46**	**$**	**64,326,886.80**	**$ 261,967,843.26**

SECTION 2
Pricing Information

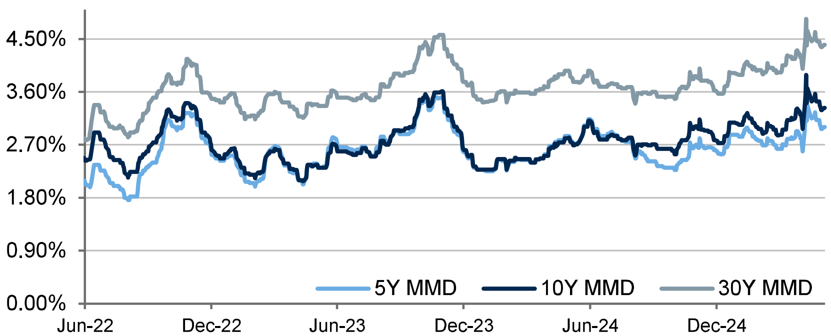
RBC Capital Markets - Municipal Markets Daily

May 6, 2025

MMD Change

Change in MMD

	5/6/2025	Daily Δ (bps)	Weekly Δ (bps)
3yr MMD	2.92	0	-2
5yr MMD	3.00	0	-4
7yr MMD	3.09	0	-4
10yr MMD	3.33	0	-3
30yr MMD	4.40	0	0



Market Commentary

- Tax-exempt benchmark yields were unchanged across the curve.
- UST yields opened mixed but ended the day lower with outperformance at the front of the curve. Today's 10yr auction was well received, stopping 1bp through the "When Issued" level.
- All three equity indexes fell as concerns over the economic impacts of tariffs remained. The Dow, S&P and NASDAQ closed -0.95%, -0.77% and -0.87% respectively.
- Municipal secondary trading was muted as traders await news from tomorrow's Fed meeting.
- March trade balance came in at -$140.5BN, more than the official estimate of -$137.2BN but not entirely unexpected as businesses increased imports ahead of tariff implementations.
- EPFR reported $266MM of aggregate daily inflows with outflows seen only in tax-exempt money market funds.

U.S. Treasury Rates

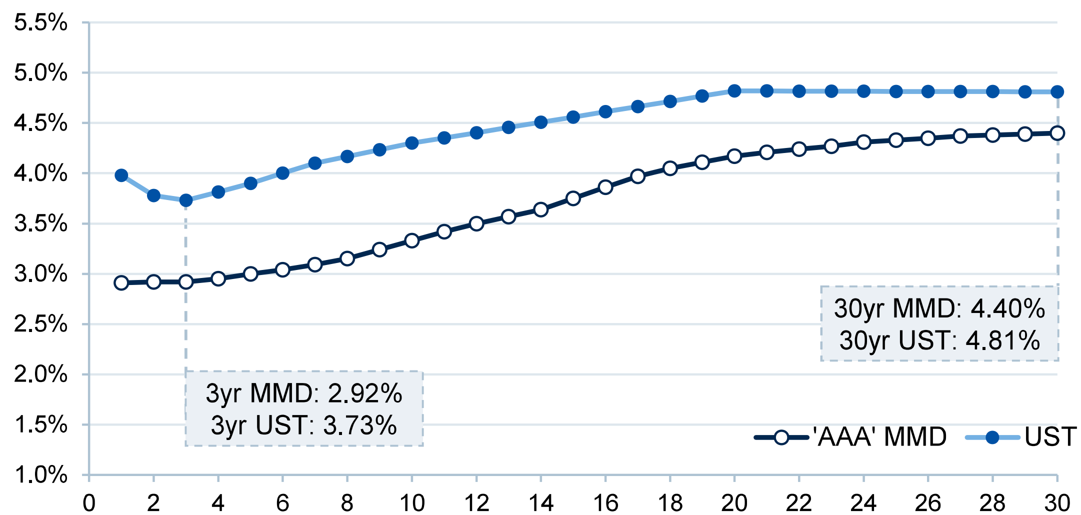
Change in Treasuries

	5/6/2025	Daily Δ (bps)	Weekly Δ (bps)
3yr UST	3.73	-5	8
5yr UST	3.90	-5	13
7yr UST	4.10	-4	14
10yr UST	4.30	-6	11
30yr UST	4.81	-2	17

Change in MMD/UST Ratio

	5/6/2025	Daily Δ (%)	Weekly Δ (%)
3yr Ratio	78%	1%	-2%
5yr Ratio	77%	1%	-4%
7yr Ratio	75%	1%	-4%
10yr Ratio	77%	1%	-3%
30yr Ratio	91%	0%	-3%

MMD and UST Yield Curves



MMD stands for Municipal Market Data; which is the daily index off of which all municipal bonds are priced.
Sources: Refinitiv, Bloomberg, https://www.treasury.gov/resource-center

Disclaimer

Sources include: https://www.rbccm.com/assets/rbccm/docs/uploads/2017/RBCCM_Muni_Markets_Weekly_Newsletter.pdf, http://www.rbc.com/economics/, RBC Capital Markets.

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Capital Markets

$187,500M TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
SERIES 2025B (NON-AMT)

			RBC		Jeff		MS		JPM		Loop		Piper		Ramirez		Wells		Consensus	
Maturity	**Structure**	**MMD**	**Yield**	**Spread**	**Yield**	**Spread**	**Yield**	**Spread**	**Yield**	**Spread**	**Yield**	**Spread**	**Yield**	**Spread**	**Yield**	**Spread**	**Yield**	**Spread**	**Yield**	**Spread**
7/1/2026	1,070	2.860	3.500	0.640	3.500	0.640	3.550	0.690	3.450	0.590	3.400	0.540	3.500	0.640	3.500	0.640	3.500	0.640	3.500	0.640
1/1/2027	1,090	2.890	3.550	0.660	3.550	0.660	3.600	0.710	3.500	0.610	3.450	0.560	3.550	0.660	3.550	0.660	3.550	0.660	3.550	0.660
7/1/2027	1,110	2.890	3.600	0.710	3.600	0.710	3.650	0.760	3.600	0.710	3.500	0.610	3.600	0.710	3.600	0.710	3.600	0.710	3.600	0.710
1/1/2028	1,125	2.890	3.650	0.760	3.650	0.760	3.700	0.810	3.650	0.760	3.550	0.660	3.650	0.760	3.650	0.760	3.650	0.760	3.650	0.760
7/1/2028	1,150	2.890	3.700	0.810	3.700	0.810	3.750	0.860	3.700	0.810	3.600	0.710	3.700	0.810	3.700	0.810	3.700	0.810	3.700	0.810
1/1/2029	1,175	2.920	3.800	0.880	3.800	0.880	3.800	0.880	3.750	0.830	3.650	0.730	3.800	0.880	3.800	0.880	3.750	0.830	3.800	0.880
7/1/2029	1,195	2.920	3.850	0.930	3.850	0.930	3.850	0.930	3.800	0.880	3.700	0.780	3.850	0.930	3.850	0.930	3.800	0.880	3.850	0.930
1/1/2030	1,220	2.970	3.900	0.930	3.900	0.930	3.900	0.930	3.850	0.880	3.750	0.780	3.900	0.930	3.875	0.905	3.850	0.880	3.900	0.930
7/1/2030	1,240	2.970	3.950	0.980	3.950	0.980	3.950	0.980	3.900	0.930	3.800	0.830	3.950	0.980	3.900	0.930	3.900	0.930	3.950	0.980
1/1/2031	1,265	3.010	4.000	0.990	4.000	0.990	4.050	1.040	3.950	0.940	3.850	0.840	4.000	0.990	4.000	0.990	4.000	0.990	4.000	0.990
7/1/2031	1,290	3.010	4.050	1.040	4.050	1.040	4.050	1.040	4.000	0.990	3.900	0.890	4.050	1.040	4.050	1.040	4.000	0.990	4.050	1.040
1/1/2032	1,315	3.050	4.100	1.050	4.100	1.050	4.150	1.100	4.050	1.000	3.950	0.900	4.100	1.050	4.100	1.050	4.100	1.050	4.100	1.050
7/1/2032	1,340	3.070	4.150	1.080	4.150	1.080	4.200	1.130	4.100	1.030	4.000	0.930	4.150	1.080	4.150	1.080	4.125	1.055	4.150	1.080
1/1/2033	1,370	3.110	4.200	1.090	4.200	1.090	4.250	1.140	4.150	1.040	4.050	0.940	4.200	1.090	4.200	1.090	4.200	1.090	4.200	1.090
7/1/2033	1,400	3.120	4.250	1.130	4.250	1.130	4.250	1.130	4.200	1.080	4.100	0.980	4.250	1.130	4.250	1.130	4.200	1.080	4.250	1.130
1/1/2034	1,425	3.190	4.300	1.110	4.300	1.110	4.350	1.160	4.250	1.060	4.150	0.960	4.300	1.110	4.300	1.110	4.300	1.110	4.300	1.110
7/1/2034	1,455	3.220	4.350	1.130	4.350	1.130	4.400	1.180	4.300	1.080	4.200	0.980	4.350	1.130	4.350	1.130	4.350	1.130	4.350	1.130
1/1/2035	1,485	3.270	4.375	1.105	4.400	1.130	4.400	1.130	4.350	1.080	4.250	0.980	4.375	1.105	4.400	1.130	4.375	1.105	4.375	1.105
7/1/2035	1,520	3.290	4.400	1.110	4.400	1.110	4.450	1.160	4.400	1.110	4.300	1.010	4.400	1.110	4.400	1.110	4.400	1.110	4.400	1.110
1/1/2036	1,555	3.370	4.450	1.080	4.450	1.080	4.500	1.130	4.450	1.080	4.350	0.980	4.450	1.080	4.450	1.080	4.450	1.080	4.450	1.080
7/1/2036	1,590	3.390	4.500	1.110	4.450	1.060	4.500	1.110	4.450	1.060	4.350	0.960	4.500	1.110	4.450	1.060	4.450	1.060	4.500	1.110
1/1/2037	1,625	3.450	4.500	1.050	4.500	1.050	4.550	1.100	4.500	1.050	4.350	0.900	4.500	1.050	4.500	1.050	4.500	1.050	4.500	1.050
7/1/2037	1,655	3.470	4.500	1.030	4.500	1.030	4.550	1.080	4.500	1.030	4.350	0.880	4.500	1.030	4.500	1.030	4.500	1.030	4.500	1.030
7/1/2040	10,805	3.710	4.600	0.890	4.625	0.915	4.625	0.915	4.600	0.890	4.500	0.790	4.600	0.890	4.600	0.890	4.600	0.890	4.600	0.890
7/1/2045	21,860	4.130	4.850	0.720	4.900	0.770	4.875	0.745	4.850	0.720	4.850	0.720	4.850	0.720	4.850	0.720	4.850	0.720	4.850	0.720
7/1/2050	28,135	4.290	4.950	0.660	5.000	0.710	5.000	0.710	4.950	0.660	4.950	0.660	4.950	0.660	4.950	0.660	4.950	0.660	4.950	0.660
7/1/2055	36,535	4.360	5.000	0.640	5.050	0.690	5.050	0.690	5.000	0.640	5.000	0.640	5.000	0.640	5.000	0.640	5.000	0.640	5.000	0.640
1/1/2056	59,500	3.010	4.030	1.020	4.100	1.090	4.040	1.030	4.050	1.040	4.050	1.040	4.030	1.020	4.060	1.050	4.000	0.990	4.030	1.020
6yr AL PAC																				
	187,500																			

TAXABLE SERIES 2025C

			RBC	Jeff	MS	JPM	Loop	Piper	Ramirez	Wells	Consensus
Maturity	**Structure**	**Tsy**	**Spread**	**Spread**	**Spread**	**Spread**	**Spread**	**Spread**	**Spread**	**Spread**	**Spread**
7/1/2026	430	2yr	55	50	55	55	55	55	55	55	55
1/1/2027	440	2yr	55	55	55	55	55	55	55	55	55
7/1/2027	450	2yr	60	55	60	60	60	60	60	60	60
1/1/2028	460	3yr	60	60	60	60	60	60	60	60	60
7/1/2028	470	3yr	65	60	65	65	65	65	65	65	65
1/1/2029	480	5yr	65	65	60	60	65	65	60	60	65
7/1/2029	490	5yr	65	65	65	68	65	65	65	65	65
1/1/2030	505	5yr	70	70	70	73	70	70	70	70	70
7/1/2030	515	5yr	75	75	75	78	75	75	75	75	75
1/1/2031	530	7yr	75	75	75	78	70	75	75	75	75
7/1/2031	540	7yr	80	80	80	80	75	80	80	80	80
1/1/2032	555	7yr	85	85	85	85	80	85	85	85	85
7/1/2032	570	7yr	90	87	90	90	85	90	90	90	90
1/1/2033	585	10yr	95	90	90	90	85	95	90	90	95
7/1/2033	600	10yr	100	95	95	95	90	100	95	95	100
1/1/2034	615	10yr	105	100	100	100	95	105	100	100	105
7/1/2034	635	10yr	110	105	105	105	100	110	105	105	110
1/1/2035	650	10yr	113	110	108	108	105	113	108	108	113
7/1/2035	670	10yr	116	115	110	110	110	116	110	110	116
1/1/2036	690	10yr	119	120	115	115	115	119	115	115	119
7/1/2036	710	10yr	122	122	120	123	120	122	120	120	122
1/1/2037	730	10yr	125	125	125	125	125	125	125	125	125
7/1/2037	750	10yr	128	125	130	130	130	128	130	130	128
7/1/2040	4,980	10yr	150	145	150	150	135	150	150	150	150
7/1/2045	10,560	OLB	125	125	130	125	120	125	125	125	125
1/1/2050	12,500	OLB	130	130	135	135	125	130	130	130	130
7/1/2055	21,390	5yr	119	117	120	120	120	119	120	120	119
5yr AL PAC											
	62,500										

RE: $ 187,500,000*
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE AND REFUNDING BONDS
SERIES 2025B (NON-AMT)

PLEASE USE THE SCALE BELOW FOR PRE-MARKETING PURPOSES.

THIS TRANSACTION IS SCHEDULED TO PRICE TUESDAY, MAY 6TH. WE PLAN TO RUN A RETAIL ORDER PERIOD IN THE MORNING FOLLOWED BY AN INSITUTIONAL ORDER PERIOD.

FOR ORDERS RECEIVED DURING THE RETAIL ORDER PERIOD, THE ISSUER RESERVES THE RIGHT TO LIMIT THE RETAIL ALLOTMENTS ON ALL MATURITIES (EXCEPT THE PAC) TO 50% OF THE AGGREGATE PAR VALUE OF SUCH MATURITIES AT THE FINAL PRICE.

POS LINK: http://munios.com/e/UDVTN

MOODY'S: Aaa   S&P: AA+
FITCH: KROLL:

DATED:06/10/2025   FIRST COUPON:01/01/2026

DUE: 01/01 & 07/01

MATURITY	AMOUNT*	COUPON	PRICE	ADD'L TAKEDOWN (Pts)
07/01/2026	1,070M	3.50%	100.00	1/4
01/01/2027	1,090M	3.55%	100.00	1/4
07/01/2027	1,110M	3.60%	100.00	1/4
01/01/2028	1,125M	3.65%	100.00	3/8
07/01/2028	1,150M	3.70%	100.00	3/8
01/01/2029	1,175M	3.80%	100.00	1/2
07/01/2029	1,195M	3.85%	100.00	1/2
01/01/2030	1,220M	3.90%	100.00	1/2
07/01/2030	1,240M	3.95%	100.00	1/2
01/01/2031	1,265M	4.00%	100.00	1/2
07/01/2031	1,290M	4.05%	100.00	1/2
01/01/2032	1,315M	4.10%	100.00	5/8
07/01/2032	1,340M	4.15%	100.00	5/8
01/01/2033	1,370M	4.20%	100.00	5/8
07/01/2033	1,400M	4.25%	100.00	5/8
01/01/2034	1,425M	4.30%	100.00	5/8
07/01/2034	1,455M	4.35%	100.00	5/8
01/01/2035	1,485M	4.375%	100.00	5/8
07/01/2035	1,520M	4.40%	100.00	5/8
01/01/2036	1,555M	4.45%	100.00	5/8
07/01/2036	1,590M	4.50%	100.00	5/8
01/01/2037	1,625M	4.50%	100.00	5/8
07/01/2037	1,655M	4.50%	100.00	5/8
07/01/2040	10,805M	4.60%	100.00	5/8
07/01/2045	21,860M	4.85%	100.00	5/8
07/01/2050	28,135M	4.95%	100.00	5/8
07/01/2055	36,535M	5.00%	100.00	5/8
01/01/2056 (PAC)	59,500M	6.25%	4.03	1/2 +102 SPREAD

(Avg. Life: 6.00 years over a range of 75.00 to 400.00% of PSA experience)
*APPROXIMATE AVERAGE LIFE DATE: 06/26/2031

CALL FEATURES: Optional call in 01/01/2037 @ 100.00

The 2025B Premium PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after July 1, 2033, at the option of the Department after giving notice as provided in the Trust Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

Redemption Date	Redemption Price
July 1, 2033	
January 1, 2034	
July 1, 2034	
January 1, 2035	
July 1, 2035	
January 1, 2036	
July 1, 2036	
January 1, 2037 and thereafter	100.000%

2056 PAC AVG LIFE INFORMATION:

PSA PREPAYMENT SPEED	OPTIONAL CALL NOT EXERCISED	OPTIONAL CALL AT 01/01/2037 EXERCISED
0%	19.3	7.7
50%	8.3	6.4
75%	6.0	5.6
100%	6.0	5.6
125%	6.0	5.6
150%	6.0	5.6
175%	6.0	5.6
200%	6.0	5.6
300%	6.0	5.6
400%	6.0	5.6
500%	4.5	4.5
600%	3.7	3.7
700%	3.3	3.3

By Lot Sinking Fund Schedule

2040 Term Bond

01/01/2038	1,700M
07/01/2038	1,740M
01/01/2039	1,780M
07/01/2039	1,820M
01/01/2040	1,860M
07/01/2040	1,905M

By Lot Sinking Fund Schedule

2045 Term Bond

01/01/2041	1,950M
07/01/2041	1,995M
01/01/2042	2,050M
07/01/2042	2,105M
01/01/2043	2,150M

07/01/2043	2,210M
01/01/2044	2,260M
07/01/2044	2,320M
01/01/2045	2,380M
07/01/2045	2,440M

By Lot Sinking Fund Schedule

2050 Term Bond

01/01/2046	2,500M
07/01/2046	2,570M
01/01/2047	2,630M
07/01/2047	2,700M
01/01/2048	2,770M
07/01/2048	2,840M
01/01/2049	2,915M
07/01/2049	2,990M
01/01/2050	3,070M
07/01/2050	3,150M

By Lot Sinking Fund Schedule

2055 Term Bond

01/01/2051	3,235M
07/01/2051	3,315M
01/01/2052	3,405M
07/01/2052	3,490M
01/01/2053	3,585M
07/01/2053	3,680M
01/01/2054	3,780M
07/01/2054	3,875M
01/01/2055	3,980M
07/01/2055	4,190M

By Lot Sinking Fund Schedule

2056 Term Bond

07/01/2026	315M
01/01/2027	325M
07/01/2027	335M
01/01/2028	350M
07/01/2028	360M
01/01/2029	370M
07/01/2029	385M
01/01/2030	395M
07/01/2030	410M
01/01/2031	425M
07/01/2031	440M
01/01/2032	455M
07/01/2032	470M
01/01/2033	485M
07/01/2033	500M
01/01/2034	520M
07/01/2034	540M
01/01/2035	560M
07/01/2035	575M
01/01/2036	595M
07/01/2036	615M
01/01/2037	635M
07/01/2037	660M
01/01/2038	675M
07/01/2038	700M

01/01/2039	725M
07/01/2039	750M
01/01/2040	775M
07/01/2040	800M
01/01/2041	830M
07/01/2041	860M
01/01/2042	885M
07/01/2042	915M
01/01/2043	950M
07/01/2043	980M
01/01/2044	1,015M
07/01/2044	1,050M
01/01/2045	1,080M
07/01/2045	1,120M
01/01/2046	1,160M
07/01/2046	1,195M
01/01/2047	1,240M
07/01/2047	1,280M
01/01/2048	1,325M
07/01/2048	1,370M
01/01/2049	1,415M
07/01/2049	1,465M
01/01/2050	1,515M
07/01/2050	1,565M
01/01/2051	1,615M
07/01/2051	1,675M
01/01/2052	1,730M
07/01/2052	1,790M
01/01/2053	1,850M
07/01/2053	1,910M
01/01/2054	1,975M
07/01/2054	2,045M
01/01/2055	2,110M
07/01/2055	2,185M
01/01/2056	2,255M

* - APPROXIMATE SUBJECT TO CHANGE

PRIORITY OF ORDERS AS FOLLOWS:
1. Texas Retail
2. National Retail

A "Retail" order is defined as an order placed for the account of an individual, bank trust, or investment advisor acting on behalf of an individual, with a maximum of $1,000,000 per account, or at the discretion of the Department, some larger amount.

Retail orders do not include bank portfolios, insurance companies, bond funds or municipalities. Zip Codes are required with all Retail Orders. The Manager will assume that orders for the serial maturities with the same coupon on either side can be filled in 1/1 or 7/1.

The compliance addendum MSRB Rule G-11 will apply.

****
Pursuant to MSRB Rule G-11, syndicate members and other brokers, dealers, and municipal securities dealers ("Dealers"), when submitting an order for the syndicate member or Dealer's own account or for a "related account" as defined in Rule G-11 (which includes, without limitation, proprietary orders for affiliates of the syndicate member or Dealer), must so inform RBC Capital Markets, LLC at the time any such order is submitted. The

Senior Manager requests the identification of all priority orders at the time the orders are entered.
****

The Award is expected on Tuesday, May 6, 2025.

Delivery is expected on Tuesday, June 10, 2025.

This issue is book entry only. This issue is clearing through DTC.

RBC Capital Markets
Jefferies LLC
Morgan Stanley & Co. LLC
J.P. Morgan Securities LLC
Loop Capital Markets
Piper Sandler & Co
Ramirez & Co., Inc.
Wells Fargo Bank, N.A. Municipal Finance Group

By: RBC Capital Markets Chicago, IL

RE: $ 62,500,000*
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE BONDS
TAXABLE SERIES 2025C

PLEASE USE THE SCALE BELOW FOR PRE-MARKETING PURPOSES.

THIS TRANSACTION IS SCHEDULED TO PRICE TUESDAY, MAY 6TH.

POS LINK: http://munios.com/e/UDVTN

********************** ATTENTION *********************

THE BONDS ARE TAXABLE MUNICIPAL SECURITIES AND THIS OFFERING IS SUBJECT TO REGULATION BY THE MUNICIPAL SECURITIES RULEMAKING BOARD. ALL ACTIVITY UNDERTAKEN WITH RESPECT TO THIS OFFERING MUST BE SUPERVISED BY A MUNICIPAL SECURITIES PRINCIPAL.

MOODY'S: Aaa S&P: AA+
FITCH: KROLL:

DATED:06/10/2025 FIRST COUPON:01/01/2026

DUE: 01/01 & 07/01

MATURITY	AMOUNT*	COUPON	PRICE	ADD'L TAKEDOWN (Pts)
07/01/2026	430M			1/4
01/01/2027	440M			1/4
07/01/2027	450M			1/4
01/01/2028	460M			3/8
07/01/2028	470M			3/8
01/01/2029	480M			1/2
07/01/2029	490M			1/2
01/01/2030	505M			1/2
07/01/2030	515M			1/2
01/01/2031	530M			1/2
07/01/2031	540M			1/2
01/01/2032	555M			5/8
07/01/2032	570M			5/8
01/01/2033	585M			5/8
07/01/2033	600M			5/8
01/01/2034	615M			5/8
07/01/2034	635M			5/8
01/01/2035	650M			5/8
07/01/2035	670M			5/8
01/01/2036	690M			5/8
07/01/2036	710M			5/8
01/01/2037	730M			5/8
07/01/2037	750M			5/8
07/01/2040	4,980M			5/8
07/01/2045	10,560M			5/8
01/01/2050	12,500M			5/8
07/01/2055 (PAC)	21,390M	6.25%		1/2

(Avg. Life: 5.00 years over a range of 75.00 to 400.00% of PSA experience)
*APPROXIMATE AVERAGE LIFE DATE: 06/03/2030

TAXABLE INFORMATION

MATURITY	SPREAD VS. TREASURY	TREASURY COUPON	COUPON MATURITY
07/01/2026	+55.00 AREA	3.750	04/30/2027
01/01/2027	+55.00 AREA	3.750	04/30/2027
07/01/2027	+60.00 AREA	3.750	04/30/2027
01/01/2028	+60.00 AREA	3.750	04/15/2028
07/01/2028	+65.00 AREA	3.750	04/15/2028
01/01/2029	+65.00 AREA	3.875	04/30/2030
07/01/2029	+65.00 AREA	3.875	04/30/2030
01/01/2030	+70.00 AREA	3.875	04/30/2030
07/01/2030	+75.00 AREA	3.875	04/30/2030
01/01/2031	+75.00 AREA	4.000	04/30/2032
07/01/2031	+80.00 AREA	4.000	04/30/2032
01/01/2032	+85.00 AREA	4.000	04/30/2032
07/01/2032	+90.00 AREA	4.000	04/30/2032
01/01/2033	+90.00 AREA	4.625	02/15/2035
07/01/2033	+95.00 AREA	4.625	02/15/2035
01/01/2034	+100.00 AREA	4.625	02/15/2035
07/01/2034	+105.00 AREA	4.625	02/15/2035
01/01/2035	+110.00 AREA	4.625	02/15/2035
07/01/2035	+115.00 AREA	4.625	02/15/2035
01/01/2036	+119.00 AREA	4.625	02/15/2035
07/01/2036	+122.00 AREA	4.625	02/15/2035
01/01/2037	+125.00 AREA	4.625	02/15/2035
07/01/2037	+128.00 AREA	4.625	02/15/2035
07/01/2040	+150.00 AREA	4.625	02/15/2035
07/01/2045	+125.00 AREA	4.500	11/15/2054
01/01/2050	+130.00 AREA	4.500	11/15/2054
07/01/2055	+119.00 AREA	3.875	04/30/2030

CALL FEATURES: Optional call in 01/01/2037 @ 100.00

The 2025C Premium PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after July 1, 2033, at the option of the Department after giving notice as provided in the Trust Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

Redemption Date	Redemption Price
July 1, 2033	
January 1, 2034 and thereafter	100.000%

2055 PAC AVG LIFE INFORMATION:

PSA PREPAYMENT SPEED	OPTIONAL CALL NOT EXERCISED	OPTIONAL CALL AT 01/01/2037 EXERCISED
0%	12.3	7.2
50%	5.5	5.4
75%	5.0	5.0
100%	5.0	5.0
125%	5.0	5.0
150%	5.0	5.0
175%	5.0	5.0
200%	5.0	5.0

300%	5.0	5.0
400%	5.0	5.0
500%	4.6	4.6
600%	4.0	4.0
700%	3.7	3.7

By Lot Sinking Fund Schedule

2040 Term Bond

01/01/2038	770M
07/01/2038	795M
01/01/2039	820M
07/01/2039	840M
01/01/2040	865M
07/01/2040	890M

By Lot Sinking Fund Schedule

2045 Term Bond

01/01/2041	920M
07/01/2041	945M
01/01/2042	975M
07/01/2042	1,005M
01/01/2043	1,035M
07/01/2043	1,070M
01/01/2044	1,100M
07/01/2044	1,135M
01/01/2045	1,170M
07/01/2045	1,205M

By Lot Sinking Fund Schedule

2050 Term Bond

01/01/2046	1,240M
07/01/2046	1,280M
01/01/2047	1,320M
07/01/2047	1,360M
01/01/2048	1,400M
07/01/2048	1,445M
01/01/2049	1,485M
07/01/2049	1,535M
01/01/2050	1,435M

By Lot Sinking Fund Schedule

2055 Term Bond

01/01/2050	150M
07/01/2050	1,635M
01/01/2051	1,690M
07/01/2051	1,745M
01/01/2052	1,800M
07/01/2052	1,860M
01/01/2053	1,920M
07/01/2053	1,985M
01/01/2054	2,050M
07/01/2054	2,115M
01/01/2055	2,185M
07/01/2055	2,255M

* - APPROXIMATE SUBJECT TO CHANGE

PRIORITY OF ORDERS AS FOLLOWS:
1. Net Designated
(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)
2. Member

PRIORITY POLICY:

At least 4 firm(s) must be designated.

No firm may receive more than 60.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

The Senior Manager will pay out all designations.

****
Pursuant to MSRB Rule G-11, syndicate members and other brokers, dealers, and municipal securities dealers ("Dealers"), when submitting an order for the syndicate member or Dealer's own account or for a "related account" as defined in Rule G-11 (which includes, without limitation, proprietary orders for affiliates of the syndicate member or Dealer), must so inform RBC Capital Markets, LLC at the time any such order is submitted. The Senior Manager requests the identification of all priority orders at the time the orders are entered.
****

The compliance addendum MSRB Rule G-11 will apply.

The Award is expected on Tuesday, May 6, 2025.

Delivery is expected on Tuesday, June 10, 2025.

This issue is book entry only. This issue is clearing through DTC.

RBC Capital Markets
Jefferies LLC
Morgan Stanley & Co. LLC
J.P. Morgan Securities LLC
Loop Capital Markets
Piper Sandler & Co
Ramirez & Co., Inc.
Wells Fargo Bank, N.A. Municipal Finance Group

By: RBC Capital Markets Chicago, IL

Wires
Wire Details

Actions: View Deal Inbox Go

Print Email Close

Rec'd Date/Time (CST)	Sender	ST	Wire Type/Title	Master Message #	Deal Type
05/07/25 08:36 AM	RBC Capital Markets	IL	FINAL PRICING WIRE		Neg

RE: $ 62,500,000
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE BONDS
TAXABLE SERIES 2025C

*********************** ATTENTION **********************

THE BONDS ARE TAXABLE MUNICIPAL SECURITIES AND THIS OFFERING IS SUBJECT TO REGULATION BY THE MUNICIPAL SECURITIES RULEMAKING BOARD. ALL ACTIVITY UNDERTAKEN WITH RESPECT TO THIS OFFERING MUST BE SUPERVISED BY A MUNICIPAL SECURITIES PRINCIPAL.

MOODY'S: Aaa S&P: AA+
FITCH: KROLL:

DATED:06/10/2025 FIRST COUPON:01/01/2026

DUE: 01/01 & 07/01

INITIAL TRADE DATE: 05/07/2025 @ 1:00PM Eastern

MATURITY	AMOUNT	COUPON	PRICE	ADD'L TAKEDOWN (Pts)	CUSIP
07/01/2026	430M	4.299%	100.00	1/4	882750G89
01/01/2027	440M	4.299%	100.00	1/4	882750G97
07/01/2027	450M	4.359%	100.00	1/4	882750H21
01/01/2028	460M	4.352%	100.00	3/8	882750H39
07/01/2028	470M	4.392%	100.00	3/8	882750H47
01/01/2029	480M	4.499%	100.00	1/2	882750H54
07/01/2029	490M	4.519%	100.00	1/2	882750H62
01/01/2030	505M	4.579%	100.00	1/2	882750H70
07/01/2030	515M	4.649%	100.00	1/2	882750H88
01/01/2031	530M	4.781%	100.00	1/2	882750H96
07/01/2031	540M	4.851%	100.00	1/2	882750J29
01/01/2032	555M	4.881%	100.00	5/8	882750J37
07/01/2032	570M	4.931%	100.00	5/8	882750J45
07/01/2037	6,635M	5.416%	100.00	5/8	882750K68
07/01/2040	4,980M	5.796%	100.00	5/8	882750K76
07/01/2045	10,560M	6.047%	100.00	5/8	882750K84
01/01/2050	12,500M	6.067%	100.00	5/8	882750K92
07/01/2055	21,390M	6.25%	105.22	1/2	882750L26

(Approx. Yield 5.029)
(PAC)
(Avg. Life: 5.00 years over a range of 75.00 to 400.00% of PSA experience)
*APPROXIMATE AVERAGE LIFE DATE: 06/03/2030

TAXABLE INFORMATION

MATURITY	TREASURY YIELD	SPREAD VS. TREASURY	TREASURY COUPON	COUPON MATURITY
07/01/2026	3.789	+51.00	3.750	04/30/2027
01/01/2027	3.789	+51.00	3.750	04/30/2027
07/01/2027	3.789	+57.00	3.750	04/30/2027
01/01/2028	3.772	+58.00	3.750	04/15/2028
07/01/2028	3.772	+62.00	3.750	04/15/2028
01/01/2029	3.899	+60.00	3.875	04/30/2030
07/01/2029	3.899	+62.00	3.875	04/30/2030
01/01/2030	3.899	+68.00	3.875	04/30/2030
07/01/2030	3.899	+75.00	3.875	04/30/2030
01/01/2031	4.101	+68.00	4.000	04/30/2032
07/01/2031	4.101	+75.00	4.000	04/30/2032
01/01/2032	4.101	+78.00	4.000	04/30/2032
07/01/2032	4.101	+83.00	4.000	04/30/2032
07/01/2037	4.316	+110.00	4.625	02/15/2035
07/01/2040	4.316	+148.00	4.625	02/15/2035
07/01/2045	4.837	+121.00	4.500	11/15/2054
01/01/2050	4.837	+123.00	4.500	11/15/2054
07/01/2055	4.311	+113.00	3.875	04/30/2030

CALL FEATURES: Optional call in 07/01/2033 @ 100.00

The 2025C Premium PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after July 1, 2033, at the option of the Department after giving notice as provided in the Trust Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

Redemption Date	Redemption Price
July 1, 2033	100.559%
January 1, 2034 and thereafter	100.000%

2055 PAC AVG LIFE INFORMATION:

PSA PREPAYMENT SPEED	OPTIONAL CALL NOT EXERCISED	OPTIONAL CALL AT 07/01/2033 EXERCISED
0%	14.9	7.5
50%	5.9	5.6
75%	5.0	5.0
100%	5.0	5.0
125%	5.0	5.0
150%	5.0	5.0
175%	5.0	5.0
200%	5.0	5.0
300%	5.0	5.0
400%	5.0	5.0
500%	4.7	4.1
600%	4.1	4.0
700%	3.7	3.7

By Lot Sinking Fund Schedule

2037 Term Bond

01/01/2033	585M
07/01/2033	600M
01/01/2034	615M
07/01/2034	635M
01/01/2035	650M
07/01/2035	670M
01/01/2036	690M
07/01/2036	710M
01/01/2037	730M
07/01/2037	750M

By Lot Sinking Fund Schedule

2040 Term Bond

01/01/2038	770M
07/01/2038	795M
01/01/2039	820M
07/01/2039	840M
01/01/2040	865M
07/01/2040	890M

By Lot Sinking Fund Schedule

2045 Term Bond

01/01/2041	920M
07/01/2041	945M
01/01/2042	975M
07/01/2042	1,005M
01/01/2043	1,035M
07/01/2043	1,070M
01/01/2044	1,100M
07/01/2044	1,135M
01/01/2045	1,170M
07/01/2045	1,205M

By Lot Sinking Fund Schedule

2050 Term Bond

01/01/2046	1,240M
07/01/2046	1,280M
01/01/2047	1,320M
07/01/2047	1,360M
01/01/2048	1,400M
07/01/2048	1,445M
01/01/2049	1,485M
07/01/2049	1,535M
01/01/2050	1,435M

By Lot Sinking Fund Schedule

2055 Term Bond

01/01/2050	150M
07/01/2050	1,635M
01/01/2051	1,690M
07/01/2051	1,745M
01/01/2052	1,800M
07/01/2052	1,860M
01/01/2053	1,920M
07/01/2053	1,985M
01/01/2054	2,050M
07/01/2054	2,115M

01/01/2055	2,185M
07/01/2055	2,255M

PRIORITY OF ORDERS AS FOLLOWS:
1. Net Designated
(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)
2. Member

PRIORITY POLICY:

At least 4 firm(s) must be designated.

No firm may receive more than 60.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

The Senior Manager will pay out all designations.

****
Pursuant to MSRB Rule G-11, syndicate members and other brokers, dealers, and municipal securities dealers ("Dealers"), when submitting an order for the syndicate member or Dealer's own account or for a "related account" as defined in Rule G-11 (which includes, without limitation, proprietary orders for affiliates of the syndicate member or Dealer), must so inform RBC Capital Markets, LLC at the time any such order is submitted. The Senior Manager requests the identification of all priority orders at the time the orders are entered.
****

The compliance addendum MSRB Rule G-11 will apply.

The Award is final for Tuesday, May 6, 2025 at 6:45PM Eastern.

Delivery is firm for Tuesday, June 10, 2025.

This issue is book entry only. This issue is clearing through DTC.

Award:	05/06/2025
Award Time:	6:45PM Eastern
Delivery:	06/10/2025 (Firm)
Initial trade:	05/07/2025
Date of Execution:	05/07/2025
Time of Execution:	1:00PM Eastern

RBC Capital Markets
Jefferies LLC

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Morgan Stanley & Co. LLC
J.P. Morgan Securities LLC
Loop Capital Markets
Piper Sandler & Co
Ramirez & Co., Inc.
Wells Fargo Bank, N.A. Municipal Finance Group

By: RBC Capital Markets  Chicago, IL
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Email Address Date Sent

Print Email Close

Rec'd Date/Time (CST)	Sender	ST	Wire Type/Title	Master Message #	Deal Type
05/07/25 08:27 AM	RBC Capital Markets	IL	FINAL PRICING WIRE		Neg

RE: $ 187,500,000
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE AND REFUNDING BONDS
SERIES 2025B (NON-AMT)

MOODY'S: Aaa   S&P: AA+
FITCH: KROLL:

DATED:06/10/2025   FIRST COUPON:01/01/2026

DUE: 01/01 & 07/01

INITIAL TRADE DATE: 05/07/2025 @ 1:00PM Eastern

MATURITY	AMOUNT	COUPON	PRICE	ADD'L TAKEDOWN (Pts)	CUSIP
07/01/2026	1,070M	3.50%	100.00	1/4	882750D41
01/01/2027	1,090M	3.55%	100.00	1/4	882750D58
07/01/2027	1,110M	3.60%	100.00	1/4	882750D66
01/01/2028	1,125M	3.65%	100.00	3/8	882750D74
07/01/2028	1,150M	3.70%	100.00	3/8	882750D82
01/01/2029	1,175M	3.80%	100.00	1/2	882750D90
07/01/2029	1,195M	3.85%	100.00	1/2	882750E24
01/01/2030	1,220M	3.875%	100.00	1/2	882750E32
07/01/2030	1,240M	3.95%	100.00	1/2	882750E40
01/01/2031	1,265M	4.00%	100.00	1/2	882750E57
07/01/2031	1,290M	4.05%	100.00	1/2	882750E65
01/01/2032	1,315M	4.10%	100.00	5/8	882750E73
07/01/2032	1,340M	4.15%	100.00	5/8	882750E81
01/01/2033	1,370M	4.20%	100.00	5/8	882750E99
07/01/2033	1,400M	4.25%	100.00	5/8	882750F23
01/01/2034	1,425M	4.30%	100.00	5/8	882750F31
07/01/2034	1,455M	4.35%	100.00	5/8	882750F49
01/01/2035	1,485M	4.35%	100.00	5/8	882750F56
07/01/2035	1,520M	4.375%	100.00	5/8	882750F64
01/01/2036	1,555M	4.45%	100.00	5/8	882750F72
07/01/2036	1,590M	4.45%	100.00	5/8	882750F80
01/01/2037	1,625M	4.50%	100.00	5/8	882750F98
07/01/2037	1,655M	4.50%	100.00	5/8	882750G22
07/01/2040	10,805M	4.65%	100.00	5/8	882750G30
07/01/2045	21,860M	4.90%	100.00	5/8	882750G48
07/01/2050	28,135M	5.00%	100.00	5/8	882750G55
07/01/2055	36,535M	5.05%	100.00	5/8	882750G63
01/01/2056	59,500M	6.00%	110.077	1/2	882750G71
	(Approx. Yield 4.060)				
(PAC)					

(Avg. Life: 6.00   years over a range of 75.00 to 400.00% of PSA experience)
*APPROXIMATE AVERAGE LIFE DATE: 06/26/2031

CALL FEATURES: Optional call in 07/01/2033 @ 100.00

The 2025B Premium PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after July 1, 2033, at the option of the Department after giving notice as provided in the Trust Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

Redemption Date	Redemption Price
July 1, 2033	103.186%
January 1, 2034	102.789%
July 1, 2034	102.386%
January 1, 2035	101.980%
July 1, 2035	101.582%
January 1, 2036	101.197%
July 1, 2036	100.951%
January 1, 2037 and thereafter	100.000%

2056 PAC AVG LIFE INFORMATION:

PSA PREPAYMENT SPEED	OPTIONAL CALL NOT EXERCISED	OPTIONAL CALL AT 07/01/2033 EXERCISED
0%	19.6	7.7
50%	8.4	6.4
75%	6.0	5.6
100%	6.0	5.6
125%	6.0	5.6
150%	6.0	5.6
175%	6.0	5.6
200%	6.0	5.6
300%	6.0	5.6
400%	6.0	5.6
500%	4.5	4.5
600%	3.7	3.7
700%	3.3	3.3

By Lot Sinking Fund Schedule

2040 Term Bond

01/01/2038	1,700M
07/01/2038	1,740M
01/01/2039	1,780M
07/01/2039	1,820M
01/01/2040	1,860M
07/01/2040	1,905M

By Lot Sinking Fund Schedule

2045 Term Bond

01/01/2041	1,950M
07/01/2041	1,995M
01/01/2042	2,050M

07/01/2042	2,105M
01/01/2043	2,150M
07/01/2043	2,210M
01/01/2044	2,260M
07/01/2044	2,320M
01/01/2045	2,380M
07/01/2045	2,440M

By Lot Sinking Fund Schedule

2050 Term Bond

01/01/2046	2,500M
07/01/2046	2,570M
01/01/2047	2,630M
07/01/2047	2,700M
01/01/2048	2,770M
07/01/2048	2,840M
01/01/2049	2,915M
07/01/2049	2,990M
01/01/2050	3,070M
07/01/2050	3,150M

By Lot Sinking Fund Schedule

2055 Term Bond

01/01/2051	3,235M
07/01/2051	3,315M
01/01/2052	3,405M
07/01/2052	3,490M
01/01/2053	3,585M
07/01/2053	3,680M
01/01/2054	3,780M
07/01/2054	3,875M
01/01/2055	3,980M
07/01/2055	4,190M

By Lot Sinking Fund Schedule

2056 Term Bond

07/01/2026	315M
01/01/2027	325M
07/01/2027	335M
01/01/2028	350M
07/01/2028	360M
01/01/2029	370M
07/01/2029	385M
01/01/2030	395M
07/01/2030	410M
01/01/2031	425M
07/01/2031	440M
01/01/2032	455M
07/01/2032	470M
01/01/2033	485M
07/01/2033	500M
01/01/2034	520M
07/01/2034	540M
01/01/2035	560M
07/01/2035	575M
01/01/2036	595M
07/01/2036	615M
01/01/2037	635M
07/01/2037	660M

01/01/2038	675M
07/01/2038	700M
01/01/2039	725M
07/01/2039	750M
01/01/2040	775M
07/01/2040	800M
01/01/2041	830M
07/01/2041	860M
01/01/2042	885M
07/01/2042	915M
01/01/2043	950M
07/01/2043	980M
01/01/2044	1,015M
07/01/2044	1,050M
01/01/2045	1,080M
07/01/2045	1,120M
01/01/2046	1,160M
07/01/2046	1,195M
01/01/2047	1,240M
07/01/2047	1,280M
01/01/2048	1,325M
07/01/2048	1,370M
01/01/2049	1,415M
07/01/2049	1,465M
01/01/2050	1,515M
07/01/2050	1,565M
01/01/2051	1,615M
07/01/2051	1,675M
01/01/2052	1,730M
07/01/2052	1,790M
01/01/2053	1,850M
07/01/2053	1,910M
01/01/2054	1,975M
07/01/2054	2,045M
01/01/2055	2,110M
07/01/2055	2,185M
01/01/2056	2,255M

PRIORITY OF ORDERS AS FOLLOWS:
1. Net Designated
(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)
2. Member

PRIORITY POLICY:

At least 4 firm(s) must be designated.

No firm may receive more than 60.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

The Senior Manager will pay out all designations.

A "Retail" order is defined as an order placed for the account of an individual, bank trust, or investment advisor acting on behalf of an individual, with a maximum of $1,000,000 per account, or at the discretion of the Department, some larger amount.

Retail orders do not include bank portfolios, insurance companies, bond funds or municipalities. Zip Codes are required with all Retail Orders. The Manager will assume that orders for the serial maturities with the same coupon on either side can be filled in 1/1 or 7/1.

The compliance addendum MSRB Rule G-11 will apply.

****
Pursuant to MSRB Rule G-11, syndicate members and other brokers, dealers, and municipal securities dealers ("Dealers"), when submitting an order for the syndicate member or Dealer's own account or for a "related account" as defined in Rule G-11 (which includes, without limitation, proprietary orders for affiliates of the syndicate member or Dealer), must so inform RBC Capital Markets, LLC at the time any such order is submitted. The Senior Manager requests the identification of all priority orders at the time the orders are entered.
****

The Award is final for Tuesday, May 6, 2025 at 6:45PM Eastern.

Delivery is firm for Tuesday, June 10, 2025.

This issue is book entry only. This issue is clearing through DTC.

Award: 05/06/2025
Award Time: 6:45PM Eastern
Delivery: 06/10/2025 (Firm)
Initial trade: 05/07/2025
Date of Execution: 05/07/2025
Time of Execution: 1:00PM Eastern

RBC Capital Markets
Jefferies LLC
Morgan Stanley & Co. LLC
J.P. Morgan Securities LLC
Loop Capital Markets
Piper Sandler & Co
Ramirez & Co., Inc.
Wells Fargo Bank, N.A. Municipal Finance Group

By: RBC Capital Markets Chicago, IL

Email Address Date Sent

Print Email Close

SECTION 3
Financing Results

SUMMARY OF RESULTS

$187,500,000
Texas Department of Housing & Community Affairs
RMRB 2025B
Aa1/AA+
Callable @ Par 7/1/2033
Settlement Date 06/10/2025
Series 2025B Tax-Exempt Bonds

		STRUCTURE	PAR SERIALS AND TERMS PREMIUM PAC				
		SCALE DATE	FINAL PRICING				
Maturity	**Approx. Bond Size**	**Bond Type**	**CPN**	**YLD**	**Px**	**MMD Sprd**	**Takedown**
07/01/2026	1,070,000	Par Serial	**3.500%**	3.500%	100.000	+.59	2.50
01/01/2027	1,090,000	Par Serial	**3.550%**	3.550%	100.000	+.63	2.50
07/01/2027	1,110,000	Par Serial	**3.600%**	3.600%	100.000	+.68	2.50
01/01/2028	1,125,000	Par Serial	**3.650%**	3.650%	100.000	+.73	3.75
07/01/2028	1,150,000	Par Serial	**3.700%**	3.700%	100.000	+.78	3.75
01/01/2029	1,175,000	Par Serial	**3.800%**	3.800%	100.000	+.85	5.00
07/01/2029	1,195,000	Par Serial	**3.850%**	3.850%	100.000	+.90	5.00
01/01/2030	1,220,000	Par Serial	**3.875%**	3.875%	100.000	+.875	5.00
07/01/2030	1,240,000	Par Serial	**3.950%**	3.950%	100.000	+.95	5.00
01/01/2031	1,265,000	Par Serial	**4.000%**	4.000%	100.000	+.96	5.00
07/01/2031	1,290,000	Par Serial	**4.050%**	4.050%	100.000	+1.01	5.00
01/01/2032	1,315,000	Par Serial	**4.100%**	4.100%	100.000	+1.02	6.25
07/01/2032	1,340,000	Par Serial	**4.150%**	4.150%	100.000	+1.05	6.25
01/01/2033	1,370,000	Par Serial	**4.200%**	4.200%	100.000	+1.06	6.25
07/01/2033	1,400,000	Par Serial	**4.250%**	4.250%	100.000	+1.10	6.25
01/01/2034	1,425,000	Par Serial	**4.300%**	4.300%	100.000	+1.08	6.25
07/01/2034	1,455,000	Par Serial	**4.350%**	4.350%	100.000	+1.10	6.25
01/01/2035	1,485,000	Par Serial	**4.350%**	4.350%	100.000	+1.04	6.25
07/01/2035	1,520,000	Par Serial	**4.375%**	4.375%	100.000	+1.045	6.25
01/01/2036	1,555,000	Par Serial	**4.450%**	4.450%	100.000	+1.04	6.25
07/01/2036	1,590,000	Par Serial	**4.450%**	4.450%	100.000	+1.02	6.25
01/01/2037	1,625,000	Par Serial	**4.500%**	4.500%	100.000	+1.01	6.25
07/01/2037	1,655,000	Par Serial	**4.500%**	4.500%	100.000	+.99	6.25
07/01/2040	10,805,000	Par Term	**4.650%**	4.650%	100.000	+.90	6.25
07/01/2045	21,860,000	Par Term	**4.900%**	4.900%	100.000	+.73	6.25
07/01/2050	28,135,000	Par Term	**5.000%**	5.000%	100.000	+.67	6.25
07/01/2055	36,535,000	Par Term	**5.050%**	5.050%	100.000	+.65	6.25
PAC Bonds		75% - 400%	CPN	YLD	Px	MMD Sprd	
01/01/2056	59,500,000	6.0 year PAC	**6.000%**	**4.06%**	110.077	+1.02	**5.00**
TOTAL	**187,500,000**						**1,070,318.75**

RBC Capital Markets

$62,500,000 Texas Department of Housing & Community Affairs RMRB 2024B Aa1/AA+ Callable @ Par 7/1/2033 Settlement Date 06/10/2025 Series 2025C TAXABLE BONDS							
STRUCTURE			**PAR SERIALS/TERMS/PREM PAC**				
SCALE DATE			**FINAL PRICING**				
Maturity	**Approx. Bond Size**	**Bond Type**	CPN	YLD	BENCH MARK	TSY SPD	TAKE DOWN
07/01/2026	430,000	Serial	**4.299%**	4.299%	2yr	+.51	2.50
01/01/2027	440,000	Serial	**4.299%**	4.299%	2yr	+.51	2.50
07/01/2027	450,000	Serial	**4.359%**	4.359%	2yr	+.57	2.50
01/01/2028	460,000	Serial	**4.352%**	4.352%	3yr	+.58	3.75
07/01/2028	470,000	Serial	**4.392%**	4.392%	3yr	+.62	3.75
01/01/2029	480,000	Serial	**4.499%**	4.499%	5yr	+.60	5.00
07/01/2029	490,000	Serial	**4.519%**	4.519%	5yr	+.62	5.00
01/01/2030	505,000	Serial	**4.579%**	4.579%	5yr	+.68	5.00
07/01/2030	515,000	Serial	**4.649%**	4.649%	5yr	+.75	5.00
01/01/2031	530,000	Serial	**4.781%**	4.781%	7yr	+.68	5.00
07/01/2031	540,000	Serial	**4.851%**	4.851%	7yr	+.75	5.00
01/01/2032	555,000	Serial	**4.881%**	4.881%	7yr	+.78	6.25
07/01/2032	570,000	Serial	**4.931%**	4.931%	7yr	+.83	6.25
07/01/2037	6,635,000	Term	**5.416%**	5.416%	10yr	+1.10	6.25
07/01/2040	4,980,000	Term	**5.796%**	5.796%	10r	+1.48	6.25
07/01/2045	10,560,000	Term	**6.047%**	6.047%	OLB	+1.21	6.25
01/01/2050	12,500,000	Term	**6.067%**	6.067%	OLB	+1.23	6.25
PAC Bonds		**75% - 400%**	**CPN**	**YLD**	**Px**		
07/01/2055	21,390,000	5.0 Year Pac	**6.250%**	5.029%	105.22	+1.13	5.00
TOTAL	**62,500,000**						**$352,787.50**

RBC Capital Markets

SECTION 4
Order Book

2025B DESIGNATIONS BY SYNDICATE MEMBER ($000s)

SYNDICATE MEMBER	MEMBER ORDER REVENUE	NET DESIGNATIONS	TOTAL
RBC Capital Markets	$93,056	$517,383	$610,439
Jefferies LLC	0	67,237	67,237
Morgan Stanley	50,813	57,681	108,494
J.P. Morgan	37,969	79,844	117,812
Loop Capital Markets	0	33,118	33,118
Piper Sandler & Co.	0	27,433	27,433
Ramirez & Co.	20,969	7,405	28,374
Wells Fargo	4,869	72,544	77,413
Total: ($M)	**$207,675**	**$862,644**	**$1,070,319**

2025C DESIGNATIONS BY SYNDICATE MEMBER ($000s)

SYNDICATE MEMBER	MEMBER ORDER REVENUE	NET DESIGNATIONS	TOTAL
RBC Capital Markets	$0.00	$211,548	$211,548
Jefferies LLC	0.00	32,497	32,497
Morgan Stanley	0.00	22,865	22,865
J.P. Morgan	0.00	19,515	19,515
Loop Capital Markets	0.00	17,040	17,040
Piper Sandler & Co.	0.00	21,217	21,217
Ramirez & Co.	0.00	14,748	14,748
Wells Fargo	0.00	13,358	13,358
Total: ($M)	**$0.00**	**$352,788**	**$352,788**

ORDERS AND ALLOTMENTS BY MATURITY ($000s)											
SERIES 2025B		RETAIL - TEXAS		RETAIL- NATIONAL		INSTITUTIONAL		MEMBER		TOTAL	
Maturity	Total Bonds ($M)	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS
07/01/2026	1,070	1,070	1,040	875	0	30	30	0	0	1,975	1,070
01/01/2027	1,090	0	0	575	575	150	150	365	365	1,090	1,090
07/01/2027	1,110	0	0	1,210	1,110	0	0	0	0	1,210	1,110
01/01/2028	1,125	0	0	0	0	1,125	1,125	0	0	1,125	1,125
07/01/2028	1,150	0	0	615	615	1,150	0	535	535	2,300	1,150
01/01/2029	1,175	0	0	100	100	1,175	1,075	0	0	1,275	1,175
07/01/2029	1,195	0	0	200	200	1,195	995	0	0	1,395	1,195
01/01/2030	1,220	0	0	3,460	1,220	0	0	0	0	3,460	1,220
07/01/2030	1,240	0	0	1,930	1,240	0	0	0	0	1,930	1,240
01/01/2031	1,265	0	0	1,345	1,265	0	0	0	0	1,345	1,265
07/01/2031	1,290	0	0	1,675	1,240	100	50	0	0	1,775	1,290
01/01/2032	1,315	0	0	225	225	1,315	1,090	0	0	1,540	1,315
07/01/2032	1,340	0	0	145	145	0	0	1,195	1,195	1,340	1,340
01/01/2033	1,370	0	0	0	0	0	0	1,370	1,370	1,370	1,370
07/01/2033	1,400	0	0	290	290	500	500	610	610	1,400	1,400
01/01/2034	1,425	0	0	0	0	1,425	1,425	0	0	1,425	1,425
07/01/2034	1,455	100	100	240	240	1,910	1,115	0	0	2,250	1,455
01/01/2035	1,485	0	0	2,970	745	1,480	740	740	0	5,190	1,485
07/01/2035	1,520	35	35	2,040	765	1,260	720	760	0	4,095	1,520
01/01/2036	1,555	1,755	1,555	300	0	0	0	775	0	2,830	1,555
07/01/2036	1,590	1,670	1,590	10	0	0	0	795	0	2,475	1,590
01/01/2037	1,625	0	0	1,135	1,135	0	0	1,300	490	2,435	1,625
07/01/2037	1,655	0	0	1,325	1,325	0	0	1,155	330	2,480	1,655
07/01/2040	10,805	95	95	975	975	10,305	9,735	5,000	0	16,375	10,805
07/01/2045	21,860	640	640	1,340	1,340	33,370	19,880	5,000	0	40,350	21,860
07/01/2050	28,135	850	850	1,435	1,435	80,800	25,850	3,500	0	86,585	28,135
07/01/2055	36,535	1,555	1,555	8,080	8,080	86,875	26,900	18,500	0	115,010	36,535
01/01/2056	59,500	0	0	0	0	80,200	59,500	35,000	0	115,200	59,500
Total: ($M)	**187,500**	**7,770**	**7,460**	**32,495**	**24,265**	**304,365**	**150,880**	**76,600**	**4,895**	**421,230**	**187,500**

ORDERS AND ALLOTMENTS BY MANAGER ($000s)										
SERIES 2025B	RETAIL - TEXAS		RETAIL- NATIONAL		INSTITUTIONAL		MEMBER		TOTAL	
Maturity	ORDERS	ALLOT-MENTS	ORDERS	ALLOT-MENTS	ORDERS	ALLOT-MENTS	ORDERS	ALLOT-MENTS	ORDERS	ALLOT-MENTS
RBC Capital Markets	5,025	4,760	17,580	11,305	304,240	150,805	1,720	1,720	328,565	168,590
Jefferies, LLC	0	0	0	0	0	0	20,000	0	20,000	0
Morgan Stanley	2,245	2,245	6,465	5,915	0	0	1,000	0	9,710	8,160
J.P. Morgan	500	455	6,375	5,940	125	75	3,000	0	10,000	6,470
Loop Capital	0	0	0	0	0	0	7,705	0	7,705	0
Piper Sandler & Co.	0	0	0	0	0	0	0	0	0	0
Ramirez & Co.	0	0	300	250	0	0	23,175	3,175	23,475	3,425
Wells Fargo	0	0	1,775	855	0	0	20,000	0	21,775	855
Total: ($M)	**7,770**	**7,460**	**32,495**	**24,265**	**304,365**	**150,880**	**76,600**	**4,895**	**421,230**	**187,500**

ORDERS AND ALLOTMENTS BY MATURITY ($000s)											
SERIES 2025C		RETAIL - TEXAS		RETAIL- NATIONAL		INSTITUTIONAL		MEMBER		TOTAL	
Maturity	Total Bonds ($M)	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS
07/01/2026	430					1,720	430			1,720	430
01/01/2027	440					1,760	440			1,760	440
07/01/2027	450					1,350	450			1,350	450
01/01/2028	460					920	460			920	460
07/01/2028	470					1,410	470			1,410	470
01/01/2029	480					2,595	480			2,595	480
07/01/2029	490					1,595	490			1,595	490
01/01/2030	505					1,010	505			1,010	505
07/01/2030	515					665	515			665	515
01/01/2031	530					1,135	530			1,135	530
07/01/2031	540					565	540			565	540
01/01/2032	555					1,180	555			1,180	555
07/01/2032	570					1,165	570			1,165	570
07/01/2037	6,635					7,135	6,635			7,135	6,635
07/01/2040	4,980					12,480	4,980			12,480	4,980
07/01/2045	10,560					45,515	10,560	6,000		51,515	10,560
01/01/2050	12,500					63,750	12,500	15,000		78,750	12,500
07/01/2055	21,390					43,080	21,390	8,500		51,580	21,390
Total: ($M)	**62,500**	**0**	**0**	**0**	**0**	**189,030**	**62,500**	**29,500**	**0**	**218,530**	**62,500**

ORDERS AND ALLOTMENTS BY MANAGER ($000s)										
SERIES 2025C	RETAIL - TEXAS		RETAIL- NATIONAL		INSTITUTIONAL		MEMBER		TOTAL	
Maturity	ORDERS	ALLOT-MENTS	ORDERS	ALLOT-MENTS	ORDERS	ALLOT-MENTS	ORDERS	ALLOT-MENTS	ORDERS	ALLOT-MENTS
RBC Capital Markets	0	0	0	0	188,730	62,450	0	0	188,730	62,450
Jefferies, LLC	0	0	0	0	0	0	0	0	0	0
Morgan Stanley	0	0	0	0	250	0	9,500	0	9,750	0
J.P. Morgan	0	0	0	0	50	50	3,000	0	3,050	50
Loop Capital	0	0	0	0	0	0	3,000	0	3,000	0
Piper Sandler & Co.	0	0	0	0	0	0	0	0	0	0
Ramirez & Co.	0	0	0	0	0	0	4,000	0	4,000	0
Wells Fargo	0	0	0	0	0	0	10,000	0	10,000	0
Total: ($M)	**0**	**0**	**0**	**0**	**189,030**	**62,500**	**29,500**	**0**	**218,530**	**62,500**

SECTION 5
Rating Reports

S&P Global Ratings

11511 Luna Road
Suite 500
Farmers Branch, TX 75234
tel (214) 871-1400
reference no.: 1849829

April 11, 2025

Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78701
Attention: Scott Fletcher, Director of Bond Finance

Re: ***US$62,500,000 Texas Department Of Housing & Community Affairs, Residential Mortgage Revenue Bonds, 2025 Series C***

Dear Scott Fletcher

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA+" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

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S&P Global Ratings

S&P Global Ratings
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S&P Global Ratings

11511 Luna Road
Suite 500
Farmers Branch, TX 75234
tel (214) 871-1400
reference no.: 40502881

April 11, 2025

Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78701
Attention: Scott Fletcher, Director of Bond Finance

Re: ***Texas Department Of Housing & Community Affairs Residential Mortgage Revenue Bonds***

Dear Scott Fletcher
S&P Global Ratings hereby affirms its rating of "AA+" for the above-referenced obligations and stable outlook. A copy of the rationale supporting the rating and outlook is enclosed.
This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

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Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

bc
enclosure

cc: ***Monica Galuski, Director of Bond Finance***
Texas Department of Housing & Community Affairs

S&P Global Ratings

S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

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S&P Global
Ratings

11511 Luna Road
Suite 500
Farmers Branch, TX 75234
tel (214) 871-1400
reference no.: 1849828

April 11, 2025

Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78701
Attention: Scott Fletcher, Director of Bond Finance

Re: ***US$187,500,000 Texas Department Of Housing & Community Affairs, Residential Mortgage Revenue Bonds, 2025 Series B***

Dear Scott Fletcher

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA+" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

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S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

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S&P Global Ratings

S&P Global Ratings
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S&P Global
Ratings

RatingsDirect®

Texas Department of Housing & Community Affairs; Multifamily Multiple MBS; Single Family Multiple MBS

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Table Of Contents

Texas Department of Housing & Community Affairs; Multifamily Multiple MBS; Single Family Multiple MBS

Credit Profile		
US$187.5 mil residential mtg rev bnds ser 2025 B due 06/01/2056		
Long Term Rating	AA+/Stable	New
US$62.5 mil residential mtg rev bnds ser 2025 C due 06/01/2056		
Long Term Rating	AA+/Stable	New
Texas Dept of Hsg & Comnty Affairs single fam mtg rev rfdg bnds ser 2020B due 09/01/2050		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs Texas Dept of Hsg & Comnty Affairs resid mtg rev bnds ser 88A		
Long Term Rating	AA+/Stable	Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'AA+' rating to Texas Department of Housing & Community Affairs' (TDHCA) $187.5 million series 2025B and $62.5 million series 2025C residential mortgage revenue bonds (RMRBs).
- At the same time, S&P Global Ratings affirmed its 'AA+' rating on TDHCA's parity debt under the RMRB indenture.
- The outlook is stable.

Security

Bonds issued within the RMRB indenture are limited obligations of TDHCA, payable solely from revenue, assets, and money pledged under the master indenture on a parity basis with parity obligations outstanding under the master indenture.

Pledged assets include revenue, mortgages, mortgage loans, investment securities, money held in the funds (excluding the rebate fund), and other property held under the trust estate. The trust estate currently includes mortgage certificates purchased with prior bond proceeds, guaranteed by Ginnie Mae or Fannie Mae.

According to preliminary transaction documents, TDHCA will use bond proceeds to purchase mortgage-backed securities (MBS), fund loans for down payment and closing cost assistance, pay lender compensation related to mortgage loans, and repay Federal Home Loan Bank of Dallas advances to provide funds for the purchase of MBS and down-payment assistance loans. Ginnie Mae will guarantee the MBS as to timely principal and interest payments.

The bonds will bear interest payable semiannually on Jan. 1 and July 1, starting Jan. 1, 2026. Bonds are subject to special, optional, and mandatory sinking fund redemptions, as described in transaction documents.

Credit overview

The rating reflects our view of the program's:

- Legal framework that links duties of key transaction parties with the program's proper execution, in alignment with our criteria, coupled with no bankruptcy or other legal risks identified;
- Program management and operational risk assessment, which we consider neutral;
- Overcollateralization and cash flow capable of withstanding our projected loss assumptions based on the asset pool's credit quality in all provided cash-flow stress scenarios, with a minimum stressed projected asset-to-liability parity ratio of 101.3%;
- Sufficient liquidity to cover short-term disruptions in asset cash flows; and
- Market position characteristics in line with the national housing market.

Environmental, social, and governance

We have analyzed the program's environmental, social, and governance (ESG) risks and opportunities relative to the legal framework, program management and operational risk, asset pool's credit quality, cash flow analysis, liquidity, and market position. We view ESG risks for the program as neutral in our credit analysis.

Outlook

The stable outlook reflects S&P Global Ratings' opinion of the credit quality of the underlying MBS assets, supported by Ginnie Mae and Fannie Mae, and S&P Global Ratings' assessment of program management and operational risk. In addition, we expect our market position modifier assessment will remain neutral.

Downside scenario

We could lower the rating or revise the outlook to negative if our assessment of program management and operational risk were to change due to negative assessments or if the credit quality of the underlying assets were to deteriorate.

Upside scenario

Alternatively, with all other program rating factors remaining the same or improving, we could raise the rating or revise the outlook to positive if consolidated cash flows were to reflect stressed reinvestment rates in line with the 'AAA' rating requirement while TDHCA meets overcollateralization thresholds and requirements to be rated above the sovereign.

Credit Opinion

Legal Framework Analysis

We have analyzed the program's legal framework, which links the duties of key transaction parties with the program's proper execution. One of the resolution's events of default includes TDHCA filing for bankruptcy. This indenture and TDHCA's single-family mortgage revenue bonds indenture are TDHCA's main vehicle for financing affordable single-family homeownership. We believe TDHCA has an incentive not to file for bankruptcy due to the necessity of the service it provides and its continued need to access financial markets on favorable terms.

Program Management And Operational Risk

Our program management and operational risk analysis considers five factors, which we assess as neutral or negative:

- Program strategy and governance,
- Loan origination and monitoring,
- Asset and liability management,
- Liquidity risk management, and
- Counterparty risk management.

In our view, TDHCA has an active role in the general oversight of the housing bond resolution, as well as the ongoing management of these risks. Our assessment of TDHCA's program management and operational risk is neutral, resulting in no anchor cap.

Program strategy and governance

We believe TDHCA's program strategy and governance is a neutral credit factor in our analysis. TDHCA has a five-year strategic plan with multiyear financial and capital projections. It maintains detailed organizational charts and written workforce planning goals and objectives. TDHCA updates this plan annually, most recently for fiscal years 2023-2027. TDHCA also provides an annual Texas low-income housing plan and annual report that provides an overview of statewide housing needs; it also reports on the administration, funding, performance measures, and distribution of TDHCA's resources from the previous fiscal year. The state agency is transparent, with disclosures with timely information statements throughout the fiscal year for each of the three bond programs.

We view TDHCA staff as highly competent, well trained, and proactive in addressing key issues. A seven-member board, appointed by the governor and confirmed by the Texas Senate, governs TDHCA. Members hold office for staggered terms, with the terms of either two members or three members expiring on January 31 of each odd-numbered year. TDHCA oversees the executive director as well as the deputy executive directors of administration, program controls and oversight, bond finance, external affairs, programs, and general counsel.

Loan origination and monitoring

TDHCA is transparent about its expectations from borrowers. TDHCA posts its loan closing standards, insurance requirements, and additional documents on its website. Origination standards are in line with MBS resolution peers, complying with Federal Housing Administration, Veterans' Administration, U.S. Department of Agriculture, and Fannie Mae housing finance agency preferred guidelines.

Asset/liability management

TDHCA has demonstrated a long history of limited asset-to-liability ratio volatility, leading to stable overall parity. Cash flows, with a basis date of July 1, 2024, demonstrate an opening parity of 103.2%. Due to TDHCA's entirely fixed-rate loan and debt portfolio, we believe there is not a significant mismatch of maturities or the presence of interest rate risk beyond what cash flow captures.

Liquidity risk management

TDHCA maintains a relatively conservative investment profile, which is sufficient to support liquidity needs, especially if permitted investments do not allow TDHCA to invest in any security that would adversely affect the current bond rating.

Counterparty risk management

Since TDHCA maintains a 100% fixed-rate debt portfolio, the indenture has limited exposure to swap counterparties. Specific resolution investments are limited to highly liquid and rated securities.

Credit Quality Of The Asset Pool

The resolution is solely backed by single-family loans guaranteed by a U.S. federal agency, such as Ginnie Mae, and a U.S. government-sponsored enterprise, such as Fannie Mae and Freddie Mac.

Cash Flow Analysis

We have reviewed program cash flows, including stress scenarios, and determined that overcollateralization, measured by the minimum asset-to-liability parity ratio, is sufficient to cover credit losses and cash flow stress scenarios up to an anchor of 'aa+'.

Anchor, Modifiers, And Holistic Analysis

Our analysis of the program's legal framework, program management and operational risk, credit quality, and cash flow results in an anchor of 'aa+'.

We note the indenture does not establish a debt service reserve requirement. Because we consider liquidity risk mitigated for MBS, we have applied no modifier based on our assessment of the availability of liquid reserves to cover debt service through short-term cash flow disruptions.

Applying our holistic analysis, after applicable modifiers and caps, results in no effect on the rating.

Other Applicable Criteria And Final Rating

We did not use any other applicable criteria to derive the final program rating of 'AA+'.

Table 1

MRB Program Rating Summary	
Legal framework	No cap
Program management and operational risk	No cap
Cash flow analysis	
Overcollateralization	GE/GSE rating (aa+)
Stressed cash flows	aa+

Table 1

MRB Program Rating Summary (cont.)	
Hedging risk	Not applicable
HFA general obligation pledge	Not applicable
Anchor	
Anchor	aa+
Modifiers and holistic analysis	
Liquidity reserves	No modifier
Market position	No modifier
Holistic analysis	No modifier
Stand-alone credit profile	
SACP	aa+
Other applicable criteria	No cap
Final	
Final rating	AA+

N/A--Not applicable.

Table 2

Program Summary & Assumptions

	Oct. 31, 2024	Jan. 1, 2024	July 1, 2023
Program assets (% of balance)			
Single-family MBS	100.00	100.00	100.00
Debt & derivative summary (% of balance)			
Fixed-rate debt (% of balance)	100.00	100.00	100.00
Single-family program assumptions			
No. of loans in portfolio	6,407.00	5,262.00	4,249.00
Total loan balance ($000s)	1,305,522.69	1,040,747.67	801,123.00
Insurance/guarantees			
Ginnie Mae (% of balance)	99.68	99.58	99.39
Fannie Mae (% of balance)	0.32	0.42	0.61

Table 3

Overcollateralization

	2025 BC	2025 A	2024 CD
Opening asset/liability parity (%)	103.15	103.15	102.88
Minimum asset/liability parity (%)	101.32	102.26	102.19
Total projected credit loss (%)*	0.00	0.00	0.00
Loss/liabilities (%)	0.00	0.00	0.00
Net asset/liability parity, after losses (%)	101.32	102.26	102.19

*At the highest rating level at which the MRB program's available overcollateralization is sufficient to cover.

Ratings Detail (As Of April 11, 2025)

Ratings Detail (As Of April 11, 2025) (cont.)		
Texas Department of Housing & Community Affairs residential mtg rev bnds		
Long Term Rating	AA+/Stable	Affirmed
Texas Department of Housing & Community Affairs residential mtg rev bnds		
Long Term Rating	AA+/Stable	Affirmed
Texas Department of Housing & Community Affairs residential mtg rev bnds		
Long Term Rating	AA+/Stable	Affirmed
Texas Department of Housing & Community Affairs residential mtg rev bnds ser 2023B due 01/01/2054		
Long Term Rating	AA+/Stable	Affirmed
Texas Department of Housing & Community Affairs residential mtg rev bnds ser 2023C due 07/01/2053		
Long Term Rating	AA+/Stable	Affirmed
Texas Department of Housing & Community Affairs residential mtg rev bnds ser 2025A due 07/01/2055		
Long Term Rating	AA+/Stable	Affirmed
Texas Department of Housing & Community Affairs residential mtg rev bnds (non-amt)		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs residential mtg rev bnds		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs residential mtg rev bnds		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs residential mtg rev bnds ser 2021A due 01/01/2052		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs residential mtg rev bnds ser 2021B due 07/01/2042		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs residential mtg rev bnds (non-amt) ser 2023A due 07/01/2053		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs residential mtg rev bnds (Non-AMT) (Social Bonds) ser 2022B due 07/01/2034		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs resid mtg rev bnds ser 1998A dtd 11/01/1998 due 01/01 & 07/01/2003-2010 07/01/2002 2018 2029 2030 & 01/01/2030 2031		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs resid mtg rev bnds ser 2001AB&C dtd 10/01/2001 due 01/01/2003-2012 2033 & 07/01/2015-2016 2022 2033		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam bnds ser 2009A dtd 08/18/2009 due 01/01/2012-2019 2039 07/01/2011-2019 2024 2029 2034 2039		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam bnds ser 2009C-3 due 07/01/2041		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam mtg rev bnds ser 2020A due 09/01/2050		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam mtg rev rfdg bnds		
Long Term Rating	AA+/Stable	Affirmed

Ratings Detail (As Of April 11, 2025) (cont.)		
Texas Dept of Hsg & Comnty Affairs SFMULTMBS		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs (Resid Mtg Rev Bnd Trust Indenture)		
Long Term Rating	AA+/Stable	Affirmed

MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns Aaa to TDHCA's Residential Mortgage Revenue Bonds Series 2025B&C; outlook negative

11 Apr 2025

New York, April 11, 2025 -- Moody's Ratings (Moody's) has assigned a rating of Aaa to the proposed Texas Department of Housing and Community Affairs' (TDHCA) $187.5 million Residential Mortgage Revenue Bonds, Series 2025B (Tax-Exempt)(Non-AMT) and $62.5 million Residential Mortgage Revenue Bonds, Series 2025C (Taxable). We also maintain Aaa ratings on all outstanding parity debt issued under the Residential Mortgage Revenue Bonds (RMRB) Indenture. The outlook is negative.

RATINGS RATIONALE

The Aaa rating reflects that the RMRB indenture's solid financial performance will continue, as evidenced by its 1.14x (1.03x excluding all second lien loans) program asset-to-debt ratio (PADR), solid though variable margins (8% in fiscal year 2024), and a first lien loan portfolio consisting of high quality Government National Mortgage Association (Ginnie Mae) and Federal National Mortgage Association (Fannie Mae; Aaa negative) mortgage-backed securities (MBS). The strong credit quality is further supported by the RMRB indenture's sound legal structure, cash flow projections that demonstrate sufficiency under all Moody's stress case scenarios and solid management. The active issuance in the RMRB program will likely result in future PADR dilution and pressure on margins, however, the full-spread MBS previously added to the portfolio will boost income.

RATING OUTLOOK

The negative outlook mirrors that of the US Government rating, highlighting the RMRB program's reliance on the US Government as a counterparty for its first lien loan portfolio and the program's 1.03x PADR excluding second lien loans.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Downgrade of the US government rating with stable or declining RMRB program PADR ratios and/or margins

- Continued decline in PADR to below current levels combined with a significant and sustained decline in margins

- Cashflow projections that demonstrate insufficiency

LEGAL SECURITY

RMRB program bonds are special, limited obligations of TDHCA and are secured by MBS, mortgage loans, and all reserves and other assets under the indenture. As of December 31, 2024, there were approximately $1.5 billion of program bonds outstanding.

USE OF PROCEEDS

Proceeds of the Series 2025B and Series 2025C bonds are expected to be primarily used to directly or indirectly through volume cap recycling purchase Ginnie Mae MBS backed by pools of qualifying mortgages, to fund loans for down payment and closing cost assistance, and to pay lender compensation related to the mortgage loans.

PROFILE

The RMRB program was established in 1987. The proceeds of bonds issued under this indenture are used to finance mortgage loans to low and moderate income persons in the State of Texas. All RMRB program bonds are secured equally by all of the mortgage loans and other assets under the indenture.

METHODOLOGY

The principal methodology used in these ratings was US Housing Finance Agency Single-Family Housing published in October 2024 and available at https://ratings.moodys.com/rmc-documents/430701 . Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions .

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MOODY'S RATINGS

CREDIT OPINION

21 May 2025

Send Your Feedback

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Texas DHCA - Residential Mtge. Rev. Bd. Prog.

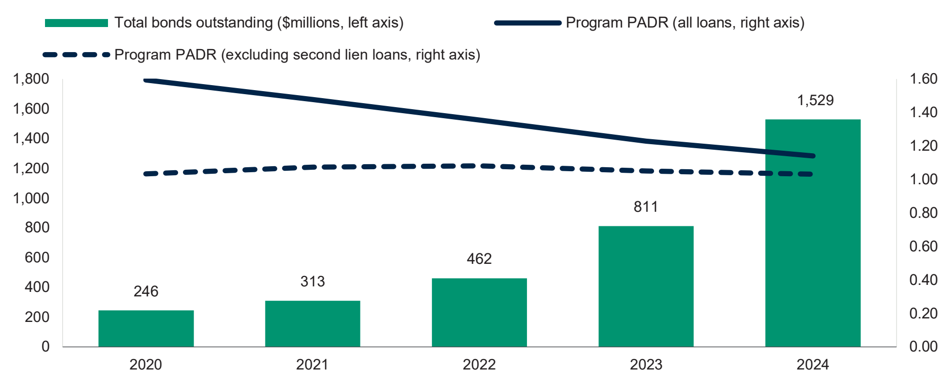
Update to credit analysis following downgrade and change in outlook to stable

Summary

The Texas Department of Housing and Community Affairs (TDHCA or Department) Residential Mortgage Revenue Bonds (RMRB; Aa1 stable) will continue to maintain its strong credit quality despite the weakening of counterparty credit quality in its loan portfolio due to the buffer provided by the program asset-to-debt ratio (PADR) of 1.14x (1.03x excluding all second lien loans) and solid though variable margins (8% in fiscal year 2024). The first lien loan portfolio consists of mortgage-backed securities (MBS), which compliments the program's sound legal structure, cash flow projections that demonstrate sufficiency under all Moody's stress case scenarios, and the oversight of a solid management team. However, given the loan portfolio's reliance on federal guarantees for its MBS, its credit quality is closely tied to the credit quality of the US government (Aa1 stable). Furthermore, the program's asset-to-debt ratio has declined in recent years due to strong issuance. Continued active issuance will likely result in future PADR dilution and pressure on margins, however, the full-spread MBS previously added to the portfolio will boost income.

Exhibit 1

PADR will remain adequate to absorb costs from continued strong issuance



Source: Texas Department of Housing and Community Affairs audited financial statement with Moody's adjustments.

Credit strengths

» Solid PADR ratio for a fully MBS program of 1.14x (1.03x excluding second lien loans) as of August 31, 2024.

» Solid margins, which were 8% in fiscal year 2024.

» High quality collateral consisting of MBS.

Credit challenges

» Program issuance has increased significantly in recent years. This continuing trend will lead to future PADR dilution. However, the ratio will remain solid.

» There is a high percentage of second lien loans in the indenture, which have a higher expected loss than first lien loans. However, this risk is partially offset by over-collateralization and the entirety of the first lien loan portfolio consisting of MBS.

» Significant counterparty exposure to the US government.

Rating outlook

The stable outlook mirrors that of the US government rating. It also reflects RMRB's solid over-collateralization buffer and margins.

Factors that could lead to an upgrade

» Upgrade of the US government rating.

» Material improvement in PADR and/or margins

Factors that could lead to a downgrade

» Downgrade of the US government rating with stable or declining PADR ratios and/or margins.

» Material decline in PADR and/or a significant and sustained decline in margins.

» Increased risk in the program in the form of variable rate debt or counterparty risk.

Key indicators

Exhibit 2

TDHCA RMRB Program

(fiscal year)	2020	2021	2022	2023	2024
Total bonds outstanding ($000)	246,075	312,529	462,286	811,480	1,529,497
Asset-to-debt ratio (all loans)	1.59	1.48	1.36	1.23	1.14
Asset-to-debt ratio (excluding second lien loans)	1.03	1.07	1.08	1.05	1.03
Margins	45%	28%	-2%	14%	8%
Variable rate debt as a % of total bonds	0%	0%	0%	0%	0%

Source: Moody's Ratings and TDHCA.

Profile

The RMRB Program was established in 1987. The proceeds of bonds issued under this indenture are used to finance mortgage loans to low and moderate income persons in the State of Texas. All RMRB bonds are secured equally by all of the mortgage loans and other assets under the indenture.

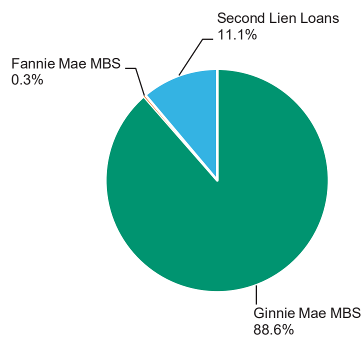
Detailed credit considerations

Loan portfolio: securitized mortgage portfolio reduces potential loan loss

Excluding second lien loans, the portfolio is comprised solely of securitized loans and almost exclusively Government National Mortgage Association (Ginnie Mae) MBS with a small portion of (Federal National Mortgage Association) Fannie Mae MBS as of December 31, 2024. Despite the downgrade of the US government, the MBS provide significant security since they guarantee full and timely payment of loan principal and interest regardless of the actual performance of the underlying loans. As a result, the MBS protect the RMRB from cash flow disruptions and losses related to loan defaults. The program's loan portfolio also includes significant down payment assistance (DPA) second lien loans related to both the RMRB as well as the Department's Taxable Mortgage Program (TMP; their TBA program). 92% of the second lien loans are zero percent, non-amortizing DPA loans with a thirty-year term that are due on sale, refinance, or repayment of the first lien. The remaining (8% as of year end 2024) second lien loans are zero percent, non-amortizing DPA loans that are forgivable after three years.

Exhibit 3

Though second lien loans comprise 11% of portfolio loans, first lien loans consist solely of MBS
(As of December 31, 2024)

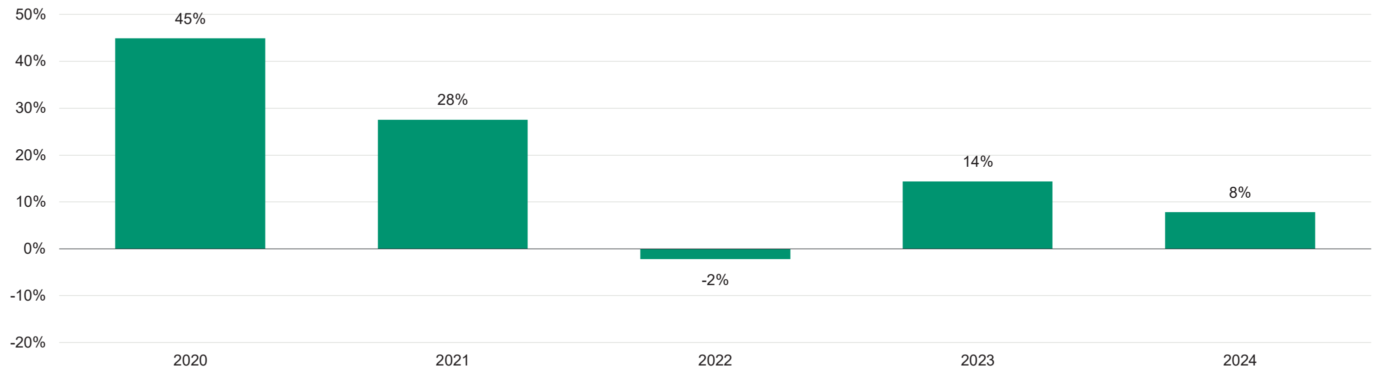


Source: TDHCA.

Financial position and performance: solid PADR and margins supports ongoing strong bond issuance

While we expect continued leveraging in fiscal year 2025 to drive down the PADR and margins, the program will remain financially strong. Audited financial statements as of August 31, 2024 indicate a solid adjusted PADR of 1.14x (1.03x excluding second lien loans). Program margins, which were 8% in fiscal year 2024, continue to drive up program equity and liquidity. Investment income will help offset future bond issuance costs. Margins, however, vary with a three-year average margin of 6.7% and a five-year average margin of 18%. The RMRB indenture will continue to fund TBA activity, which is a key factor contributing to margin variability. When TBA sales are funded under the RMRB indenture, the indenture receives the TBA settlement premium, pays various TBA related expenses/ reimbursements and holds the TBA DPA second lien loans associated with the sale on its balance sheet. Under TDHCA's new servicing arrangement with The Money Source, the RMRB indenture will also receive an upfront servicing release premium for both TBA-financed loans and bond-financed loans. The Money Source will service all TDHCA loans going forward. Because the indenture will no longer receive excess servicing fees through the life of any loans serviced by The Money Source, this new servicing strategy will decrease indenture reliance on excess servicing fees that are affected by loan prepayment speeds.

Exhibit 4
Margins will remain solid but variable; affected by TBA funding activities



Source: Texas Department of Housing and Community Affairs audited financial statement with Moody's adjustments.

Liquidity: cash flow projections demonstrate full and timely payments at all times

Consolidated cash flow projections demonstrate that the program exhibits sufficient liquidity to meet debt service obligations under all Moody's stress scenarios. Cash flow projections included 15%, 100% and 500% prepayment scenarios, as well as non-origination run scenarios.

Debt structure

The program has a conservative, fully fixed rate debt structure.

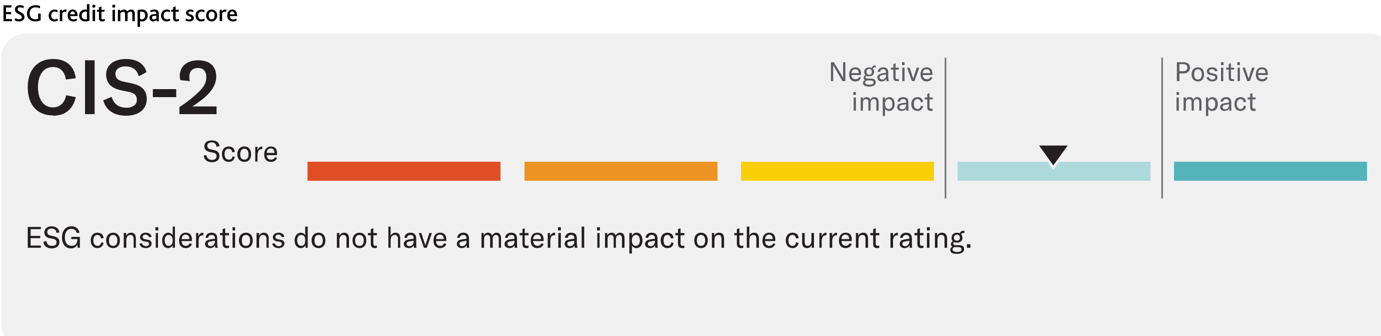
Debt-related derivatives

The program currently has no debt-related derivatives.

ESG considerations

Texas DHCA - Residential Mtge. Rev. Bd. Prog.'s ESG credit impact score is CIS-2

Exhibit 5
ESG credit impact score



Source: Moody's Ratings

Texas DHCA - Residential Mortgage Revenue Bonds (TDHCA RMRB) ESG credit impact score is neutral-to-low (**CIS-2**), reflecting neutral-to-low exposure to social and governance risks, with moderately negative exposure to environmental risks. TDHCA RMRB's exposure to physical climate risks is mitigated by the 100% mortgage-backed securities (MBS) composition of its first lien portfolio.

Exhibit 6
ESG issuer profile scores

Source: Moody's Ratings

Environmental

TDHCA RMRB's environmental issuer profile score is moderately negative (**E-3**). TDHCA RMRB is moderately exposed to physical climate risk, especially water stress and hurricanes. Water stress, the projected change in drought-like patterns, is Texas's most severe climate exposure based on Moody's ESG Solutions data. Nearly 80% of Texas' counties (203 of 254) are classified as high risk or “red flag” counties, meaning they are exposed or highly exposed to scarce water resources today and those exposures are increasing. To mitigate its water stress risk, the state has issued debt through the Texas Water Development Board (TWDB) since the 1950s to finance a variety of water conservation and supply projects. Various local governments also issue debt related to water exposure mitigation. High exposure to hurricane risk reflects a smaller number of counties but more than one-third of state GDP.

Social

TDHCA RMRB's social issuer profile score is neutral-to-low (**S-2**). Consistent with the rest of the HFA sector, TDHCA has a mission to provide affordable housing within the state which guides its lending strategy and its relationships with borrowers and other government entities. These fair lending practices and strong relationships lead to high scores within the HFA sector for both responsible production and customer relations. TDHCA has neutral-to-low exposure in the rest of our social risk categories, supported by moderately low unemployment and relative affordability of housing in the state. These factors have helped TDHCA maintain its healthy loan origination to fulfill its mission.

Governance

TDHCA RMRB's governance risk is neutral-to-low (**G-2**). TDHCA's management team has a strong track record of advancing its mission of expanding and preserving the stock of affordable housing while maintaining a sound financial profile. TDHCA's successful record of risk management and well-established governance practices are evidenced by the maintenance of healthy margins and a solid balance sheet with single family revenue bond program portfolios that are 100% MBS. Though TDHCA is a department of the State, it has a track record of balancing mission and interest of bondholders.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

REPORT NUMBER 1446943

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1076 **Agenda Date:** 7/10/2025 **Agenda #:** 5.

Presentation, discussion, and possible action on the 2025-2029 State of Texas Consolidated Plan

RECOMMENDED ACTION

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires the submission of a five-year Consolidated Plan in accordance with 24 CFR §91.520;

WHEREAS, the Texas Department of Housing and Community Affairs (TDHCA) along with the Texas Department of Agriculture (TDA) and the Texas Department of State Health Services (DSHS) have developed the 2025-2029 State of Texas Consolidated Plan (Plan);

WHEREAS, the Plan covers five HUD-funded programs: the HOME Investment Partnerships Program (HOME), the Emergency Solutions Grants Program (ESG), the National Housing Trust Fund Program (NHTF), the Community Development Block Grant Program (CDBG), and the Housing Opportunities for Persons with AIDS Program (HOPWA);

WHEREAS, a public comment period opened from Monday, May 19, 2025, through Tuesday, June 17, 2025, four public hearings were held, to garner input on the Plan and no comments were received;

WHEREAS, HUD announced the 2025 allocations for the HOME, ESG, NHTF, CDBG and HOPWA formula programs on May 14, 2025, and staff has included these released amounts in the final version presented at this meeting; and

WHEREAS, per 24 CFR §91.15(a)(1), the Plan is required to be submitted to HUD on July 18, 2025, which is at least 45 days before the start of PY 2025;

NOW, therefore, it is hereby

RESOLVED, that the 2025-2029 State of Texas Consolidated Plan, in the form presented to this meeting, is hereby approved and the Executive Director and his designees are each hereby authorized, empowered, and directed, for and on behalf of the Department, to cause notice of the 2025-2029 State of Texas Consolidated Plan to HUD and, in connection therewith, to make such non-substantive grammatical and technical changes as they or HUD deem necessary or advisable.

BACKGROUND

The 2025-2029 State of Texas Consolidated Plan (Plan) covers five programs funded by HUD: TDHCA administers HOME, ESG, and NHTF; TDA administers CDBG; and DSHS administers HOPWA. TDHCA is the lead agency and coordinates the preparation of the Plan with TDA and DSHS along with extensive input from other state agencies, stakeholders, advocates, and community members.

For 2025-2029, the total amount awarded by HUD governed by the Plan in PY 2025 is $132,163,515.05, a list of the amount awarded is below. These programs primarily serve extremely low-, low- and moderate-income households. This Plan determines which of HUD's eligible activities will best serve the needs of Texas.

Program Year 2025 Funding Awards
Community Development Block Grant (**CDBG**): **$71,178,309**
Housing Opportunities for Persons with HIV/AIDS (**HOPWA**): **$8,062,244**
HOME Investment Partnerships (**HOME**): **$33,003,098.78**
Emergency Solutions Grants (**ESG**): **$10,308,471**
National Housing Trust Fund (**NHTF**): **$9,611,392.27**

HUD allows a broad range of activities for these programs. The **CDBG** Program provides resources for community development, which can include acquisition of real property; relocation and demolition; rehabilitation of residential and non-residential structures; construction of public facilities and improvements; public services; activities relating to energy conservation and renewable energy resources; and provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities. The **HOME** Program is used for single-family and multifamily housing activities, which can include providing home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; building or rehabilitating housing for rent or ownership; and tenant-based rental assistance to subsidize rent for low-income persons. The **ESG** Program funds activities that include providing supportive services to homeless individuals and households, emergency shelter/transitional housing, homelessness prevention assistance, and permanent housing to the homeless population. The **NHTF** Program is used for the financing of new construction and Rehabilitation of multifamily rental units for extremely low-income renters. The **HOPWA** Program is dedicated to the housing and supportive services needs of people living with HIV/AIDS and their families which can include the acquisition, rehabilitation, or new construction of housing units; facility operations; rental assistance; short-term payments to prevent homelessness; case management; substance abuse treatment; mental health treatment; nutritional services; job training and placement assistance; and assistance with daily living.

The Plan consists of five main chapters. The first chapter is the **Process Chapter**, which describes the public input process. The second chapter is the **Needs Assessment**, which outlines levels of relative need in the areas of affordable housing, homelessness, special needs, and community development. This information was gathered through consultation with local agencies, public outreach, and demographic and economic datasets. The third chapter, **Market Analysis**, focuses on economic forces within Texas, as well as the current condition and availability of housing and community development resources in Texas. The Needs Assessment and Market Analysis are research-heavy chapters, which form the basis of the fourth chapter: the **Strategic Plan**. The Strategic Plan details how the State will address its priority needs over a five-year period. The strategies must reflect the current condition of the market, expected availability of funds, and local capacity to administer the Plan. Finally, the Strategic Plan is used as a basis for the fifth chapter: the **One-Year Action Plan** which will be updated once yearly for the next four years until the next Consolidated Plan is required.

Following the release of the draft 2025-2029 Plan, a 30-day public comment period was held from Monday, May 19, 2025, through Tuesday, June 17, 2025. During this time, one public hearing was held via webinar. The remaining hearings were held in San Antonio, Austin, and Dallas.

No public comment was received during the hearings or public comment period. The Plan to be approved by the Board can be found online in the July 10, 2025 TDHCA Governing Board Book found at <https://tdhca.legistar.com/Calendar.aspx>. This Plan (with any non-substantive and technical changes) is the document that will be submitted to HUD.

The final Plan is due 45 days before the start of HUD's Program Year (PY), which is September 1 to August 31, submission will occur on or before July 18, 2025.


Texas Department of Housing and Community Affairs

2025-2029

State of Texas Consolidated Plan

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

EQUAL HOUSING OPPORTUNITY

2025-2029 State of Texas Consolidated Plan

Final as presented to the Board on July 10, 2025.

Prepared by:

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Table of Contents

Executive Summary

ES-05 Executive Summary - 91.300(c), 91.320(b)

1. Introduction

The 2025-2029 State of Texas Consolidated Plan (Plan) governs five programs funded by the U.S. Department of Housing and Urban Development (HUD). The Community Development Block Grant Program (CDBG), the HOME Investment Partnerships (HOME) Program, the Emergency Solutions Grants (ESG) Program, The Housing Trust Fund Program (referred to as the National Housing Trust Fund (NHTF) by the State), and the Housing Opportunities for Persons with AIDS (HOPWA) Program. If 2025 HUD funding levels remain consistent, the Plan will govern approximately $77.5M annually. This Plan determines which of HUD’s eligible activities have been identified to best serve the needs of Texas.

HUD allows a broad range of activities for CDBG, HOME, ESG, NHTF, and HOPWA. CDBG provides resources for community development, which may include acquisition of real property; relocation and demolition; rehabilitation of residential and non-residential structures; construction of public facilities and improvements; public services; activities relating to energy conservation and renewable energy resources; and provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities. HOME is used for single-family and multifamily housing activities, which may include providing home purchase or reconstruction financing assistance to eligible homeowners and new homebuyers; building or reconstructing housing for rent or ownership for eligible households; and tenant-based rental assistance to subsidize rent for low-income persons. ESG funds projects, which may include supportive services to homeless individuals and households, emergency shelter/transitional housing, homelessness prevention assistance, and permanent housing for the homeless population. NHTF is used for the financing of new construction and rehabilitation of multifamily rental units for extremely low-income renters. HOPWA is dedicated to the housing and supportive service needs of persons living with HIV and their families, which may include the acquisition, rehabilitation, or new construction of housing units; facility operations; rental assistance; short-term payments to prevent homelessness; case management; substance abuse treatment; mental health treatment; nutritional services; job training and placement assistance; and assistance with daily living.

The Texas Department of Housing and Community Affairs (TDHCA) administers the HOME Program, Housing Trust Fund Program (NHTF) and ESG Program; the Texas Department of Agriculture (TDA) administers the CDBG Program; and the Texas Department of State Health Services (DSHS) administers the HOPWA Program. All three State agencies collaborated to complete the Plan, along with garnering input from other state agencies, stakeholders, advocates, and community members. TDHCA is the lead agency for the Plan’s development.

The Plan consists of five main chapters. The Process Chapter, which describes the public input process. The Needs Assessment Chapter, which outlines levels of relative need in the areas of affordable housing, homelessness, special needs populations, and community development. Information was gathered through consultation with local agencies, public outreach, and demographic and economic datasets. The Market Analysis Chapter focuses on economic forces, as well as the current condition and availability of housing and community development resources. The research-heavy Needs Assessment and Market Analysis chapters form the basis of the Strategic Plan Chapter, which details how the State will address its priority needs with the five applicable HUD programs over the period covered by the Plan. The strategies reflect the condition of the market, expected availability of funds, and local capacity to administer the Plan. The Strategic Plan is used as a basis for the One-Year Action Plan, which will be updated annually.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The Needs Assessment Chapter shapes the policies throughout the Plan. The most common housing problem in Texas is households having a moderate to severe cost burden, especially for households with incomes between 0-30% of the area median income (AMI). In most cases, renters experience a higher rate of housing problems than homeowners. When comparing the Needs Assessment Chapter to the Market Analysis Chapter, the shortage of affordable housing becomes apparent. However, the State recognizes that housing costs are impacted by local economies, and common housing problems may vary by neighborhood. The Strategic Plan identifies Priority Needs for housing, such as rental assistance; production of new units; acquisition of existing units; and rehabilitation of housing.

The Needs Assessment finds that people with special needs have specific barriers to housing. For example, persons with disabilities typically have lower incomes than other household types and require housing with certain specifications, such as physical accessibility features. Special needs populations include elderly and frail elderly; homeless populations and persons at risk of homelessness; persons living with HIV and their families; persons with alcohol and substance use disorders; persons with disabilities (mental, physical, intellectual, developmental); public housing residents; residents of colonias; and victims of domestic violence, all of which may have specific affordable housing needs. While not specifically designated as "special needs," the State is directed statutorily to gather data on farmworkers, youth aging out of foster care, and veterans. Each of these populations receive priority through incentives within at least one of the HUD programs covered by this Plan.

ESG focuses on persons who are homeless or at risk of homelessness. Therefore, the Needs Assessment has one section dedicated to this population, including numbers of households experiencing sheltered and unsheltered homelessness, and a discussion on the greater likelihood that minorities are homeless. The Market Analysis lists the available resources for homeless populations, and the Strategic Plan identifies Priority Needs as homeless outreach; emergency shelter and transitional housing; rapid re-housing; and homelessness prevention.

HOPWA focuses on persons living with HIV and their families, the Needs Assessment includes an in-depth discussion about this population. Racial and ethnic minorities are disproportionately affected by

HIV. In addition, persons with HIV are more vulnerable to becoming homeless. The Strategic Plan identifies priority needs to serve persons living with HIV, such as rental assistance; supportive services for persons living with HIV; rapid re-housing; and homelessness prevention.

Colonias, which are unincorporated residential areas along the Texas-Mexico border that can lack some or all basic living necessities, such as potable water, electricity, paved roads, and safe and sanitary housing, showed very high rates of housing problems. The Strategic Plan and Action Plan lay out the programs the state provides to address needs identified in the Needs Assessment and Market Analysis.

Finally, non-housing community needs focus on economic and community development. The Needs Assessment finds a large demand for community infrastructure, including water and wastewater systems, roads/streets, and utilities, there is great emphasis to serve colonias with these types of services. The Strategic Plan identifies priority community development needs as public improvements and infrastructure; economic development; and public services.

3. Evaluation of past performance

The information below is for HOME, ESG, HTF, CDBG, and HOPWA for Program Year (PY) 2023 (September 1, 2023, to August 31, 2024).

During PY 2023, the Texas CDBG Program expended a total of $68,893,742 through 133 -awarded contracts. For contracts that were awarded in PY 2023, approximately 257,000 persons received service. The Colonia Self Help Centers awarded $2,456,579 in contracts in PY2023. Distribution of the funds by activity is described in the table below.

In PY 2023, DSHS' HOPWA served 654 households with TBRA (92% of the One-Year Action Plan, or OYAP goal), 437 households with Short-Term Rent and Mortgage and Utility (STRMU) assistance (100% of the OYAP goal), 169 households with Permanent Housing Placement (PHP) assistance (115% of the OYAP goal), and 161 households with FBHA (99% of the OYAP goal) for a total of 1,421 unduplicated households. Of the total households served, 1,137 also received HOPWA-funded Supportive Services (88% of the OYAP goal). All HOPWA clients receive housing supportive services at some level, but some supportive services for clients were leveraged with other funding sources.

ESG is reported on for expenditures by Federal Fiscal Year (10/1-9/30). The ESG reporting is cumulative of several years of program funds because of the timing of the release of funds by the federal government, and because of unexpended balances that are re-released to ESG subrecipients. The previous program year (9/1/2023-8/31/2024) reflects several ESG contract periods. Funding expended in PY2023 includes funds from prior year ESG allocations. The ESG program through its contracts served over 29,000 persons with money expended in these overlapping program years; due to the overlap the number of persons served through these contracts is higher than just the number of persons served only in PY2023 seen in Table 4 below. TDHCA's HOME program expended $51,185,702 through seven HOME Program activities that addressed the five HOME goals in PY 2023. This amount represents assistance to

841 households. TDHCA's NHTF program expended $17,392,721 in PY 2023, assisting in the construction of 59 new rental units. NHTF funds are restricted to helping construct housing for households at or below the greater of poverty line or 30% of the Area Median Income.

Source of Funds	Amount Expended During PY 2023
CDBG	$64,155,348
CDBG Colonias Set-aside	$4,738,394
HOME	$51,185,702
HOPWA	$7,405,878
ESG	$6,944,709
Housing Trust Fund	$17,392,721

Table 1 - Funds Expended by Program, PY2023

CDBG Goals	PY2023 Persons Assisted
Economic Development	142,400
Colonia Set-Aside	1,195
Colonia Self-Help Centers	9,750
Planning/Capacity Building	0
Disaster Relief/Urgent Need	0
Other Construction	103,764

Table 2- CDBG Persons Assisted, PY2023

HOPWA Goals	PY2023 Persons/Households Assisted
Facility-Based Housing Subsidy Assistance	161
Permanent Housing Placement Assistance	169
Resource Identification	0
Short-Term Rent, Mortgage, & Utility Assistance	437
Tenant-Based Rental Assistance (Households)	654
HOPWA Funded Supportive Services	1,137

Table 3 - HOPWA Persons/Households Assisted, PY2023

ESG Goals	PY2023 Persons/Households Assisted
TBRA/Rapid Rehousing (Households)	554
Overnight Shelter	4,369
Homelessness Prevention	2,961

Table 4 - ESG Persons/Households Assisted, PY203

HOME Goals	PY2023 Households Assisted
Construction of Single Family Housing	0
Households in New/Rehabilitated MF Units	0
Homebuyer Assistance with Possible Rehabilitation	0
Reconstruction of Single Family Housing	107
Tenant-Based Rental Assistance	725

Table 5 - HOME Households Assisted, PY2023

NHTF Goals	PY2023 Units Assisted
Households in New MF Units	59

Table 6 - NHTF Units Assisted, PY2023

4. Summary of citizen participation process and consultation process

The State is committed to collaboration with a diverse cross-section of the public in order to meet the various affordable housing needs of Texans. The State also collaborates with governmental bodies, nonprofits, and community and faith-based groups.

Prior to the release of the Draft Plan, consultations were completed statewide, between April 2024, and December 2024, by TDHCA, DSHS, and TDA. The State conducted consultations in person, with subrecipients and via roundtables, public meetings, and planning meetings. The State also conducted consultations electronically, using a listserv announcement, and communication via emails.

During the consultation process, the State consulted with a wide variety of public, private, and nonprofit agencies that provide services. This includes assisted housing, health services, and social and fair housing services, including those focusing on services to children, elderly persons, persons with disabilities, persons living with HIV and their families, homeless persons, and colonia residents.

Following the release of the Draft 2025-2029 Plan, a 30-day public comment period was open from Monday, May 19, 2025 to Tuesday, June 17, 2025. The Department held four public hearings, as seen below.

The four public hearings for the Consolidated Plan will take place as follows:

Thursday May 22, 2025, at 12:00 pm
San Antonio Public Library – Encino Branch Library
2515 Evans Rd.
San Antonio, TX 78259

Virtual: Thursday May 29, 2025, at 6:00 pm
Registration Link: https://attendee.gotowebinar.com/register/2714235059614320988
Dial-in number: +1 (914) 614-3221, access code 590-313-844 (persons who use the dial-in number and access code without registering online will only be able to hear the public hearing and will not be able to ask questions or provide comments)

Tuesday, June 3, 2025, at 6:00 pm
Austin Public Library
Carver Branch, Room #2
1161 Angelina St.
Austin, TX, 78702

Tuesday June 10, 2025 at 12:00 pm
Dallas Public Library
J. Erik Jonsson Central Library
Hamon Training Room (5th Floor)
1515 Young St.
Dallas, TX 75201

5. Summary of public comments

No comments were submitted.

6. Summary of comments or views not accepted and the reasons for not accepting them

No comments were submitted.

7. Summary

The consolidated planning process occurs once every five years, and creating a comprehensive Plan is vital for CDBG, HOME, NHTF, ESG, and HOPWA. Because of the Plan's authority to govern these programs, research from multiple sources, including other government plans, peer-reviewed journals, news sources, and fact sheets were used; valuable public input was gathered through roundtable meetings, council/workgroup meetings, and a listserv request; and a public input process is scheduled for the draft Plan.

The format of the Plan is mandated by an online form developed by HUD. HUD has provided an online template for grantees, through its planning and reporting system called IDIS. The questions in bold and many of the tables are created automatically by IDIS. After the Plan is received by HUD, the goals in the Plan are reported each year in another document called the Consolidated Annual Performance Evaluation Report (CAPER), which is also produced in IDIS.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	TEXAS	Texas Department of Agriculture
HOPWA Administrator	TEXAS	Texas Department of State Health Services
HOME Administrator	TEXAS	Texas Department of Housing and Community Affairs
ESG Administrator	TEXAS	Texas Department of Housing and Community Affairs
NHTF Administrator	TEXAS	Texas Department of Housing and Community Affairs

Table 2 – Responsible Agencies

Narrative

The Texas Department of Housing and Community Affairs (TDHCA) administers the Emergency Solutions Grants (ESG) Program, the HOME Investment Partnerships (HOME) Program and the National Housing Trust Fund (NHTF) Program; the Texas Department of Agriculture (TDA) administers the Community Development Block Grant (CDBG) Program; and the Texas Department of State Health Services (DSHS) administers the Housing Opportunities for Persons with AIDS (HOPWA) Program. All of these programs, known collectively as Community Planning and Development (CPD) Programs, are covered in the 2025-2029 State of Texas Consolidated Plan (Plan). TDHCA is the entity responsible for overseeing the development of the Plan.

Key Organizational Events

In 1991, the 72nd Texas Legislature created TDHCA. TDHCA's enabling legislation combined programs from the Texas Housing Agency, the Texas Department of Community Affairs, and the Community Development Block Grant Program from the Texas Department of Commerce. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA.

At that time the CDBG Program was transferred from TDHCA to the newly-created Office of Rural

Community Affairs, later called the Texas Department of Rural Affairs; the program was then subsequently moved to TDA. As of October 1, 2011, the program is administered by TDA. Through an interagency agreement with TDA, TDHCA administers 2.5% of the CDBG funds which are statutorily designated for the Colonia Self Help Centers (SHCs) along the Texas-Mexico border.

DSHS, which administers HOPWA, is an agency of Texas Health and Human Services (HHS). In 2015, HHS began a reorganization to produce a more efficient, effective, and responsive system. In September of 2016, the first phase of that effort became operational, and a second phase occurred September 1, 2017.

The goals of the transformation were to create a system that is easier to navigate for people who need information, benefits, or services; aligns with the HHS mission, business, and statutory responsibilities; breaks down operational silos to create greater program integration; creates clear lines of accountability within the organization; and develops clearly defined and objective performance metrics for all areas of the organization. Foremost as it relates to HOPWA, DSHS contract oversight and support functions have transferred to HHS. For more information about the HHSC transformation, visit https://hhs.texas.gov/about-hhs/hhs-transformation.

On March 12, 2016, TDHCA was designated by Governor Abbott as the state agency responsible for the administration of funds provided through the NHTF.

TDHCA, TDA, and DSHS administer their assigned CPD programs and services through a network of organizations across Texas and do not typically fund assistance to individuals directly. Depending on the program, funded organizations include units of local government, councils of governments, nonprofit organizations, for-profit organizations, Administrative Agencies (AA), Public Housing Authorities (PHAs), and Community Housing Development Organizations (CHDOs).

Consolidated Plan Public Contact Information

ESG, HOME, and NHTF Contact Information:
Texas Department of Housing and Community Affairs,
PO Box 13941, Austin, TX 78711-3941. (800) 525-0657.
https://www.tdhca.texas.gov/

CDBG Contact Information:
Texas Department of Agriculture, Office of Rural Affairs,
PO Box 12847, Austin, TX 78711-2847. (800) 835-5832.
http://texasagriculture.gov

HOPWA Contact Information:
DSHS HIV/STD Prevention and Care Branch, HIV Care Services Group, HOPWA Program,
PO Box 149347, Mail Code 1873, Austin, TX 78714-9347. (512) 533-3000.
http://www.dshs.texas.gov

PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.215(l) and 91.315(l)

1. Introduction

Before the draft 2025-2029 Plan was created, consultations were conducted. To gather a variety of input, State staff began consultations in early 2024, several months before drafting the Plan, reaching a wide variety of organizations, as shown in the chart in this section. Ongoing consultation has been performed over the last 5-year period for each One-Year Action Plan to help refine the State's programs and receive a wide amount of feedback. The chart below is not comprehensive as the state consults with numerous individuals and organizations in the operation of all HUD programs.

Input was solicited at multiple TDHCA led and supported meetings. These meetings are recurring and regularly held to gather input on a variety of subject areas (including homelessness, housing and services, and disability issues) that inform TDHCA's programs, including the HOME Program, Emergency Solutions Grants (ESG) Program, Housing Trust Fund, Office of Colonia Initiatives (OCI), and the Neighborhood Stabilization Program. The format of these consultation events varied, but all led to an open discussion between administrators, advocates, stakeholders, and TDHCA staff. Consultation at these events frequently included a request for input in the drafting of the Plan, as well as information on the process to fund activities; updates on policies; fair housing and affirmative marketing; contracts and agreements; uniform applications and forms; and input from stakeholders on how they think programs are being managed and operated.

In an effort to gather information from specific audiences, TDHCA uses technology to communicate efficiently. The availability of these methods is communicated primarily via the TDHCA website, opt-in email distribution lists, social media, and through announcements at meetings and conferences. TDHCA's extensive listserv contact list is utilized to request consultation from stakeholders and give everyone the opportunity to provide information to influence the development of our plan.

An online presence allows TDHCA to reach out to encourage participation and consultation. The External Affairs Division of TDHCA has implemented a social media presence, specifically through X (Twitter) and Facebook. Tweets and posts coinciding with listserv releases were sent during the consultation phase of the public input process and will be sent during the public comment period on the draft Plan. Furthermore, TDHCA sends out notices via voluntary email lists, where subscribed individuals and entities can receive email updates on TDHCA information, announcements, and trainings. Use of technology allows fast communication to a large audience.

In the consolidated planning process, the State encourages the participation of public and private organizations, including broadband internet service providers, organizations engaged in narrowing the digital divide, agencies whose primary responsibilities include the management of flood prone areas, public land or water resources, and emergency management agencies in the process of developing the consolidated plan.

Before drafting the Plan, TDHCA, TDA, and DSHS met with various organizations concerning the prioritization and allocation of CPD resources, as described below. During the comment period of the draft Plan, public comment will be sought from these groups as well.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

The State worked to enhance coordination between public and assisted housing providers, and private and governmental health, mental health and service agencies for the Plan in various ways. For example, TDHCA staff routinely attends inter- and intra-agency meetings to educate and coordinate on the intersection between housing and services, as described in Strategic Plan Section 35, Anticipated Resources, and Action Plan Section 65, Homeless and Other Special Needs. The opportunity to submit input was also on the agenda for several of these meetings and input was sometimes received after the meetings were concluded.

DSHS contracts with AAs in seven Ryan White Part B HIV Planning Areas to administer the DSHS HOPWA Program. AAs are responsible for ensuring that a comprehensive continuum of care exists in their funded areas. To accomplish this, AAs routinely consult with a variety of organizations and stakeholders – including PLWH and local HIV Planning Councils. Additionally, AAs complete periodic needs assessments to inventory available resources and identify service needs, gaps, and barriers within their planning areas. In turn, AAs develop and implement a regional HIV core medical and supportive services plan. AAs must establish multiple mechanisms for stakeholder input into the development of the HIV services plan (e.g., dissemination of written copies of the plans, postings to the Internet, town hall meetings, advisory groups, etc.) Where possible, Project Sponsors coordinate with local HCV and other affordable housing programs to support HOPWA program delivery. A draft of the sections regarding lead-based paint was sent from TDHCA to DSHS to ensure that the State was in compliance with the agency that oversees lead-based paint regulation.

TDHCA operates 27 distinct Listservs so that the agency can disseminate information easily on different topics to interested groups. All these groups are sent updates for the topic they selected as well as cross cutting topics like TDHCA news, event information and announcements. All 27 of these groups were used to send out requests for consultation on the 2025-2029 Consolidated Plan.

TDHCA continues to use its fair housing email list to share fair housing-related news, event information, and announcements with interested persons and organizations.

TDA consulted with local governments both in person and through web-based meetings as part of its evaluation of the TxCDBG program. In 2024, TDA engaged in a series of public meetings to discuss the program and solicit feedback from stakeholders. This primary purpose of the meetings was to identify areas where program changes were needed to ensure that the program was able to assist best assist rural communities, or to ensure the sustainability of the program long term.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The Texas Interagency Council for the Homeless (TICH) was created in 1989 to coordinate the State's homeless resources and services. The TICH consists of representatives from eleven state agencies that serve persons experiencing or at risk of homelessness. Membership also includes representatives appointed by the office of the governor, the lieutenant governor, and the speaker of the house. The council is not appropriated funding and has no full-time staff but receives facilitation and advisory support from TDHCA. TICH's major mandates include:

- evaluating and helping coordinate the delivery of services for the homeless in Texas;
- increasing the flow of information among service providers and appropriate authorities;
- providing technical assistance to TDHCA in assessing the need for housing for people with special needs;
- developing, in coordination with TDHCA and the Health and Human Services Commission (HHSC), a strategic plan to address the needs of the homeless; and
- maintaining a central resource and information center for the homeless.

The TICH has two committees: Annual Report Committee and Performance Data Committee. In addition, the Texas Interagency Council for the Homeless has been meeting during 2024 with the CoCs to coordinate homeless services. These efforts are reinforced by 24 Code of Federal Regulation (CFR) Part 91 that require ESG recipients to expand consultation with community partners and CoCs in the formation of consolidated planning documents. The consultation must address the allocation of resources; development of performance standards and evaluation; and development of funding, policy, and procurements for operating state-required Homeless Management Information Systems (HMIS). The TICH held three meetings during the development of the draft Plan and TDHCA solicited input from the TICH on housing and community development needs at all three meetings.

Describe consultation with the Continuum(s) of Care that serves the state in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

TDHCA coordinates with Continuums of Care (CoCs) and their member agencies regarding allocation of ESG funds, development of performance standards and outcomes evaluation, and development of funding, policies through the TDHCA rulemaking process.

TDHCA presents its draft ESG rules, which include the formula by which funds are allocated to each CoC region, to CoCs and other interested parties prior to presentation of the proposed rule to the TDHCA Board. The allocation formula includes weights for point-in-time counts conducted by the CoC. TDHCA staff conducts public hearings to garner feedback and accepts comment via email, mail and in person. Input received public hearings is incorporated into the administrative rules, which are ultimately adopted by the Board.

TDHCA requires subrecipients, through its administrative rules, to utilize HMIS or an HMIS comparable database (for domestic violence or legal service providers only) and to submit HMIS exports as required by HUD.

TDHCA further consults with CoCs through involvement in the TICH, which is described in the prior question.

Provide a concise summary of the state's activities to enhance coordination with local jurisdictions serving Colonias and organizations working within Colonias communities.

The ways in which TDHCA coordinates its work with other colonia-serving entities are through the implementation of the Colonia Self-Help Center Program. The Colonia Self Help Center (CSHC) Program is funded by the U.S. Department of Housing and Urban Development through the Texas Community Development Block Grant (CDBG) Program. The CDBG funds are transferred to TDHCA through a memorandum of understanding with the Texas Department of Agriculture, and together TDHCA and TDA co-manage the administration of the funds, with TDHCA providing the day-to-day oversight of the Colonia SHC Program and subrecipients.

The Colonia SHC funds specific Texas border county governments with four-year contracts. Requests for funding are reviewed and recommended by a Colonia Resident Advisory Group (C-RAC), a group of colonia residents who live in the specific colonias served by the centers.

On a very frequent basis—weekly or more often—TDHCA provides guidance and oversight to the county governments with which TDHCA has executed a CSHC contract. As needed, TDHCA provides guidance and technical assistance to the housing subgrantees with whom each respective county has contracted to achieve specific deliverables per their individualized CSHC subcontract. Every one to two years, TDHCA organizes and implements a workshop for all eligible counties and their subgrantees to review rules, best practices, and exchange other program updates. As needed but on an average of one to two times per year, TDHCA convenes a meeting with the C-RAC. This grass-roots-style committee approves contracts, evaluates county recommendations, and provides TDHCA and the counties guidance on programming and activities in the colonias. Lastly, approximately every two years, TDHCA updates its CSHC Program rules, and initiates this process by first soliciting comment from the public at large for critiques of the current rules and suggestions for changes.

As a part of the process discussed above, TDA meets with elected officials from counties serving colonia areas. The local leaders discuss funding priorities for the Community Development Fund and other fund categories, including projects that could serve colonia areas.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

1	**Agency/Group/Organization**	CARITAS OF AUSTIN
	Agency/Group/Organization Type	Services - Housing Services-homeless Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
2	**Agency/Group/Organization**	Front Steps, Inc.
	Agency/Group/Organization Type	Services - Housing Services-homeless
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
3	**Agency/Group/Organization**	THE GULF COAST CENTER
	Agency/Group/Organization Type	Services-Children Services-Persons with Disabilities Services-Victims of Domestic Violence Services-Health
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Non-Homeless Special Needs

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
4	**Agency/Group/Organization**	Aliviane
	Agency/Group/Organization Type	Services-Health
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
5	**Agency/Group/Organization**	Texas Council on Family Violence
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services - Victims
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
6	**Agency/Group/Organization**	The Harris Center for Mental Health and IDD
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Health

	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
7	**Agency/Group/Organization**	San Angelo Police Department
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
8	**Agency/Group/Organization**	Comal County Family Violence Shelter Inc dba Crisis Center of Comal County
	Agency/Group/Organization Type	Services-Victims of Domestic Violence Services-homeless Services - Victims
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.

9	**Agency/Group/Organization**	City of Plano
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
10	**Agency/Group/Organization**	VETSTAR
	Agency/Group/Organization Type	Services - Housing Services-Children Services-homeless
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless Homelessness Needs - Veterans
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
11	**Agency/Group/Organization**	CITY OF EL PASO - COMMUNITY & HUMAN DEVELOPMENT
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.

12	**Agency/Group/Organization**	Lifeline for Families Inc
	Agency/Group/Organization Type	Services-Children Services-homeless Services-Education
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
13	**Agency/Group/Organization**	Haven for Hope
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services - Victims
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
14	**Agency/Group/Organization**	City of San Antonio
	Agency/Group/Organization Type	Other government - Local

	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 11, 2024 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas.
15	**Agency/Group/Organization**	Texas Health and Human Services Commission
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the Housing and Health Service Coordination Council (HHSCC) quarterly meetings on February 21, 2024, May 15, 2024, July 24, 2024, and October 16, 2024 as well as Texas Interagency Council on Homelessness (TICH) quarterly meetings on January 24, 2024, May 21, 2024 and September 11,2024. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness.

16	**Agency/Group/Organization**	Texas State Affordable Housing Corporation (TSAHC)
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the Housing and Health Service Coordination Council (HHSCC) quarterly meetings on February 21, 2024, May 15, 2024, July 24, 2024, and October 16, 2024 as well as Texas Interagency Council on Homelessness (TICH) quarterly meetings on January 24, 2024, May 21, 2024 and September 11,2024. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness.
17	**Agency/Group/Organization**	CORNERSTONE ASSISTANCE NETWORK
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Market Analysis Anti-poverty Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings on January 24, 2024, May 21, 2024 and September 11,2024. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness.
18	**Agency/Group/Organization**	TEXAS DEPARTMENT OF STATE HEALTH SERVICES
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless Services-Health Health Agency Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the Housing and Health Service Coordination Council (HHSCC) quarterly meetings on February 21, 2024, May 15, 2024, July 24, 2024, and October 16, 2024 as well as Texas Interagency Council on Homelessness (TICH) quarterly meetings on January 24, 2024, May 21, 2024 and September 11,2024. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness.
19	**Agency/Group/Organization**	Texas Department of Family and Protective Services
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Health Agency Child Welfare Agency Other government - State

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings on January 24, 2024, May 21, 2024 and September 11,2024. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness.
20	**Agency/Group/Organization**	Texas Education Agency
	Agency/Group/Organization Type	Services-Children Services-Education Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings on January 24, 2024, May 21, 2024 and September 11,2024. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness.
21	**Agency/Group/Organization**	Texas Department of Criminal Justice
	Agency/Group/Organization Type	Services - Housing Services-Persons with Disabilities Services-homeless Services-Education Services-Employment Services - Victims Other government - State

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings on January 24, 2024, May 21, 2024 and September 11,2024. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness.
22	**Agency/Group/Organization**	HOPWA Project Sponsors
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS engages in ongoing consultation with HOPWA stakeholders by collecting qualitative data from HOPWA Project Sponsors and using it for planning and evaluation. Project Sponsors provide narrative performance output and outcome data; offer program strategies for improved performance and strategies that contributed to successes; describe efforts to coordinate resources and efforts; assess housing barriers and make recommendations; request technical assistance; and supply other discussion items (i.e., feedback, ideas, other recommendations).
23	**Agency/Group/Organization**	HIV Administrative Agencies
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS engages in ongoing consultation with HOPWA stakeholders by collecting qualitative data from HIV Administrative Agencies (AAs) and using it for planning and evaluation. AAs work with HIV planning councils in major metropolitan areas and other organizations and stakeholders outside those areas to develop comprehensive HIV service plans and needs assessments. AAs consult with clients and other stakeholders through interviews, surveys, focus groups, and public hearings. AAs disseminate written copies of service plans, sharing them online, at town hall meetings, and with advisory groups. AA contact information and planning area maps are located athttps://www.dshs.texas.gov/hivstd/services/aa.shtm
24	**Agency/Group/Organization**	Central Texas Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
25	**Agency/Group/Organization**	Brazos Valley Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
26	**Agency/Group/Organization**	Middle Rio Grande Development Council
	Agency/Group/Organization Type	Regional organization Planning organization

	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
27	**Agency/Group/Organization**	Coastal Bend Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
28	**Agency/Group/Organization**	Lower Rio Grande Valley Development Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
29	**Agency/Group/Organization**	South Texas Development Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
30	**Agency/Group/Organization**	Houston-Galveston Area Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
31	**Agency/Group/Organization**	ARK TEX COUNCIL OF GOVERNMENTS
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
32	**Agency/Group/Organization**	Alamo Area Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
33	**Agency/Group/Organization**	East Texas Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
34	**Agency/Group/Organization**	Deep East Texas Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
35	**Agency/Group/Organization**	Heart of Texas Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
36	**Agency/Group/Organization**	South East Texas Regional Planning Commission
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
37	**Agency/Group/Organization**	Concho Valley Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
38	**Agency/Group/Organization**	Capital Area Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
39	**Agency/Group/Organization**	West Central Texas Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
40	**Agency/Group/Organization**	Texoma Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
41	**Agency/Group/Organization**	North Central Texas Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
42	**Agency/Group/Organization**	PANHANDLE REGIONAL PLANNING COMMISSION
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
43	**Agency/Group/Organization**	South Plains Association of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
44	**Agency/Group/Organization**	Permian Basin Regional Planning Commission
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
45	**Agency/Group/Organization**	HIV Planning Councils
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS Administrative Agencies (AAs) consulted with HIV Planning Councils to guide grant funding decisions. Councils conducted needs assessments to identify service gaps and barriers, including housing challenges. AAs and councils held regional meetings in HIV Service Delivery Areas (HSDAs) to gather feedback on HIV housing services. They engaged underserved populations, rural communities, and consumers to address critical housing needs amid rising rents, such as expanded service options and integrated service models. AAs presented HOPWA program updates during council meetings and worked on strategies to improve housing services, elevating stakeholder voices and centering planning around affected communities.
46	**Agency/Group/Organization**	Persons Living with HIV
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS Administrative Agencies (AAs) consulted with persons living with HIV (PLWH) to inform grant funding decisions. AAs collected consumer input through needs assessments and consumer satisfaction surveys, focusing on housing needs, barriers, and service gaps. Community Advisory Boards held meetings to gather feedback and address housing accessibility, service quality, and program improvements. AAs hosted public forums, focus groups, and outreach events to discuss housing services, share updates, and gather input on program effectiveness. Workshops provided PLWH with a supportive space to discuss housing challenges and service needs. In some cases, AAs conducted direct interviews with PLWH to assess housing service satisfaction and gather personal insights, ensuring their lived experiences informed planning decisions.
47	**Agency/Group/Organization**	Ryan White Service Providers
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS Administrative Agencies (AAs) consulted with Ryan White service providers to enhance housing services. Regular care coordination meetings with case managers, navigators, and frontline staff included housing discussions to address ongoing issues. AAs and providers collaborated on needs assessments and surveys to identify housing needs, service gaps, and barriers. AAs trained service providers on the HOPWA program and provided updates. Providers participated in strategic planning, discussing housings role within the HIV continuum of care. They also shared recommendations during public forums, community advisory board meetings, and consultations with AAs, integrating their insights into housing program planning and implementation.
48	**Agency/Group/Organization**	Texas Homeless Network
	Agency/Group/Organization Type	Services - Housing Services-homeless

	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings on January 24, 2024, May 21, 2024 and September 11,2024. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness. Agency also provided written input on suggested changes to State administered ESG program.
49	**Agency/Group/Organization**	Langford Community Management Services
	Agency/Group/Organization Type	Housing Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended three HOME program roundtables in relation to Energy efficiency rules and HOME program construction cost limits. Information provided and comments made at these roundtables was used to guide program staff in adjustment of HOME program rules.
50	**Agency/Group/Organization**	GrantWorks, Inc.
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended three HOME program roundtables in relation to Energy efficiency rules and HOME program construction cost limits. Information provided and comments made at these roundtables was used to guide program staff in adjustment of HOME program rules.

51	**Agency/Group/Organization**	COASTAL BEND CENTER FOR INDEPENDENT LIVING
	Agency/Group/Organization Type	Housing Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules.
52	**Agency/Group/Organization**	Trinity Habitat for Humanity
	Agency/Group/Organization Type	Housing Services - Housing Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules.
53	**Agency/Group/Organization**	Lazarus House Initiative, Inc.
	Agency/Group/Organization Type	Services - Housing Services-Persons with Disabilities Services-homeless Services-Health Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules.
54	**Agency/Group/Organization**	Galilee CDC
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules.

Table 3 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

Every required agency type was included in the consultations, as can be seen in the chart above.

Although not noted in the chart above, TDA regularly coordinates with Connected Nation, a nationwide nonprofit dedicated to providing tools and resources to help state and communities create and implement solutions for broadband connectivity and provide information on the digital divide. Through this relationship with TDA all State of Texas CPD programs are kept appraised of Broadband and Digital Divide issues in the State of Texas. Connected Nation also serves on the Governor’s Broadband Development Council, which reports to the state legislature on Broadband and digital divide issues.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Texas Interagency Council for the Homeless	The TICH coordinates the state's resources and services to address homelessness. TICH is comprised of representatives from 11 state agencies. The TICH initiated a study in January 2011 and published the report entitled Pathways Home; the study laid the framework for how the TICH has moved forward in coordinating services in the state. The TICH annual report shows the work members of the TICH have done throughout the year to address homelessness. The Strategic Plan considers the Pathways Home statewide framework to help more of Texas' most vulnerable citizens enter and remain in safe housing.
2024-2025 Biennial Plan	Housing and Health Services Coordination Council	HHSCC's 2024-2025 Biennial Plan was helpful in determining the needs, availability, barriers, and successes of Supportive Housing (often called Service-Enriched Housing). https://www.tdhca.texas.gov/hhscc-biennial-plans-and-reports. According to HHSCC, "Service-Enriched Housing is defined as: integrated, affordable, and accessible rental housing that provides residents with the opportunity to receive on-site and/or off-site health-related and other services and supports that foster independence in living and decision-making for individuals including those with disabilities, people who are elderly, persons who are experiencing or have experienced homelessness, veterans, youth exiting foster care and Violence Against Women Act covered populations." Many of the special needs populations in the 2025-2029 State of Texas Consolidated Plan overlap with populations that may benefit from Service-Enriched Housing.
Opening Doors	U.S. Interagency Council on Homelessness	TDHCA has plans for closer coordination with CoCs. Greater local control of ESG funds, described earlier in this chapter, incorporates the priorities of Opening Doors.

Table 4 – Other local / regional / federal planning efforts

Describe cooperation and coordination among the State and any units of general local government, in the implementation of the Consolidated Plan (91.315(l))

As described above, TDHCA, TDA, and DSHS met with various entities, which included local governments and councils of government in preparation for drafting of the Consolidated Plan in both formal and informal ways.

During preparation of the plan, TDA developed several program improvements proposed for the CDBG program. TDA hosted multiple opportunities to inform stakeholders and solicit informal input on these changes: TDA hosted twenty three discussions hosted by regional planning councils throughout the state. Many local governments participated in these discussions as well as all current TDA CDBG grantees, upwards of 130 cities and counties. TDA has considered the needs, priorities, and concerns expressed in the discussions, and incorporated this feedback in the agency's overall efforts to make CDBG funds available to small and rural communities in the most effective manner. The CDBG program has for many years used a regional distribution of funds for its largest fund category, the Community Development Fund. This process includes formal public hearings every two years in each of the 24 Council of Government planning regions to determine local funding priorities. Although the proposed program changes were not implemented for the upcoming application cycle, many of the Regional Review Committees discussed the proposal and the potential impacts for the future, providing valuable feedback to TDA. TDA incorporated consultation feedback in the program design revisions related to the Community Development Fund, disaster-impacted communities, and other program fund categories.

Narrative (optional):

Since the consolidated planning process is an ongoing effort, the State continues to consult with agencies, groups, and organizations through the program year cycles for CDBG, ESG, HOME, NHTF and HOPWA, and the development of HUD required fair housing documents.

If a material amendment of a HUD required fair housing document is needed as described in 24 CFR §5.164, reasonable notice by publication on TDHCA's website will be given, comments will be received for no less than 30 days after notice is given, and any public hearing held (although optional) will be held within the public comment period.

Language needs

The State conducted an analysis of eligible program participants with Limited English Proficiency (LEP). The analysis was performed for households at or below 200% poverty, roughly equivalent to 80% area median income statewide in Texas. The overwhelming need was for Spanish language translation, which comprised the language of 74% of LEP persons. The state will translate vital documents into Spanish, and other languages as determined by the individual program. The state will analyze market areas for program beneficiaries to determine if documents should be translated into additional languages. The state will apply four-factor analysis to consider the resources available and costs considering the frequency with which LEP persons come into contact with the applicable programs and the nature and importance of the program, activity, or service. The State will make reasonable efforts to provide language assistance to ensure meaningful access to participation by non-English speaking persons.

PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Comprehensive outreach was conducted to gather input on the Plan. The consultations conducted before the creation of the draft Plan, as well as discussion of the participation of local, regional, and statewide institutions, CoCs, and other organizations affected by the Plan are listed in Process Section 10. The Plan, as adopted, any future substantial amendments, and the Consolidated Plan Annual Performance and Evaluation Report (CAPER) will be available to the public online at https://www.tdhca.texas.gov/housing-resource-center-annual-or-biennial-plans-and-reports and will have materials accessible to persons with disabilities, upon request.

Public hearings

The Draft Plan will be released for a 30-day public comment period from, Monday, May 19, 2025 to Tuesday, June 17, 2025. The State will hold four Public Hearings in the 30-day comment period. The Department will inform stakeholders of any hearings through a notification on its website, and by sending a listserv announcement. Constituents are encouraged to provide input regarding all programs in writing or at a public hearing.

The Public hearing schedules will be published in the Texas Register and on TDHCA's website at https://www.tdhca.texas.gov/, and advertised by opt-in email distribution and during various workgroups and committee meetings. During the public comment period, printed copies of the draft plans will be available from TDHCA, and electronic copies will be available for download from TDHCA's website. Constituents are encouraged to provide input regarding all programs in writing or at the public hearings. See the Citizen Participation Outreach table below for details of annual outreach. The impact of consultations on goal setting was discussed in Process Section 10. Public comment received on the draft Plan will be included in the Attachments of this document.

Criteria for Amendment to the Consolidated Plan

Substantial amendments will be considered, if needed, when a new activity is developed for any of the funding sources or there is a change in method of distribution. If a substantial amendment is needed, reasonable notice by publication on TDHCA's website at http://www.tdhca.texas.gov will be given, and comments will be received for no less than 30 days after notice is given. A public hearing will be optional.

Performance Report

The CAPER will analyze the results of the Plan annually after the end of the state's HUD Program Year. Due to the short 90-day turnaround time between the end of The State of Texas' HUD Program Year (8/31) and the due date of the CAPER (11/30), the public will be given reasonable notice by publication on TDHCA's website at http://www.tdhca.texas.gov. Comment will be accepted for a minimum of 15 days. A public hearing will be optional.

Complaints related to the Consolidated planning process follow the TDHCA complaint process, as defined by 10 Texas Administrative Code §1.2.

For details on the development of or amendments to HUD required Fair Housing document, see the PR-10 Narrative section above.

Summarize citizen participation process and efforts made to broaden citizen participation in Colonias.

To reach minorities and non-English speaking residents, the draft Plan outreach will follow TDHCA's Language Access Plan. In addition, notices will be printed in Spanish and English, per Texas Government Code Chapter 2105. Spanish speaking staff will attend meetings in areas likely to have Spanish speakers, such as San Antonio and the Rio Grande Valley. Translators for other languages will be made available at public meetings, if requested.

The State encourages the involvement of individuals of low incomes and persons with disabilities in the allocation of funds and planning process through regular meetings, including community-based institutions, consumer workgroups, and councils listed in Strategic Plan Section 35. All hearing locations are accessible to all who choose to attend, and public hearings will be held at times for both working and non-working persons. Comments can be submitted either at a public hearing or in writing via mail, fax, or email.

The State notifies residents in areas where CDBG funds are proposed for use by distributing information on public hearings through the CDBG email list from TDA. Information related to the Plan and opportunities for feedback were provided through webinars web discussions, and public meetings that allow participation by residents of rural areas without requiring travel to a central location. Regional public hearings held as part of the Regional Review Committee process also encourage participation by CDBG stakeholders.

In addition, TDHCA works through Colonia Self-Help Center (SHC) subrecipients to disseminate information to residents of colonias. TDHCA provides information to the C-RAC board that can then be taken back to individual board members local SHC's.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Comment Period	Non-targeted/broad community	The Draft 2025-2029 Consolidated Plan will be released for a 30-day comment period from May 19, 2025 to June 17, 2025.	n/a.	n/a	https://www.tdhca.texas.gov/tdhca-public-comment-center
2	Public Hearing	Non-targeted/broad community	A public hearing will be held on May 22, 2025 at 12pm. San Antonio Public Library Encino Branch Library 2515 Evans Rd. San Antonio, TX 78259	n/a	n/a	https://www.tdhca.texas.gov/tdhca-public-comment-center
3	Public Hearing	Non-targeted/broad community	A public hearing will be held on May 29, 2025 at 6pm. Via GoToWebinar Registration Link: https://attendee.gotowebinar.com/register/2714235059614320988	n/a	n/a	https://www.tdhca.texas.gov/tdhca-public-comment-center
4	Public Hearing	Non-targeted/broad community	A public hearing will be held on June 3, 2025 at 6pm. Austin Public Library Carver Branch, Room #2 1161 Angelina St. Austin, TX, 78702	n/a	n/a	https://www.tdhca.texas.gov/tdhca-public-comment-center
5	Public Hearing	Non-targeted/broad community	A public hearing will be held on June 10, 2025 at 12 pm Dallas Public Library J. Erick Johnson Central Library Hamon Training Room (5th Floor) 1515 Young St. Dallas, TX 75201	n/a	n/a	https://www.tdhca.texas.gov/tdhca-public-comment-center
6	Internet Outreach	Non-targeted/broad community	TDHCA has a centralized webpage for public comment on all plans, reports, and program rules.	n/a	n/a	https://www.tdhca.texas.gov/tdhca-public-comment-center

Table 4 – Citizen Participation Outreach

Needs Assessment

NA-05 Overview

Needs Assessment Overview

The data analysis in this Needs Assessment will help shape the policies throughout this Consolidated Plan. This Needs Assessment refers to the Texas Department of Housing and Community Affairs' (TDHCA) 13 State Service Regions. These regions are useful in discussing different parts of the State. Throughout the Needs Assessment the term “Jurisdiction” will be used to refer to the State as it is the term used in the charts supplied by HUD.

Section 10 of the Needs Assessment considers the characteristics of different family types and certain special needs populations. Single-person households more often have low incomes and consist of elderly persons more than other household types. Households with a person with a disability typically have lower incomes than other household types, and often require housing with certain specifications, such as mobility accessibility. Throughout the Plan reference to Households with Violence Against Women Act (VAWA) characteristics includes survivors of domestic violence, sexual assault, dating violence, or stalking. Households at risk of homelessness typically have low incomes and strained social networks. They may already be living with a friend or relative and often have low educational attainment, which often corresponds with lower paying jobs and fewer savings. Adults who are at risk of homelessness or formerly homeless may have had a history of mental illness or substance use disorder.

Needs Assessment Section 10 reveals that the most common housing problems are cost burden and severe cost burden, especially for households with incomes between 0-30% of the area median income (AMI). In most cases, renters experience a higher rate of housing problems than homeowners. The exception is for severe cost burden in which homeowners experience a greater rate of burden in some AMI categories.

Needs Assessment Section 40 discusses one of Texas’ special needs populations in depth: households experiencing homelessness. Along with data on households experiencing homelessness, this section includes discussion on minorities that are disproportionately economically disadvantaged or homeless. Finally, Section 40 explores differences between unsheltered and sheltered households experiencing homelessness.

Needs Assessment Section 45 has detailed information on persons living with HIV (PLWH), as well as elderly and frail elderly, farmworkers, persons with alcohol and substance use disorders, persons with disabilities, public housing residents, veterans, and victims of domestic violence

Finally, Needs Assessment Section 50 ends with non-housing community needs and discusses public facilities, public improvements and public services, as well as colonias.

Colonia Needs Description

Poverty along the Texas-Mexico border can be particularly acute. Starr, Willacy, Cameron, and Hidalgo counties, for example, have poverty rates ranging from 33.1% to 35.6% according to the 2017-2022 American Community Survey Table (S1703). This is roughly twice as high as the state's 16% poverty rate during the same period. This level of poverty over time has lead these counties and many additional counties along the Texas-Mexico border to be labeled Persistent Poverty counties by the U.S. Treasury Department and other federal agencies. A Persistent Poverty county is classified as having poverty rates of 20% or more for the previous thirty years measured via Census, 1980, 1990, 2000 and American Community Survey Data 2007-2011 ACS (USDA, 2019). These areas of the state also have high concentrations of Hispanic population.

Poverty along the Texas-Mexico border is especially pronounced and concentrated in "colonias," areas that have a majority population composed of individuals and families of low and very low income. According to Section 2306.581 of the Texas Government Code, "colonia" means a geographic area located in a county some part of which is within 150 miles of the international border of this state, consists of 11 or more dwellings that are located in close proximity to each other, in an area that may be described as a community or neighborhood and

- has a majority population composed of individuals and families of low and very low income, based on the federal Office of Management and Budget (OMB) poverty index and meets the qualifications of an economically distressed area under Section 17.921, Water Code; or
- has the physical and economic characteristics of a colonia, as determined by the department.

Border colonias are generally located beyond city limits and have reduced infrastructure and poor housing, such as self-built homes on a slab or pier-and-beam, or hybrid arrangements in which a trailer melds with a makeshift extension. Since 1995, land under 10 acres to be subdivided into residential lots is required to have water and wastewater infrastructure per the State's model subdivision rules. While post-1995 colonias tend to be larger subdivisions, they share some of the worst housing characteristics common during the 1980s colonias expansion. The housing stock was constructed, in many cases, without floor plans, inspections or construction oversight. As a result, many colonia residents find themselves in dangerous living conditions and require assistance to bring homes up to truly habitable standards. Contracts for deed are a common pathway to land ownership in the colonias, in which buyers often make long-term high-interest payments to a seller for their property. Buyers are in a vulnerable position because they receive title only after all payments are made, and sellers can easily retain all of the payments if a buyer defaults. Additionally, titling issues often remain unresolved, which limit residents' ability to access capital for future housing improvements.

Another obstacle to affordable housing can be difficulty obtaining a clear title for low-income homeowners. The Contract for Deed Prevalence Project contracted by TDHCA found that a key trend for many properties in colonias was that they transferred via intestacy law, leading to a dramatic increase in clouded property titles. Not only was this trend found in colonias, but it was also mirrored in older

African-American communities. Properties with multiple owners and legal ownership that does not match the residents' understanding of ownership or the deed records "leads to serious problems with delivery of disaster recovery and other government rebuilding assistance, barring families' ability to ever resell their property, market under-performance and under-valuation, and a host of other issues (Ward, Way and Wood, 2012). Clear titles are often required for homeowners to meet program eligibility requirements and protect the funding agency's investment in affordable housing. Lack of clear title can also complicate the acquisition of easements necessary to provide basic infrastructure improvements to improve the quality of life in underserved areas.

When it comes to colonias, there are an estimated 369,482 people in 1,854 colonias, in the six Counties with the most colonias, along Texas' 1,248-mile border with Mexico, according to a 2014 Texas Secretary of State Report (Texas Secretary of State, 2014).

NA-10 Housing Needs Assessment - 24 CFR 91.305 (a, b,c)

Summary of Housing Needs

Needs Assessment Section 10 discusses housing needs of single persons, families, elderly persons (e.g. over 62 years as shown in the data below), renter and owners, people with disabilities, households with VAWA characteristics, formerly homeless households, and households at risk of homelessness. Household groups are divided into income categories with different ranges of the household AMIs.

Demographics	Base Year: 2020	Most Recent Year: 2022	% Change
Population	29,145,505	29,243,342	0%
Households	10,491,147	10,490,553	0%
Median Income	63,826	73,035	14%

Table 5 - Housing Needs Assessment Demographics

Data Source:	2020 ACS 5-Year Estimates (Base Year), 2020-2025 ACS (Most Recent Year)
Data Source Comments:	2020 ACS 5-Year Estimates (Base Year), 2020-2025 ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	1,280,035	1,175,350	1,719,315	1,043,985	5,020,655
Small Family Households	392,250	425,542	671,741	437,840	2,646,335
Large Family Households	118,113	140,517	211,098	129501	550,984
Household contains at least one person 62-74 years of age	277,238	252,373	364,484	219,561	1,069,086
Household contains at least one person age 75 or older	169,911	167,559	191,103	97,945	336,448

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Households with one or more children 6 years old or younger	243,892	239,284	317,759	186,527	824,006

Table 6 - Total Households Table

Data Source: 2017-2021 CHAS

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Total**	**0-30% AMI**	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Total**
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	21,158	13,087	10,762	4,036	49,043	10,652	5,800	7,925	3,596	27,973
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	23,843	19,817	20,740	8,777	73,177	5,442	7,037	10,774	6,331	29,584
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	47,101	42,654	43,140	19,544	152,439	13,856	21,077	32,697	18923	86,553
Housing cost burden greater than 50% of income (and none of the above problems)	470,962	202,548	47,522	4,553	725,565	242,684	121,043	78,880	19,470	462,077
Housing cost burden greater than 30% of income (and none of the above problems)	65,974	265,718	340,661	75,619	747,972	78,742	130,746	206,575	110,147	526,210

	Renter					Owner				
	0-30% AMI	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Total**	**0-30% AMI**	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Total**
Zero/negative Income (and none of the above problems)	89,166	0	0	0	89,166	53,696	0	0	0	53696

Table 7 – Housing Problems Table

Data Source: 2017-2021 CHAS

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Total**	**0-30% AMI**	**>30-50% AMI**	**>50-80% AMI**	**>80-100% AMI**	**Total**
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	628,877	543,910	462,822	112,560	1,748169	351,316	285,754	336,868	158,412	1,132,350
Having none of four housing problems	163,657	93,360	358,606	313,182	928,805	136,130	252,335	560,987	459,763	1,409,215
Household has negative income, but none of the other housing problems	89,166	0	0	0	89,166	53,696	0	0	0	53696

Table 8 – Housing Problems 2

Data Source: 2017-2021 CHAS

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	**>30-50% AMI**	**>50-80% AMI**	**Total**	**0-30% AMI**	**>30-50% AMI**	**>50-80% AMI**	**Total**
NUMBER OF HOUSEHOLDS								
Small Related	25950	135,126	139,657	300,733	18,742	45,951	93,718	158,411

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Large Related	12245	36,969	26,367	75,581	7,348	23,022	30,391	60,761
Elderly	25522	44,759	42,293	112,574	48,609	57,575	59,261	165,445
Other	16,453	88,811	150,650	255,914	10,019	13,471	30,350	53,840
Total need by income	80,170	305,665	358,967	744,802	84,179	140,019	213720	438,457

Table 9 – Cost Burden > 30%

Data Source: 2017-2021 CHAS

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	190,261	79,304	14,526	284,091	74,608	46,342	31,560	152,510
Large Related	53,068	15,882	1,596	70,546	23,132	13,503	7,278	43,913
Elderly	99,856	43,902	13,244	157,002	111,431	46,429	26,629	184,489
Other	188,495	77,789	21,108	287,392	46,233	18,650	14,692	79,575
Total need by income	531,680	216,877	50,474	799,031	255,404	124,924	80,159	460,487

Table 10 – Cost Burden > 50%

Data Source: 2017-2021 CHAS

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	64,746	55,567	52, 942	21,849	195,104	15,210	22,045	30,351	16,500	84,106

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Multiple, unrelated family households	5,472	6,054	8,141	4,130	23,797	4,296	6,445	13,627	8,863	33,231
Other, non-family households	2,560	1,684	3,544	2,698	10,486	201	178	327	191	897
Total need by income	72,778	63,305	64,627	28,677	229,387	19,707	28,668	44,305	25,554	98,527

Table 11 – Crowding Information – 1/2

Data Source: 2017-2021 CHAS

Describe the number and type of single person households in need of housing assistance.

The tables in the Housing Needs Assessment do not include one-person households, since the "small family" category in the Comprehensive Housing Affordability Strategy (CHAS) data includes two persons. Independently from the tables above in Needs Assessment Section 10, according to the 2017-2022 American Community Survey Table B11016, there are 2,693,313 one-person households in Texas. This is approximately 25.6% of all households in Texas, up from 24.9% in 2020 (2020 Census Table H9). This increase is consistent with the national trend of an increasing percentage of one-person households, up 16% since the 1960s (U.S. Census Bureau). However, the percentage of Texas one-person households is lower than the percentage of one-person households in the United States, 29%. Even with Texas' lower percentage compared to the nation, one-person households are a sizable minority, with one in four households consisting of a one-person household.

The needs of one-person households are determined by their composition. One-third of one-person households consist of people over age 65. Only 23% of households with two or more persons have one or more person aged 65 and over (2017-2022 American Community Survey Table B11007). One-person households are more likely than two-or-more person households to have a person over 65 years of age. The 2024 AI found that, before 2050, the population of Texans aged 64 to 84 years is expected to more than double and the population of Texans aged 85 and older is expected to more than triple. This means that one-person households will increasingly have many of the issues that confront households with elderly or frail elderly, such as a need for disability services, as discussed in Needs Assessment 45. The 2024 AI released demographic information by the 13 state service regions, including discussions of data for age and persons with disabilities.

The median income of one-person households in Texas is approximately $39,967, less than half of two-person households' median income of $80,661 (2017-2022 American Community Survey Table B19019). However, only 58.8% of one-person households are workers compared to 74.4% of two-person households that contain one worker (2017-2022 ACS Table B08202). The lower percentage of workers in one-person households could be a result of the higher percentage of one-person households with persons over 65, as discussed in the previous paragraph. The persons over 65 could be living on a fixed retirement, benefit or disability income, contributing to the lower median income. Finally, 38.5% of two-person households have two workers and two incomes. For households with only one member, there is only one potential worker, which contributes to the lower median income than two-person households with two workers.

Most one-person households only need access to an efficiency or one-bedroom home/apartment, which are typically lower in cost than larger homes/apartments. For example, in 2023 rents in the Lubbock MSA, were $726 for an efficiency and $838 for a one bedroom, compared to a two bedroom at $1,017. However, the availability of efficiencies and one-bedroom units is only 31% of the current housing stock, according to the table under the Market Analysis Section 10, unit size by tenure. The competition for smaller units may include households with more than one-person. This means that not every one-person household will be able to live in an efficiency or one-bedroom unit. Because of the lack of and competition for efficiencies and one-bedroom units, and because of lower incomes than other household types, single-family households may experience cost burden.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

According to the 2017-2022 American Community Survey Table S1810, the non-institutionalized civilian population shows that there are 30,020,476 Texans and 3,802,114 of them are persons with a disability, or about 12.7% of the population. Of those, 1,956,011 persons with disabilities were between 18-64 years old. However, the age range of 75 years and older have the highest percent of persons with a disability, at 49.2%. The most common type of disability is an ambulatory disability: approximately 1,708,311 persons have an ambulatory difficulty, which is about 6.1% of the total population. The second most common type of disability is cognitive difficulty, which accounted for 5.3% of the total population. A cognitive difficulty is defined by The Census Bureau in the following way: Because of a physical, mental, or emotional condition, [does this person] have difficulty concentrating, remembering, or making decisions. Approximately 3,594,068had an ambulatory, vision, or hearing difficulty), all of which could be mitigated by accessibility features in housing.

According to the 2017-2022 American Community Survey Table S1811, approximately 19.2% of people with disabilities were under the poverty line in Texas, compared to 12.3% of people without disabilities.

Regarding victims of family violence, the Texas Department of Public Safety's 2023 Crime in Texas report shows 247,896 incidents of family violence involving 247,995 victims in Texas in 2023. According to the Texas Council on Family Violence, Honoring Texas Victims 2023 report, 179 women were murdered at the hands of their male intimate partners; 92 of those women had ended or taken steps to end the abuse including relocating. According to the Texas Council on Family Violence, Honoring Texas Victims' Fact Sheet 72% of the victims were killed at home. The Department recognizes that domestic violence can be a critical contributing factor of homelessness.

The U.S. Department of Justice reported that in 2019 about 1.3%us residents older than 16 were victims of stalking and 67% of stalking victims knew their stalker (Morgan & Truman, 2022) of The Texas Attorney General's Crime Victim Services Annual Report for 2022 showed 179 or .70% of individuals who applied for compensation were doing so because of stalking. The covered costs included relocation assistance. Of those 179 applications, 36 payments (19%) were made for a total amount of $88,438.61. The Texas Department of Public Safety's Crime in Texas report also states that there were 18,307 incidents of sexual assault, involving 16,941 victims in Texas in 2023 (Texas Department of Public Safety). A majority of the victims were female 93.7%. The most common location for the assault was in the home, at 70% (p. 68). The age group of 10 to 14 and 15 to 19 year olds had the highest incidence of sexual assault with approximately 8,229 victims. These factors may attribute to homelessness among girls aged 10 to 14 years and among women who are fleeing a home life of sexual assault. The Texas Council on Family Violence found that, of the 179 women killed by their intimate male partner in 2023, the most common age range was 20 to 39 years old, and 72% were killed at home, also making home a potentially dangerous place for victims of family violence.

What are the most common housing problems?

Comparing Table 2, Number of Households, to Table 3, Households with Housing Problems, the most common housing problem in Texas is cost burden. Of total households at or under 100% AMI, 23% experience cost burden and 24% experience severe cost burden, meaning 47% of Households under 100% AMI experience cost burden in some severity. For households with incomes between 0-30% AMI, the incidences of non-severe cost burden is 11.4%, but severe cost burden rises dramatically to 60.1%. The low rate of non-severe cost burden is unexpected but offset by the increase in severe cost burden. For households in the >30-50% AMI category, non-severe cost burden goes up to 31.1% and severe cost burden goes down to 27.2%; for households in the >50-80% AMI category, non-severe cost burden is higher than the state average at 42.9% but severe cost goes down to 10.6%. Finally, for households in the >80-100% AMI category, non-severe cost burden falls to 14.6% and severe cost burden drops to its lowest level at 0%. This shows that the higher the income, the less likely a household is going to be severely cost burdened or non-severely cost burdened.

The other housing problems included in Table 3, Households with Housing Problems, are less common. Overcrowding affects 5% of Texas households at or under 100% AMI, and severe overcrowding affects 2%. Substandard housing is the least common housing problem with only 1.5% of all households at or under 100% AMI experiencing this problem.

Analyzing Table 3, Households with Housing Problems, shows that renters and owners in the >50-80% AMI category experience cost burden at higher rates (46% of renters, and 39% of owners) than the other income categories. Renters and owners in the >30-50% AMI category follow with 36% of renters experiencing cost burden and 25% of owners. Renters and homeowners in the >30-50% and >50-80% category experience cost burden from 10-37 percentage points higher than renters and owners in the lowest and highest AMI categories. Renters in the 0-30% and >80-100% AMI category experience cost burden at 9% and 10%, while owners experience cost burden at 15% and 21% respectively. This trend does not continue for housing cost burden greater than 50 % of income (severe cost burden). Renter and owner households in the 0-30% AMI have the highest percentages experiencing severe cost burden overall. Renters in the 0-30% AMI have a rate of 65% households experiencing severe cost burden and owners in the 0-30% AMI have a rate of 53% households experiencing severe cost burden.

While homeowners sometimes had higher percentages of severe cost burden and non-severe cost burden, extremely low-income (ELI) renters (0-30%) have the highest percentage increase in non-severe to severe cost burden than all other renters and homeowners, a 56% increase, seen in Table 3. This 56% difference demonstrates that ELI renters experience a much more intense increase in cost burden than all other renters and homeowners.

For the other housing problems, renters (>0-30% and >30-50%) experience a higher percentage of severe overcrowding (33% and 27% respectively) and overcrowding (31% and 28%), than homeowners in the same income categories (18% and 24% severe respectively and 18% and 24% non-severe overcrowding). While moderate income (>50-80% and >80-100%) Homeowner households experience higher rates of severe overcrowding 36% and 21% and overcrowding 38% and 22% than renter households in the same income categories (28% and 12% severe overcrowding respectively, and 28% and 13% for non-severe overcrowding). The rates of substandard housing were slightly higher for renters than homeowners in the 0-50% AMI categories, whereas homeowners had higher percentages in the 50>80% AMI, and 80<100% AMI categories at 28% and 13% respectively. However, ELI renters and homeowners had the highest percentages of substandard housing overall.

Are any populations/household types more affected than others by these problems?

Housing problems fall hardest on households with 0-30% AMI. When analyzing Table 3, Housing Problems, and Table 4, Housing Problems 2, 36% of renter households and 31% of homeowner households that have one or more of the four housing problems are in the 0-30% AMI category. Higher income results in a lower rate of housing problems for households that experience one of the four housing problems. 31% of renters in >30-50% AMI and 25% of homeowners in >30-50% AMI have a housing problem: 26% of renters in >50-80% AMI and 30% of homeowners in >50-80% AMI have a housing problem; and just 6% of renters in >80-100% AMI and 14% of homeowners in >80-100% AMI have a housing problem. The difference between renters and owners is greater at>50-80% AMI and >80-100% AMI: a greater percentage of homeowners in those income levels have housing problems than renters.

Table 5, Cost Burden >30%, shows that cost burden is higher in the 0-30% AMI category for renters, but significantly lower in the >50-80% AMI category for renters compared to Homeowners. Meanwhile in the >30-50% AMI category Renters and Homeowners experience similar rates of cost burden based on household type. Of renters with cost burden in the 0-30% AMI category, approximately 67% are small-related households, 75% are large-related households, 64% are elderly households, and 66% are other types of households. Of renters with cost burden with incomes from 0-80% AMI, 36% are small-related households, 9% are large-related households, 20% are elderly households, and 36% are other types of households. Small-related and other households make up the biggest proportion of renters with cost burden.

For owners, cost burden is concentrated in the >50-80% AMI category. Almost half of all types of households in the owner category experiencing cost burden are in the 50>80% AMI category, 32% are in the >30-50%, and 19% in the 0-30% category. Of owners with cost burden, with incomes from 0-80% AMI, 36% are small-related households, 14% are large-related households, 38% are elderly households, and 12% are other types of households. The biggest percentage of owners with cost burden in 0-80% AMI is elderly households, followed by small households.

Analyzing Table 6, severe cost burden is concentrated in the 0-30% AMI category for renters. Of renters with severe cost burden, approximately 67% of small-related households, 75% of large-related households, 64% of elderly households, and 66% of other types of households have incomes at the 0-30% AMI category. Of renters with severe cost burden at 0-80% AMI, 36% are small-related households, 9% are large-related households, 20% are elderly households, and 36% are other types of families. For owners, severe cost burden is again concentrated in the 0-30% AMI category. Approximately 55% of homeowners with cost burden have incomes in the 0-30% AMI category, across all household types. Of owners with severe cost burden and 0-80% AMI, 49% are small-related families, 53% are large-related households, 60% are elderly households, and 58% are other types of households. Large-Related households have the largest gap between renters and owners, with renters with severe cost burden 22% higher than their Homeowner counterparts. The largest population with severe cost burden at 0-80% AMI are small-related households at 35%.

Like previous trends, the rate of overcrowding lowered dramatically in the >80-100% AMI category for renters, as seen in table 7, dropping to 10% compared to the rates of overcrowding in the other income levels for renters. Overcrowding was lower for owners at the 0-30% and >80-100% AMI categories each at 23% for all household types.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

24 CFR §91.5(1) states that an individual or family who is at risk of homelessness has income below 30% area median family income, do not have sufficient resources or support networks, and have experienced housing instability (e.g., due to economic hardship, the individual or family has moved two or more times within the previous 60 days, is living in the home of another household, lives at a motel or hotel, etc.).

Individuals or families with extremely low incomes (30% or below area median income) are often service sector workers, including those who earn minimum wage, seniors or those who have a disability. Thirteen percent of extremely low-income renters are single-adult caregivers of a young child or of a household member with a disability (National Low Income Housing Coalition, 2024, p. 14). According to the Joint Center for Housing Studies of Harvard University, 61% of cost burdened renter households were headed by someone under 25 years old and 57% for households 65 and older. Among public sector employees, personal care and food preparation had the highest numbers of cost burdened renters. (Joint Center for Housing Studies of Harvard University, 2024)

Vulnerability factors for homelessness include difficulty obtaining a well-paying job due to factors such as low educational attainment, which in turn often results in low savings levels. Individuals or families at risk of homelessness are also often straining the willingness of their social networks to provide housing supports over an extended period, such as living with family or friends over an extended period. It is recognized that domestic violence is one of the main factors of homelessness or being at-risk of homelessness for families.

According to the National Alliance to End Homelessness 28.5% of people experiencing homelessness are people living in families with children (National Aliance to End Homelessness, 2024). Helping these populations includes both service assistance for the parent or guardian and the children, as well as homeless prevention assistance, such as short-term rental assistance, deposits, etc. The National Alliance to End Homelessness cited that that 22-57% of women and children are homeless due to domestic violence (National League of Cities, 2021). For this population, providing homelessness prevention with an emphasis on safety would be a priority.

Formerly homeless individuals and families may double up (multiple families or individuals living in the same household) after they leave shelter, living with family or friends out of economic necessity. While these arrangements may be supportive, they can also be stressful because of the lack of privacy, permanence, and autonomy, and may result in overcrowding, conflict, exploitation, and frequent moves. Families who had doubled up before entering shelter are more likely than other families to double up again, and families that have experienced multiple episodes of sheltered homelessness are more likely than other families to return to emergency shelters (USICH, 2018). Therefore, needs for these populations include ongoing affordable housing assistance, employment support services, and other coordinated health and human service supports.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

The state does not have established estimates of the number of persons or households in the various at-risk populations.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

Housing characteristics that have been linked with instability "encompass a number of challenges, such as having trouble paying rent, overcrowding, moving frequently, staying with relatives, or spending the bulk of household income on housing. These experiences may negatively affect physical health and make it harder to access health care" (Office of Disease Prevention and Health Promotion, 2019).

According to the National Low Income Housing Coalition, 'the current national shortage of 7.3 million affordable and available homes for renters with extremely low incomes means that only 34 such homes exist for every 100 extremely low-income renter households.' As a result, 74% of extremely low-income renters are severely housing cost-burdened, spending more than half of their limited incomes on housing costs, which forces them to cut back on other basic necessities like adequate food, healthcare and transportation and also puts them at risk of housing instability (National Low Income Housing Coalition, 2024).

Domestic violence contributes to homelessness. When a person decides to leave an abusive relationship, they often have nowhere to go. This is particularly true of women with few resources. Lack of affordable housing and long waiting lists for assisted housing mean that many women and their children are forced to choose between abuse at home and life on the streets. 80% of homeless mothers report having experienced domestic violence at some point (National League of Cities, 2021). Statistics released by the 2024 National Census of Domestic Violence Services show that Texas emergency shelters or transitional housing provided by local domestic violence programs served 7,974 victims of domestic violence in one day. On this day, 1,444 Texas survivor’s request for services went unmet, 44% of which were for housing and emergency shelter (2024).

Finally, for older adults who live on fixed incomes it can be difficult to afford rents, or modifications to their homes as their need for accessibility increases. According to the HUD Office of Policy Development and Research ‘Age-related challenges to housing security include the struggle to afford rent increases on a fixed income and the need for accessible housing and additional services, which further narrow the already limited supply range of suitable units’ (HUD Office of Policy Development and Research, 2023). The Housing and Health Services Coordination Council (HHSCC) 2024-2025 Biennial Plan states that "the lack of affordable housing units, the lack of units with accessible features greatly impacts aging adults and persons with disabilities " (HHSCC, 2024). Older adults and persons with disabilities may be forced to move into costly nursing homes or similar institutions if their unique needs are not met.

Discussion

While the trends within Texas help to shape housing policy, it is also helpful to compare Texas to the nation to see where Texas’ needs are unique. Texas has a greater percentage of households with people under 18 and a lesser proportion of households with persons over 65 than the US as a whole. Households with people under 18 make up 35.6% of Texas, compared to 30.2% for the nation. Households with persons over 65 made up 25.7% percent of the Texas population, while this population made up 30.8% of the population for the nation (2022-2017 American Community Survey, Table DP02). Texans may have more of a need for family housing than the rest of the nation. Indeed, the analysis above shows that small-related families made up the highest percentages of households with housing problems.

Texas has a slightly lower percent of the civilian, non-institutionalized population with disabilities than the rest of the nation. Texas had 11.7% and the nation had 12.9% (2017-2022 American Community Survey Table DP02.

The poverty rate for Texas was 13.9%, higher than the percentage for the nation which was 12.5% (2017-2022 American Community Survey Table S1701). The high rates of poverty along the Texas-Mexico border in El Paso County and the Counties that make up the Rio Grande Valley, significantly contribute to this high rate statewide.

The analysis in this section shows overwhelmingly that cost burden is the most prevalent housing problem, especially for the lower income persons. The analysis above also shows that different household types have different needs. For example, single-person and some two-person households may be best suited to efficiencies and one-bedroom apartments for space and cost reasons, however there is insufficient affordable supply of these units. The needs of people with disabilities, people experiencing or at risk of experiencing homelessness, and victims of domestic violence will also be discussed as special needs populations in Needs Assessment Section 40.

The following sections of the 2025-2029 State of Texas Consolidated Plan have been removed in accordance with the U.S. Department of Housing and Urban Development (HUD) April 2, 2025 AFFH Interim Final Rule, repealing 24 CFR §91.305(b)(2) https://www.ecfr.gov/compare/2025-04-02/to/2025-04-01/title-24/subtitle-A/part-91/subpart-D/section-91.305.

NA-15 Disproportionately Greater Need: Housing Problems - 91.305 (b)(2)

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.305(b)(2)

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.305 (b)(2)

NA-30 Disproportionately Greater Need: Discussion – 91.305 (b)(2)

NA-35 Public Housing – (Optional)

Introduction

TDHCA serves as a Public Housing Authority (PHA) with authority to issue up to 1,540 Section 8 HCVs, but has available funds to administer only approximately 840.

Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	0	0	725	0	725	55	0	356

Table 17 - Public Housing by Program Type

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Data Source: PIC (PIH Information Center)

Characteristics of Residents

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project -based	Tenant -based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# Homeless at admission	0	0	0	0	0	0	12	0

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project - based	Tenant - based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# of Elderly Program Participants (>62)	0	0	0	143	0	143	0	0
# of Disabled Families	0	0	0	228	0	228	0	0
# of Families requesting accessibility features	0	0	0	833	0	833	55	0
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 18 - Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	0	255	0	255	32	0	157
Black/African American	0	0	0	574	0	574	18	0	183
Asian	0	0	0	0	0	0	0	0	0
American Indian/Alaska Native	0	0	0	1	0	1	0	0	0
Pacific Islander	0	0	0	3	0	3	0	0	0

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Other	0	0	0	0	0	0	5	0	0
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 19 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	0	108	0	108	8	0	52
Not Hispanic	0	0	0	725	0	725	47	0	290
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 20 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

TDHCA's PHA Plan does not include Section 8 public housing units. However, in the State as a whole, there are approximately 46,787 units of low-rent public housing in 2019, according to the U.S. Department of Housing and Urban Development's (HUD) Multifamily Assistance and Section 8 Contracts database (https://www.hud.gov/program_offices/housing/mfh/exp/mfhdiscl). Because there is not a centralized system for accepting applications for public housing assistance and because TDHCA does not accept applications directly from individuals for a majority of its programs, there is no data available on the needs of applicants on waiting lists for accessible units.

There are 551 individuals on the HCV waiting list.

What are the number and type of families on the waiting lists for public housing and section 8 tenant-based rental assistance? Based on the information above, and any other information available to the jurisdiction, what are the most immediate needs of residents of public housing and Housing Choice voucher holders?

As stated above, there is not a centralized system for accepting applications for all public housing assistance, and there is no data available on the needs of applicants on waiting lists for PHAs.

How do these needs compare to the housing needs of the population at large

The needs of Public Housing residents are discussed in Needs Assessment Section 45

Discussion:

The relationship between the State and PHAs in Texas will be explored in Strategic Plan Section 50.

NA-40 Homeless Needs Assessment – 91.305(c)

Introduction: According to HUD's 2024 Point-in-Time count for Texas, there were approximately 27,987 homeless people in January 2024. This is a 2.2% increase from 2022, and a 2.8% increase from the 2020 HUD Point-in-Time count for Texas.

One tool which addresses homeless populations in Texas is the Emergency Solutions Grant Program (ESG). ESG's focus is on assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness and to a greater focus on collaboration and coordination with HUD's designated Continua of Care (CoCs). The ESG program provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly re-house homeless individuals and families, and (6) prevent families and individuals from becoming homeless. TDHCA administers the ESG funds in a manner consistent with the McKinney-Vento Homeless Assistance Act, as amended (42 USC. Sec 11371 et seq.).

Homeless Needs Assessment

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Unsheltered	Sheltered				
Persons in Households with Adult(s) and Child(ren)	216	1,718	0	0	0	0
Persons in Households with Only Children	65	81	0	0	0	0
Persons in Households with Only Adults	10,903	9,625	0	0	0	0
Chronically Homeless Individuals	3,287	1,741	0	0	0	0
Chronically Homeless Families	55	110	0	0	0	0
Veterans	714	1,123	0	0	0	0
Unaccompanied Child	65	88	0	0	0	0
Persons with HIV	253	232	0	0	0	0

Indicate if the homeless population is: Partially Rural Homeless

Rural Homeless Needs Assessment

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Unsheltered	Sheltered				
Persons in Households with Adult(s) and Child(ren)	192	473	0	0	0	0
Persons in Households with Only Children	63	25	0	0	0	0
Persons in Households with Only Adults	5,381	2,427	0	0	0	0
Chronically Homeless Individuals	1,466	261	0	0	0	0
Chronically Homeless Families	22	6	0	0	0	0
Veterans	352	204	0	0	0	0
Unaccompanied Youth	296	259	0	0	0	0
Persons with HIV	42	33	0	0	0	0

Table 21 - Homeless Needs Assessment

Data Source Comments: PIT estimates based on HUD's 2024 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations for the State of Texas. Annual estimates are covered in narrative section of the report.

For persons in rural areas who are homeless or at risk of homelessness, describe the nature and extent of unsheltered and sheltered homelessness with the jurisdiction:

The Texas Interagency Council for the Homeless *2019 Annual Report,* which provides the framework for coordinating state administered programs with Continuum of Care planning to address homelessness in Texas, states that Homelessness is not a static condition. Some people experience it for extended periods, most experience homelessness in shorter episodes (United States Interagency Council on Homelessness, 2022). Chronically homeless persons are defined by the McKinney-Vento Homeless Assistance Act as; with respect to an individual or family, that individual or family is homeless and has been homeless and living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter continuously for at least 1 year or on at least 4 separate occasions in the last 3 years and has a head of the household with a disability.

Less than 1% of the Texas population can be classified as experiencing homeless (e.g., per 24 CFR § 91.5 lacking a fixed, regular and adequate nighttime residence) or at-risk of homelessness. The definition of at-risk of homelessness defined in Section 401 of the Hearth Act is as follows:

(1) AT RISK OF HOMELESSNESS. The term 'at risk of homelessness' means, with respect to an individual or family, that the individual or family
(A) has income below 30 percent of median income for the geographic area;
(B) has insufficient resources immediately available to attain housing stability; and
(C)(i) has moved frequently because of economic reasons;
(ii) is living in the home of another because of economic hardship;
(iii) has been notified that their right to occupy their current housing or living situation will be terminated;
(iv) lives in a hotel or motel;
(v) lives in severely overcrowded housing;
(vi) is exiting an institution; or
(vii) otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

Such term includes all families with children and youth defined as homeless under other Federal statutes.

Rural areas typically have fewer jobs and shelters than urban areas, which makes conditions especially difficult for homeless persons. Farmworkers are at high risk for homelessness because of their mobile lifestyles and extremely low incomes. According to the 2024 Point-in-Time counts for the Texas Balance of State CoC, Waco/McLennan County and the Wichita Falls/Wise, Palo Pinto, Wichita, and Archer Counties CoC, which account for most of the state's rural populations but include some non-rural areas, there were 10,353 homeless persons in these areas, with 3,175 in emergency shelter, 739 in transitional housing, and 6,439 unsheltered.

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Homeless Veterans: The 2024 Annual Homeless Assessment Report for Texas estimates that on a single night in 2024, 1,837 Veterans were experiencing homelessness. According to the Department of Veterans Affairs the number of veterans experiencing homelessness in the United States has declined by 11.7% since 2020 and 55.6% since 2010.

Chronically Homeless Individuals and Families: The 2024 Annual Homeless Assessment Report for Texas estimates that on a single night in 2024, the number of chronically homeless persons totaled 5,193 in Texas. Of those, 96.8% were individuals and 3.1% were people in families.

Unaccompanied Youth: The 2024 Annual Homeless Assessment Report for Texas estimates that on a single night in 2024, 1,355 unaccompanied youth were experiencing homelessness. Unaccompanied youth made up 4.8% of individuals experiencing homelessness in the state.

Homeless Families with Children: The number of homeless families with children has decreased significantly over the past decade. The 2024 Annual Homeless Assessment Report for Texas showed that 9.2% of homeless households were households with children, while in 2023 they were 9.3% of homeless households.

Nature and Extent of Homelessness: (Optional)

Race:	Sheltered:	Unsheltered (optional)
White	4,138	4,999
Black or African American	6,353	3,316
Asian	182	108
American Indian or Alaska Native	116	204
Pacific Islander	31	61
Ethnicity:	**Sheltered:**	**Unsheltered (optional)**
Hispanic	2,140	2,812
Not Hispanic	342	185

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

Homeless Veterans: According to the 2024 Point-in-Time count, there were 2,036 homeless veterans in Texas, with 1,225 sheltered and 829 unsheltered.

Chronically Homeless Individuals and Families: The National Alliance to End Homelessness reports that chronic homelessness outpaces other types of homelessness. (National Aliance to End Homelessness, 2024) Even though chronically homeless persons tend to have greater need, their experiences with mainstream services do not effectively address their needs. Finally, chronically homeless persons often have multiple problems and face a service system that often does not offer a comprehensive set of treatments. According to the 2024 Point-in-Time count, there were 165 chronically homeless families with children in Texas, with 110 sheltered and 55 unsheltered; there were 5,028 chronically homeless individuals with 1,741 sheltered and3,287 unsheltered.

Homeless Families with Children: According to the 2024 Point-in-Time count, there were 2,080 homeless families with children in Texas, with 1,286 in emergency shelter, 513 in transitional housing, and 281 unsheltered.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

Based on the data provided by the CoCs in the State of Texas to the U.S. Department of Housing and Urban Development, seen in the Nature and Extent of Homelessness table above we can calculate the racial and ethnic makeup of the 2024 Point-in-Time homeless population. The data shows the following demographic breakdown: White 32%, Black or African-American 35%, individuals identifying as multiple races 2%, American Indian or Alaska Native 1%, Asian >1%, and Pacific islander >1%. Within the Racial makeup 33% of Homeless individuals identified as Hispanic. However, the ethnic makeup of the homeless population will vary by geographic area.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

According to HUD's 2024 CoC Homeless Assistance Programs Homeless Populations and Subpopulations report, 44% of homeless persons in Texas were unsheltered at the time of the count. Specifically:

- There were 3,993 homeless youth in Texas, with 2,598 in emergency shelter, 982 in transitional housing, and 415 unsheltered;
- There were 2,732 victims of domestic violence who were homeless in Texas, with 1,949 sheltered and 789 unsheltered;
- There were 1,837 homeless veterans in Texas, with 1,123 sheltered and 714 unsheltered;
- 18.6% of the Texas homeless population is considered chronically homeless. Of those, 64.4% were unsheltered at the time of the count;
- There were 485 homeless persons with HIV/AIDS in Texas, with 232 sheltered and 253 unsheltered; and
- There were 3,758 homeless persons experiencing chronic substance use disorder in Texas, 2,102sheltered and 1,656 unsheltered.

The Office of Family Violence Prevention and Services notes that between 22%-57% of women experiencing homelessness report that domestic violence was the immediate cause of their homelessness (Administration for Children and Families, 2016). As a direct result of the power and control dynamics related to their abuse, survivors often face unique barriers to accessing shelter and affordable housing, including, poor credit and ruined rental histories, lack of steady employment, housing discrimination and a loss of subsidized or other affordable housing (Safe Housing Partnerships, 2017). The Texas Council on Family Violence 2022 Regaining Balance Report indicates that, "In Texas, 90.1% of survivors accessing family violence services will experience homelessness as a result of fleeing an abusive relationship at least once. Almost half, 45%, will experience homelessness two or more times and 48% will also experience additional incidents of homelessness separate from the domestic violence."

Discussion:

The continuum of care approach to fighting homelessness is based on the understanding that homelessness is not caused merely by a lack of shelter, but involves a variety of underlying unmet physical, economic, and social needs. A comprehensive system of services and housing are needed to help homeless individuals and families reach independence using a combination of emergency shelters, transitional housing, social services, and permanent housing. The continuum of care system begins with outreach, intake, and assessment. It is followed by safe emergency shelter and/or transitional housing that provide a variety of services including job training, educational services, substance abuse services, mental health services, and family support. Ultimately, the goal is to assist the family or individual in achieving permanent housing.

Through the ESG Program, TDHCA funds organizations that provide the services necessary to help persons who are at-risk of homelessness or homeless quickly regain stability in permanent housing. Subrecipient organizations provide shelter and related services for homeless persons, as well as intervention services to persons threatened with homelessness. Activities include assistance in obtaining permanent housing; and homeless prevention services, such as rent and utility assistance as well as renovating buildings for use as shelters and medical and psychological counseling. Demonstrating the need for homeless shelter and services, for the 2019 ESG application cycle, the Department received requests for funding in the amount of $16,154,720, which is >185% of the amount of the 2019 ESG allocation.

Many of the organizations that apply to TDHCA for funding serve all homeless individuals or target families with children specifically. The Texas Health and Human Services Commission's Family Violence Program funds family violence centers located throughout the State that provide services to survivors of VAWA qualifying conditions. Services include 24-hour hotline guidance, information and referral services, legal services, counseling, emergency transportation, assistance in obtaining medical care and job training, and selected family violence centers providing temporary shelter services. Many of those receiving services through this program are women with children.

Disaster Recovery

As outlined in detail in each of the Action Plans for the supplemental disaster assistance, found on the Texas General Land Office website, the State of Texas had huge recovery efforts from each of the events in which it received funding. While most programs are under way, there remains unmet need that will still exceed the funds available to the State. This can be evidenced by the remaining unmet need in Action Plans related to each disaster event. Please refer to each program's Action Plan or the disaster recovery divisions most current Quarterly Progress Report for specific details https://recovery.texas.gov/action-plans/index.html.

NA-45 Non-Homeless Special Needs Assessment – 91.305 (b,d)

Introduction

The State addresses special needs populations in Strategic Plan Section 25, and Action Plan Sections 15 and 25. The special needs populations discussed below were designated by HUD or Texas Government Code. Special Needs Populations include:

- Colonias, and their residents (Texas Government Code §2306.127, Section 916 of the Cranston-Gonzalez National Affordable Housing Act of 1990)
- Elderly and Frail Elderly Populations (Texas Government Code §2306.511 and 24 Code of Federal Regulations §91.305(d))
- Homeless Populations and Persons at Risk of Homelessness (Texas Government Code §2306.001(6), §2306.053, and 24 Code of Federal Regulations §91.305(c))
- Persons with Alcohol and Substance Abuse Issues (Texas Government Code §2306.511, 24 Code of Federal Regulations §91.305(d))
- Persons with Disabilities (mental, physical, intellectual, developmental) (24 Code of Federal Regulations §91.305(d))
- Persons with HIV/AIDS and their Families (24 Code of Federal Regulations §91.305(d))
- Public Housing Residents and Persons on Wait Lists for Public Housing (24 Code of Federal Regulations §91.305(b)(1)(G))
- Victims of Domestic Violence, including persons with Violence Against Woman Act (VAWA) protections (domestic violence, dating violence, sexual assault, or stalking) (24 Code of Federal Regulations §91.305(b)(1)(I))

While not specifically designated as "special needs" the State is directed by Texas Government Code §2306.0721 to analyze data on the following populations: farmworkers, youth aging out of foster care, and veterans (which may include wounded warriors, as defined by the Caring for Wounded Warriors Act of 2008); these populations are often considered specifically in plans and programming of funds.

This Consolidated Plan focuses on persons living with HIV (PLWH) and their households because Housing Opportunities for Persons with AIDS (HOPWA) is a specific funding source for this population. HOPWA serves as the only federal program dedicated to addressing the housing needs of low-income PLWH and their households. The DSHS HOPWA Program helps eligible PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to health care and supportive services. The program integrates with the administrative structure of the Texas Ryan White Part B HIV/AIDS Program and the larger, multi-sectoral system for delivering treatment and care to PLWH in Texas.

Housing is a critical need for PLWH. Stable housing helps PLWH access comprehensive healthcare, adhere to HIV treatment, and achieve viral suppression. The U.S. National HIV/AIDS Strategy had a goal of reducing the rate of unstably housed or homeless PLWH by 50%. According to the National HIV/AIDS Strategy 2024 Progress Report, the rate decreased from a baseline of 21.0% in 2017 to 17.9% in 2022. Quantitative and qualitative data show that HOPWA improves access to healthcare and supportive services. As more PLWH live longer lives, the need for HOPWA increases.

HOPWA serves households with incomes at or below 80% of AMI. However, most of the households enrolled in the program have incomes at or below 30% of AMI. In 2023, the DSHS HOPWA Program served 1,328 unduplicated eligible individuals and 693 additional beneficiaries. Of the additional beneficiaries, 46 also lived with HIV.

The answers to the following questions will address all the special needs populations.

HOPWA

Current HOPWA formula use:	
Cumulative cases of AIDS reported	47,450
Area incidence of AIDS	1,891
Rate per population	6.4
Number of new cases prior year (3 years of data)	1,612
Rate per population (3 years of data)	5.5
Current HIV surveillance data:	
Number of Persons living with HIV (PLWH)	102,800
Area Prevalence (PLWH per population)	14.8
Number of new HIV cases reported last year	4,377

Table 23 – HOPWA Data

Texas 2022 HIV/AIDS Surveillance Data

In 2022, 108,486 Texans were living with HIV, many at incomes below the poverty level, and the number continues to rise every year. In 2022, Texas had the 5th highest rate (16.3/100,000 population) of new HIV diagnoses in the nation (Centers for Disease Control, 2022).

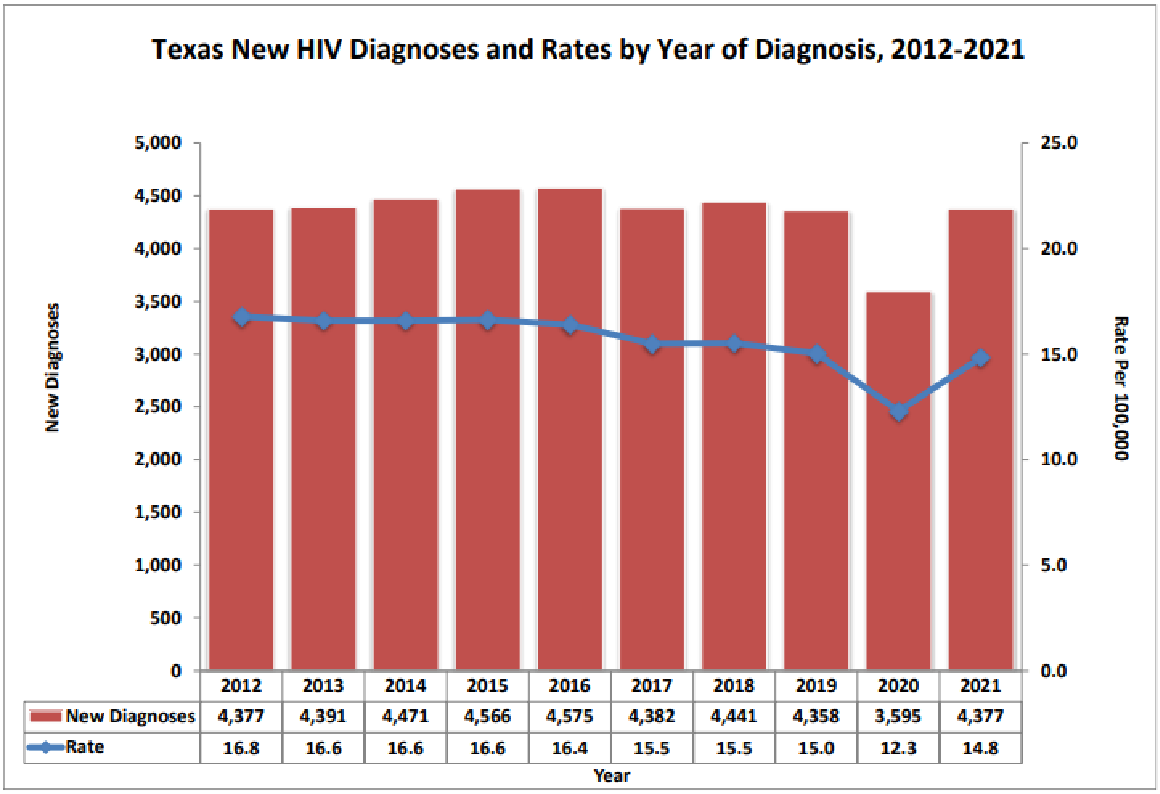


Chart 1a 2012-2021 TX HIV Cases and Case Rates by Year

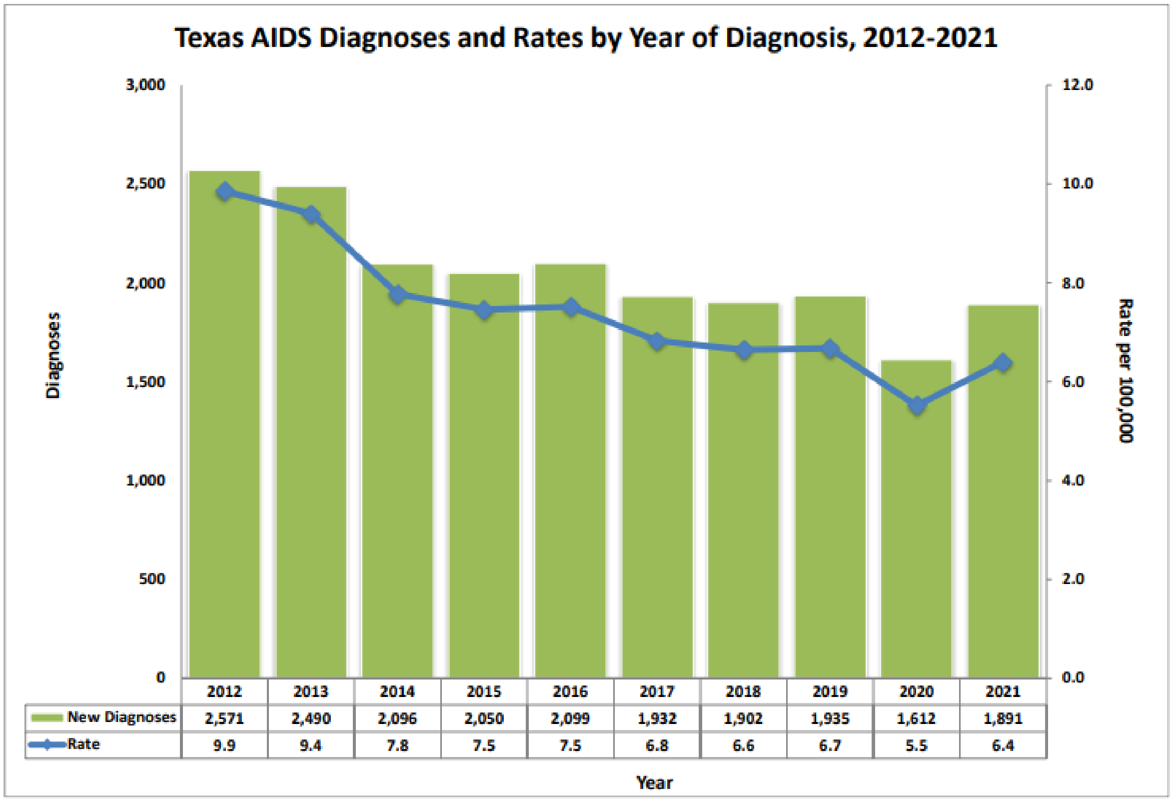


Chart 1b 2012-2021 TX AIDS Cases and Case Rates by Year

People Living with HIV by Key Demographic Characteristics Through December 31, 2021		
	People Living with HIV	
	Cases	Rate*
Sex at Birth		
Male	81,582	553.6
Female	21,218	143.4
Current Gender Identity		
Transgender Women	1,255	
Transgender Men	47	
Race/Ethnicity		
White	23,098	194.3
Black	37,578	1,035.0
Hispanic/Latino	36,381	306.8
Asian	1,179	75.7
Native Hawaiian/Pacific Islander	33	120.7
American Indian/Alaskan Native	49	50.5
Multirace	4,482	946.6
Age Group (Years)**		
0 - 9	60	1.5
10 - 14	105	4.8
15 - 19	430	20.3
20 - 24	3,212	158.2
25 - 29	8,190	389.2
30 - 34	12,397	575.6
35 - 39	11,737	551.7
40 - 44	11,695	586.9
45 - 49	11,213	608.4
50 - 54	12,570	704.5
55 - 59	13,032	762.3
60 - 64	9,241	573.6
65+	8,918	230.1
Total	102,800	348.1

* Rates represent cases per 100,000 population.

** Age as of December 31, 2021.

Chart 1c 2021 Texans Living with HIV Demographics

HIV Housing Need (HOPWA Grantees Only)

Type of HOPWA Assistance	Estimates of Unmet Need
Tenant based rental assistance	198
Short-term Rent, Mortgage, and Utility	7
Facility Based Housing (Permanent, short-term or transitional)	18

Table 24 – HIV Housing Need

Alternate Data Source Name:
HOPWA CAPER

2023 HOPWA Unmet Need (Waitlists)

By the end of the Texas HOPWA 2023 program year (09/01/23 – 08/31/24), Project Sponsors placed 198, 7, and 18 households on Tenant-Based Rental Assistance (TBRA), Short-Term Rent, Mortgage, and Utility (STRMU), and Facility-Based Housing Assistance (FBHA) waitlists respectively.

Describe the characteristics of special needs populations in your community:

Colonia Residents: Characteristics described in Needs Assessment Section 05.

Elderly Persons and Frail Elderly: Incidences of disability increase with age. From 2017-2022, 18.35% of persons between 18 and 64 years old in Texas had a disability, while 76.6% of persons 65 and older had a disability (American Community Survey, Table S1810). Older households also tend to live in older homes: 80% of owner households 65 years and older live in housing stock built before 1980 (2017-2022 American Community Survey, B25126).

Homeless persons and Persons at Risk of Homelessness: According to the 2023 HUD Annual Assessment Report to Congress, most homeless Texans (77%) were single persons and 23% were families.

Farmworkers: Farmworker housing of greatest concern is the housing for temporary seasonal or migrant workers. Such housing can take a variety of forms such as manufactured or mobile homes, vacant or underutilized apartments or motels, and employer provided facilities such as barracks or otherwise unused buildings. In some instances, migrant or temporary workers find shared and often overcrowded housing with family or friends. This makes farmworker housing difficult to identify.

Persons with Alcohol and Substance Use Disorders: A survey by the United States Conference of Mayors found that 68% of cities reported that substance abuse was the largest cause of homelessness for single adults. In addition, substance abuse was reported as one of the top causes of family homelessness by 12% of cities (National Coalition for the Homeless, 2017). The 2024 PIT count for the state of Texas noted 13.4% of counted homeless individuals had chronic substance abuse.

Persons with Disabilities (Mental, Physical, Intellectual, and Developmental): Characteristics discussed in Market Analysis Section 35.

Persons Living with HIV/AIDS and Their Families: Characteristics discussed in Market Analysis and other questions in this section.

Public Housing Residents and Persons on Public Housing Wait Lists: Public housing provides residents more financial stability by freeing up some of the household's income, provides access to different neighborhoods with better resources, and allows older and disabled residents to remain in their communities (Center on Policy and Budget Priorities, 2024).

Veterans: In a recent report on homeless veterans, Gulf Coast Region organizations reported that 37.8% of veterans that participated in the study need substance abuse counseling (Texas Veterans

Commission, 2024) . The report also noted that veterans with disabilities are 15.1% more likely to need home modifications. These factors may affect homeless and non-homeless veteran's ability to acquire stable housing.

Victims of Domestic Violence: Domestic violence is one of the leading causes of housing instability, which includes difficulty paying rent, doubling, or tripling up with family or friends, and moving frequently. Some victims of domestic violence face economic barriers such as employment sabotage and financial control. An abusive partner might use strategies like preventing their partner from working, harassing their partner at work, or controlling the finances, which causes employment and housing instability for the victim (Voth Schrag, Ravi, & Robinson, 2020).

Youth Aging Out of Foster Care: Studies have found 58% of youth aging out of foster care graduated high school by age 19 compared to 87% of all 19-year-olds. These studies have also found that 36% of youth had been homeless at least once by age 26 and of those youth 75% had been homeless four or more times (NCSL, 2019).

What are the housing and supportive service needs of these populations and how are these needs determined?

The needs of people with special needs were gathered by various studies, workgroups and stakeholder feedback, as listed in the Process Chapter and Bibliography.

Colonia Residents: The housing and supportive needs of colonia residents are described in Needs Assessment Section 05.

Elderly Persons and Frail Elderly: The higher incidences of disability may increase the need for housing modifications for accessibility. The greater likelihood that elderly persons live in older housing may increase the need for home repair.

Homeless Persons and Persons at Risk of Homelessness: The housing needs of homeless persons and persons at risk of homelessness are described in Needs Assessment 10.

Farmworkers: Farmworkers housing needs stem from their movement from one location to another, dependence on the needs of their employers, low incomes as a result their seasonal or temporary employment, and their limited English proficiency. The Department has increased its outreach efforts over the past year to identify more than 500 potential employer who provide housing facilities. The Department has also increased its licensing of such facilities serving three or more workers for three or more nights from 42 to over 230. The most recent 2017 Census of Agriculture by the USDA, National Agricultural Statistical Service was released in May of 2019 and reported that 1,610 farms in Texas reported 5,394 migrant workers in 2017. The majority of the remainder of the 418,474 reported farm workers in Texas were owners, family members and permanent hired workers. While this data source is the most comprehensive source available and has been relatively consistent over time it is considered by advocates for migrant laborers as understated.

Persons with Alcohol and Substance Use Disorders: Supportive housing, such as Housing First, for persons with alcohol and/or other substance use disorder range from short-term, in-patient services to long-term, drug-free housing for recovering addicts.

Persons with Disabilities (Mental, Physical, Intellectual, and Developmental): Inaccessible housing continues to be a concern; as noted in the 2024 AI, seniors are much more likely to have a disability than non-seniors. Long-term services and supports like Medicaid waiver services or home modifications could be needed to keep this population housed.

Persons with HIV/AIDS and their Families: Needs and services are discussed in Market Analysis Section 35.

Public Housing Residents and Persons on Public Housing Wait Lists: One study finds that supportive services, such as employment services, rent incentives and community support for work, help public housing residents move toward self-sufficiency (Theodos, Popkin, Parilla, Getsinger, 2012).

Veterans: According to the TVC's Needs Assessment of Texas Veterans 2024 Findings Report veteran's top needs included home modifications and disability adaptations.

Victims of Domestic Violence: Any assistance needs to address the safety of the victim of the domestic violence. The National Advisory Council on Violence Against Women recommends that safety and housing stability should be addressed at the same time. Victims of domestic violence benefit from robust supportive housing including shelters and permanent supportive housing (Yakubovic, Bartsch, Metheny, Gesink, & O'campo, 2022).

Youth Aging Out of Foster Care: Studies find that programs for housing supports may be beneficial for youth transitioning out of foster care, however a range of options is needed as the needs of foster youth may vary (Prince, Vidal, Okpych, & Connell, 2019).

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

PLWH are more vulnerable to becoming homeless. Stable housing not only reduces homelessness risk, but results in reduced HIV transmission and improved health outcomes. In 2022, 108,486 Texans were living with HIV, an increase of 12 percent over the past five years. This increase is due to the efficacy of treatment rather than an increase in the number of people acquiring HIV each year. The annual number of Texans newly diagnosed with HIV has remained constant for a decade, at about 4,400. However, in 2022, 4,910 Texans received an HIV diagnosis.

Within DSHS, the HIV/STD/HCV Epidemiology and Surveillance Unit collects and reports on HIV in Texas. The following facts come from the 2021 Texas HIV Surveillance Report (DSHS, 2022).

- At the end of 2021, Texas had 102,800 PLWH.
- The number of PLWH in Texas increases each year because PLWH live longer lives.
- Rates of new HIV diagnoses have decreased from 16.8/100,000 in 2012 to 14.8/100,000 in 2021.
- Males (24.6/100,000), Blacks (41.7/100,000), and those between 25 and 29 years of age (44.3/100,000) have the highest rates of new HIV diagnoses.
- Between 2016 and 2020, the rate of new HIV diagnoses for Hispanic men who have sex with men (MSM) decreased from 716.4 to 527.1.
- In 2021, 72% of people newly diagnosed with HIV acquired it through male-male sexual contact.
- At the end of 2021, over half of PLWH were 45 years of age or older.
- In 2021, White, Black, and Hispanic MSM; Black women whose mode of HIV transmission was sex with a male; and people who identify as transgender represented a significant proportion of overall PLWH.
- Most people living with HIV live in urban areas of Texas. The counties with the largest numbers of PLWH were Harris and Dallas, followed by Bexar, Tarrant, Travis, and El Paso.
- In 2022, 84% of PLWH lived in a major Texas metropolitan area: Austin, Dallas, El Paso, Fort Worth, Houston, and San Antonio. About 34% and 26% of PLWH lived in the greater Houston and Dallas metropolitan areas respectively. Combined, Austin, El Paso, Fort Worth, and San Antonio accounted for 25% of PLWH.
- People of color made up most of the new HIV diagnoses in 2021, with Black and Hispanic Texans comprising about 35% and 43%, respectively.
- Of men diagnosed in 2021, Blacks and Hispanics made up about 32% and 45% of new cases respectively. Of women diagnosed in 2021, Blacks and Hispanics made up about 48% and 30% of new cases respectively.
- For every diagnosed female with HIV in 2021, there were more than four diagnosed males. This ratio has remained constant if not increased over the past decade.
- Most PLWH are between 35 and 59 years old. As PLWH live longer, the average age of PLWH also rises.
- The age group with the highest increase in new diagnoses are young people, age 20-34 years old

Due to HUD IDIS character limitations, the remainder of this section is found at the beginning of the Discussion section below.

Discussion:

In 2022, Texas had the 5th highest rate of new HIV diagnoses in the U.S. People of color and gay, bisexual, and other men who have sex with men (MSM) represent a disproportionate number of PLWH in Texas (DSHS, 2018). Of households served during the Texas HOPWA 2023 program year (09/01/23 – 08/31/24), 81% of eligible individuals were people of color, 63% were cisgender male, 3% were transgender or gender non-binary, and 89% were 31 years old or older. Over 81% of households fell within 0 to 30 percent of the Area Median Income (AMI). The program served 693 additional beneficiaries, 46 of which also lived with HIV. Among the additional beneficiaries, 56 percent were under 18 years old.

PLWH in Texas face many challenges accessing and maintaining medical insurance and assistance. According to the U.S. Census Bureau, Texas still leads the nation for the highest rate of uninsured, with nearly 17 percent of Texans lacking health insurance coverage in 2023 (U.S. Census Bureau, 2023). Currently, Texas Medicaid provides coverage for only low-income children, families, seniors, and people with disabilities, and the State shows no intention of expanding its coverage. Further, non-citizens do not meet citizenship requirements for Medicaid nor federal health insurance marketplace subsidies. Due to the restrictive eligibility and citizenship requirements of these programs, many HOPWA clients cannot obtain health insurance coverage and will continue relying on medical assistance via Ryan White and the Texas HIV Medication Program.

The DSHS HOPWA Program serves all 254 counties in Texas, prioritizing those located outside of the six HOPWA-funded Metropolitan Statistical Areas: Austin, Dallas, El Paso, Fort Worth, Houston, and San Antonio. Therefore, the program targets less populated and non-urban areas of Texas. HOPWA addresses the unmet housing needs of program-eligible households by providing housing assistance and supportive services. These services integrate with the administrative structure of the Texas Ryan White Part B HIV/AIDS Program and the larger, multi-sectoral system for delivering treatment and care to PLWH in Texas. This promotes alignment of activities across the Ryan White and HOPWA funding spectrums, reduces duplication of efforts, ensures maximum utilization of resources, and improves access to HIV care services. HOPWA serves households with incomes at or below 80% of AMI. However, most of the households enrolled in the program have incomes at or below 30% of AMI.

NA-50 Non-Housing Community Development Needs - 91.315 (f)

Describe the jurisdiction's need for Public Facilities:

The State recognizes the importance for public facility projects; however, community buildings and other public facilities do not represent a large percentage of the applications received or the funds disbursed given the priority placed on basic infrastructure in most communities.

How were these needs determined?

Requests for funding for public facilities do not represent a large percentage of the applications received or the funds disbursed, however several successful CDBG grants have recently provided much needed community centers, fire stations, healthcare facilities and other public facilities in rural communities.

The Community Development Fund (CD) is the largest fund and allows communities to request funds for diverse projects. Under CD, each region, establishes funding priorities that reflect local prioritization of need; for the majority of regions the highest priority has been placed on basic infrastructure.

Under the Downtown Revitalization Program (CDM), TDA focuses on pedestrian-centered improvements to support economic development efforts in local downtown areas.

Describe the jurisdiction's need for Public Improvements:

Reliable community infrastructure provides the foundation for economic and community development. Distance and density issues have a significant impact on the ability of a rural community to address infrastructure needs due to revenue concerns and economies of scale.

Community infrastructure includes water and wastewater systems, roads/ streets, and other utilities. These services are fundamental for families and businesses to choose to live, work and stay in an area — urban or rural.

CDBG encourages the use of its funds to not only improve existing locations, but to also provide facilities to accommodate residential opportunities that will benefit low- and moderate-income persons. CDBG places a high priority on ensuring rural Texas has access to basic infrastructure including water, sewer, and roads.

How were these needs determined?

The Community Development Fund (CD) is the largest fund and allows communities to request funds for diverse projects. Under CD, each region establishes funding priorities that reflect local prioritization of need; for the majority of regions the highest priority has been placed on basic infrastructure.

The table below illustrates the community development fund application requests for the 2019-2020 CDBG program years. Requested amounts include public improvements, public facilities, and economic development. Public services are an eligible use of CDBG funds; however, CDBG has not received a request to fund public services in several years.

Based on the applications received for the 2023-24 Program Years, the most requested activities are water, sewer, and street facilities. These three activities made up 94% of the over $153 million total requested funds.

Describe the jurisdiction's need for Public Services:

The need for public services exists in rural communities but is far outweighed by the need for public infrastructure. Many areas simply lack service providers to deliver public services to these residents.

How were these needs determined?

Public services are an eligible use of CDBG funds, but CDBG has not received a request to fund public services in several years. However, Colonia Self Help Centers (SHCs) provide public services to colonia residents, and TDA has partnered with the State Office of Rural Health to support community-based health services.

Disaster Recovery

As outlined in detail in each of the Action Plans for the supplemental disaster assistance, found on the Texas General Land Office website, the State of Texas had huge recovery efforts from each of the events for which it received funding. While all of the programs are well under way, there remains unmet need that will still exceed the funds available to the State. This can be evidenced by the over subscription of most of the programs. Please refer to each program's Action Plan or the disaster recovery divisions most current Quarterly Progress Report for specific details: https://recovery.texas.gov/action-plans/index.html.

Based on the needs analysis above, describe the State's needs in Colonias

In 2010, the Texas Secretary of State's Office identified the primary challenges facing colonias in its Senate Bill 99 Report to the 82nd Texas Legislature.

Water and Sewer Systems: some colonias lack access to safe drinking water and waste management, forcing residents to depend on the bulk transport of water and use non-potable water for some needs. Rural Texas heavily depends on private wells and some groundwater is unsafe for long-term consumption. A colonia's ability to connect to a public water or waste water collection system is affected by multiple factors, some of which are out of a household's control. Factors include: dwelling's distance from a service area; dwelling's compliance with the local building codes; local institutional capacity or resources to develop and execute projects; local institutional ability to dedicate utility easements necessary for project completion; the investment associated with the planning, construction, connection and billing of utilities; and the limited availability of grants or loans.

Drainage and Paved Roads: Many colonias are situated on land that was primarily used for agricultural purposes or is otherwise unsuitable for residential use because of inadequate drainage. Rainfall presents significant challenges when informally constructed dwellings and roads supersede the drainage capacity of the land. Streets can eventually become unsuitable for everyday access by residents, school buses and emergency vehicles. In addition, in many colonias, road and utility easements were undefined when the land was originally sold, which creates complications and delays for road and utility projects.

Solid Waste Services: Some colonias lack the services with which to legally dispose of household solid waste. The accumulation of garbage can encourage vermin or lead to illegal and dangerous disposal methods, such as burning.

Housing: Significant need for housing rehabilitation; new construction, reconstruction is essential in the colonias. The housing stock was constructed in many cases, without floor plans, inspections or construction oversight. As a result, many colonia residents find themselves in poorly constructed homes and require assistance to bring homes into a safe and decent housing. Property ownership may be contract-for-deeds or have titling issues that limit resident's ability to access capital to make housing improvements.

A Colonia Planning and Needs Assessment effort is underway throughout the areas eligible for the CDBG colonia set-aside; results of the assessment are expected by 2027.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

The Market Analysis Chapter inventories the State's available housing and affordable housing. Several factors are examined, each in a different section.

Market Analysis Section 10 examines the types of properties built compared to the demand for such properties, the income levels of families targeted with public funding, and the loss of inventory of affordable housing.

Market Analysis Section 15 examines the costs of housing compared to incomes, including the Housing Affordability Index and market trends. Local economic forces are discussed in relation to housing costs.

Market Analysis Section 20 examines the age of the housing stock, including lead-based paint concerns in housing built before 1978, as well as vacant units and need for housing rehabilitation. Lead based paint is especially dangerous for children, who are more likely to ingest lead in higher proportions than adults. Lead poisoning can lead to developmental disorders.

Market Analysis Section 30 examines the availability of homeless facilities and services for persons experiencing homelessness.

Market Analysis Section 35 examines the availability of housing and services for persons exiting institutions and persons with special needs. The State has several programs to address these populations; some housing is paired with services and some services are independent from housing.

Market Analysis Section 40 examines barriers to affordable housing. This section focuses on fair housing issues.

Market Analysis Section 45 examines Community Development Assets.

Market Analysis Section 50 examines concentrations of housing problems and minorities. Fair housing issues are also addressed in this section.

This Chapter's many facets of analysis better equip Texas to target funds in an effective and efficient manner.

MA-10 Number of Housing Units – 91.310(a)

Introduction

Texas is the second largest state in the nation, the second most populous state, and is growing at a much faster rate than the nation as a whole. The American Community Survey 2018 and 2022 (ACS) 1-year estimates (Table DP05) found that the United States population was growing at a 2% rate while Texas was growing at a 5% rate during that five-year period. Both new development and redevelopment is occurring in the diverse landscape of Texas. Growth is not occurring uniformly across the State, and the geographic concentrations of growth are discussed in Market Analysis Section 15.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	7,540,277	65%
1-unit, attached structure	323,314	3%
2-4 units	607,333	5%
5-19 units	1,211,741	10%
20 or more units	1,168,635	10%
Mobile Home, boat, RV, van, etc.	803,671	7%
Total	***11,654,971***	***100%***

Table 1 – Residential Properties by Unit Number

Data Source: 2018-2022 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	**%**	**Number**	**%**
No bedroom	56,049	1%	278,877	7%
1 bedroom	133,015	2%	1,223,552	29%
2 bedrooms	804,496	11%	1,426,784	34%
3 or more bedrooms	6,054,809	86%	1,283,063	30%
Total	***7,048,369***	***100%***	***4,212,276***	***100%***

Table 2 – Unit Size by Tenure

Data Source: 2018-2022 ACS

Tables 30 & 31

Totals in tables 1 and 2 do not match due to table 1 taking into account vacant properties and table 31 only accounting for occupied properties.

Disaster Recovery

As outlined in detail in each of the Action Plans for supplemental disaster assistance, found on the Texas General Land Office (GLO) website, the State of Texas had recovery efforts from each of the events in which it received funding. While most programs are under way, there remains unmet need that will still exceed the funds available to the State. This can be evidenced by the remaining unmet need in Action

Plans related to each disaster event. Please refer to each disaster event's Action Plan or the disaster recovery divisions most current Quarterly Progress Report for specific details https://www.glo.texas.gov/disaster-recovery/action-plans

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

The State of Texas works with federal and local entities to effectively reach populations in need. The Texas Department of Housing and Community Affairs (TDHCA) annually reports the number of units assisted through the U.S. Department of Housing and Urban Development (HUD), public housing authorities (PHAs), Section 8 Housing Choice Vouchers, the U.S. Department of Agriculture (USDA), and Housing Finance Corporations (HFCs) in its State Low Income Housing Plan and Annual Report. A copy of the most current report can be found online at https://www.tdhca.texas.gov/housing-resource-center-annual-or-biennial-plans-and-reports. Information on local affordable housing or shelters units and targeting are often required of subgrantee program applicants, such as for Emergency Solutions Grant (ESG) Program or HOME Investment Partnerships (HOME) Program. Using these data sources, applicants can create appropriate targets and show opportunities for leveraging.

In addition, HOME and several other TDHCA programs strive to serve lower-income individuals and households that reside in areas that do not receive direct funding or capital from the federal government, such as rural areas or areas not in a Participating Jurisdiction (PJ). The needs of rural areas are considered in the development of programs and in the distribution of funds. Special considerations with respect to the implementation of scoring criteria or set-asides have been added to program rules and policies to encourage the participation of these areas.

Finally, TDHCA has several special needs populations that receive priority in its programs. Some of these populations were already discussed in the Needs Assessment. Special needs populations may include the elderly, frail elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS, persons with Violence Against Woman Act (VAWA) protections (domestic violence, dating violence, sexual assault, or stalking), colonia residents, farmworkers, homeless populations, veterans, and public housing residents. Plans to meet these special needs are found in the Action Plan, Sections 15, 25 and 65.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

This answer is provided only for TDHCA's inventory. For TDHCA units, the rental affordability periods vary based on program type, commonly ranging from 15 to 40 years. When analyzing current inventory and affordability periods, approximately 6.3% of TDHCA's inventory is scheduled to expire within the next 5 years. Out of 338,656 active affordable units currently, subject to affordability restrictions, that equates to 21,228 units that are scheduled to expire from 2025-2029. However, some of these units will, at least temporarily, remain naturally affordable based on the local economics. Further, some of these rental properties could potentially extend their affordability periods by utilizing project-based vouchers, or applying for additional funding from TDHCA, or other local, state or federal funding providers. The practice of properties previously allocated housing tax credits applying for a new allocation of TDHCA funds is common under the at-risk set-aside in the 9% HTC Program, and is becoming more prevalent in the 4% HTC Program. Despite the proportion of units estimated to potentially be lost to affordability, TDHCA still expects to see a net gain in restricted affordable housing units, if the current multifamily development volume continues.

Does the availability of housing units meet the needs of the population?

The housing units available in the state do not directly meet the needs of all of the Texas population if evaluating unit sizes in comparison to household sizes. According to the Needs Analysis Section 10, approximately 45% of the households in Texas are small families of two to four persons and approximately 44% of households are single persons. For Households under 80% of AMI 36% are small families of two to four persons and 53% of households under 80% of AMI are single persons. However, 97% of the housing units for owners and 64% of the housing units for renters are 2 or more bedrooms. There is a mismatch between unit sizes that smaller households and single persons may want, and what is available in the market. Because larger units are associated with higher costs this mismatch between the unit size and household sizes results in housing units that are likely more costly for that portion of the population. This is supported by the data reflected in Needs Assessment section 10 that showed 32% of Texas households experienced cost burden problems.

As reflected in the Texas A&M Real Estate Center (the Center) building permit data for the 6-year period between 2018 and 2023, single family building permits, in Texas, increased by an average of 22% per year, while 2-4 family multifamily permits increased by an average of 68% per year. During this time, buildings with five or more units saw a per year average increase of 26%. While the percentage of increase for multifamily permits is out pacing single-family permits, the actual raw numbers of single-family permits in 2023 was nearly double that of all multifamily permits. Nationwide, permits increased at a per year average of 13% and 27% for single-family and 2-4 Family respectively, both lower rates than Texas. Permits for 5+ family developments nationwide increased 23% on average per year from 2018-2023 only slightly below that of Texas.

There is also a general shortage of housing in Texas. According to the Center, in 2023 there was only an average of 3.36 months inventory of housing for sale, given no new construction, with a median purchase price of $335,000 and average purchase price of $413,060. This low availability of inventory has been consistently under 4 months since 2012. Prior to 2012 the average was above 4 months going back to 1990.

Finally, there are unmet housing needs for populations with special needs, such as Persons with Disabilities. The American Housing Survey 2023 (AHS) estimates that, in Texas, out of approximately 11,409,200 households, 2,499,000 reported having at least one person with a disability. This represents approximately 22% of the households in Texas, which is consistent with the percentage of individual

Texans with a disability in the American Community Survey Table S1810 in the Needs Assessment Section 10. Also, per the Needs Assessment, approximately 6.1% of the population had an ambulatory disability.

Describe the need for specific types of housing:

When combining the fact that 32% of households under 80% AMI consist of one to four persons and approximately half of those households consist of one person, with the fact that there is insufficient supply of units available in the market in those sizes, creating a resulting cost burden noted above and in Needs Assessment Section 10, the type of housing that is in greatest need consists of affordable efficiencies and one bedroom units. Furthermore, if cost correlates with size, these units would be more affordable. More affordable small units would help address cost burden and sever cost burden, which is experienced by 51% of all households with incomes under 100% AMI.

To adequately serve households with special needs specified in Needs Assessment Section 40, different types of housing may be needed. For example, for persons who were formerly homeless, single-room occupancy (SRO) housing could be a cost-effective way to provide affordable housing for single adults. However, the State recognizes that SROs may not be suitable for all special needs populations.

Discussion

As noted above, even though federal limits for the CPD programs can reach 80% of AMI, Rider 5 directs a portion of the Department's housing assistance to households at 0-60% AMI, with a priority on those making 30% or less AMI. The state also focuses a majority of its HOME funding into rural areas. In this way the state's HOME funds can reach areas without direct access to Federal HOME funds of their own.

In Texas, there is a need for more affordable housing and more housing stock in general. There is a need for more multifamily developments to provide smaller units. This is evidenced by ACS data (table B11016) showing that there are over 2.9 million single member households in Texas, but only 1.3 million units with one bedroom that are currently occupied (ACS table B25042). Additionally, the consistently low rates of housing inventory despite high growth in the production of new units indicates that there is high homebuyer demand. More details about each region can be found in the State Low Income Housing Plan and Annual Report, which is updated annually and available online at https://www.tdhca.texas.gov/housing-resource-center-annual-or-biennial-plans-and-reports. As well as the 2024 State of Texas Analysis of Impediments to Fair Housing Choice found online at https://www.tdhca.texas.gov/state-texas-analysis-impediments-ai-fair-housing-choice.

Finally, there is a need for housing that is appropriate for special needs populations, such as Persons with Disabilities. By understanding which type of housing is lacking, the state can better direct funding into activities to serve the population. Further, the evaluation of substandard housing stock in Market Analysis Section 20 will warrant consideration in programming activities.

MA-15 Cost of Housing – 91.310(a)

Introduction

Housing affordability remains a significant problem for many low-income households. A report by the National Low Income Housing Coalition found that in only 204 (6%) counties in the U.S. can a person afford a one-bedroom unit at the local Fair Market Rent (FMR) when working full time at federal or prevailing state minimum wage and in no county can a person afford a two-bedroom unit at local FMR. On average in Texas, an individual would need to earn $24.31 an hour working a forty-hour workweek to afford a two-bedroom apartment at FMR. The minimum wage under the federal Fair Labor Standards Act is $7.25 (National Low Income Housing Coalition, 2024).

As the discussion of Housing Mismatch will illustrate, the majority of market-rate affordable housing is often occupied by persons in higher income levels. In addition, estimates of affordable housing supply by income category can be somewhat inflated. This is because affordability is computed for households at the top of each income range, meaning that households in the lower part of the income range would have to pay more than 30% of their income for some of the units which are considered affordable to them.

Major reasons for the lack of available affordable housing for many low-income households include housing size mismatches, the unequal geographic distribution of affordable housing units, and limitations on the supply of affordable housing because of occupation by higher income groups.

Finally, housing and transportation often comprise the largest parts of a household's budget. As of 2022, transportation was the second largest household expenditure behind housing, accounting for 15% of average household spending. This cost falls hardest on the lowest quintile of households, with transportation costs equating to 30% of expenses before housing (USDOT, 2024). However, due to the complexity of transit systems and lack of comprehensive data, the analysis below focuses only on cost of housing and income in Texas.

Cost of Housing

	Base Year: 2020	Most Recent Year: 2023	% Change
Median Home Value	$187,200	$275,400	47%
Median Contract Rent	$915	$1080	18%

Table 12 – Cost of Housing

Data Source: 2000 Census (Base Year), 2016-2020 ACS (Most Recent Year)

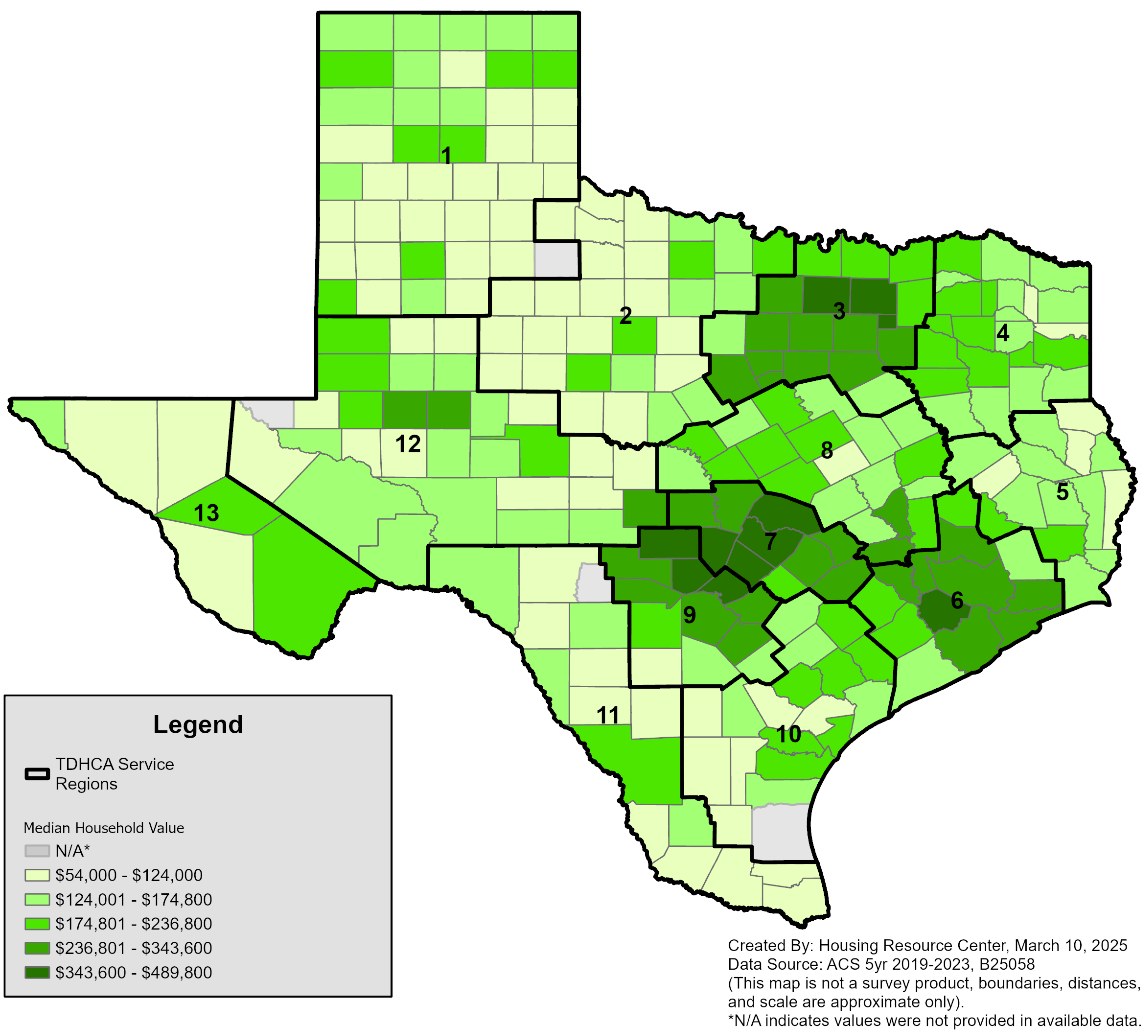
Rent Paid	Number of Units	%
Less than $500	262,308	6%
$500-999	1,092,188	27%
$1,000-1,499	1,390,696	34%
$1,500-1,999	831,061	21%

Rent Paid	Number of Units	%
$2,000 or more	462,664	11%
Total	***4,038,917***	***100%***

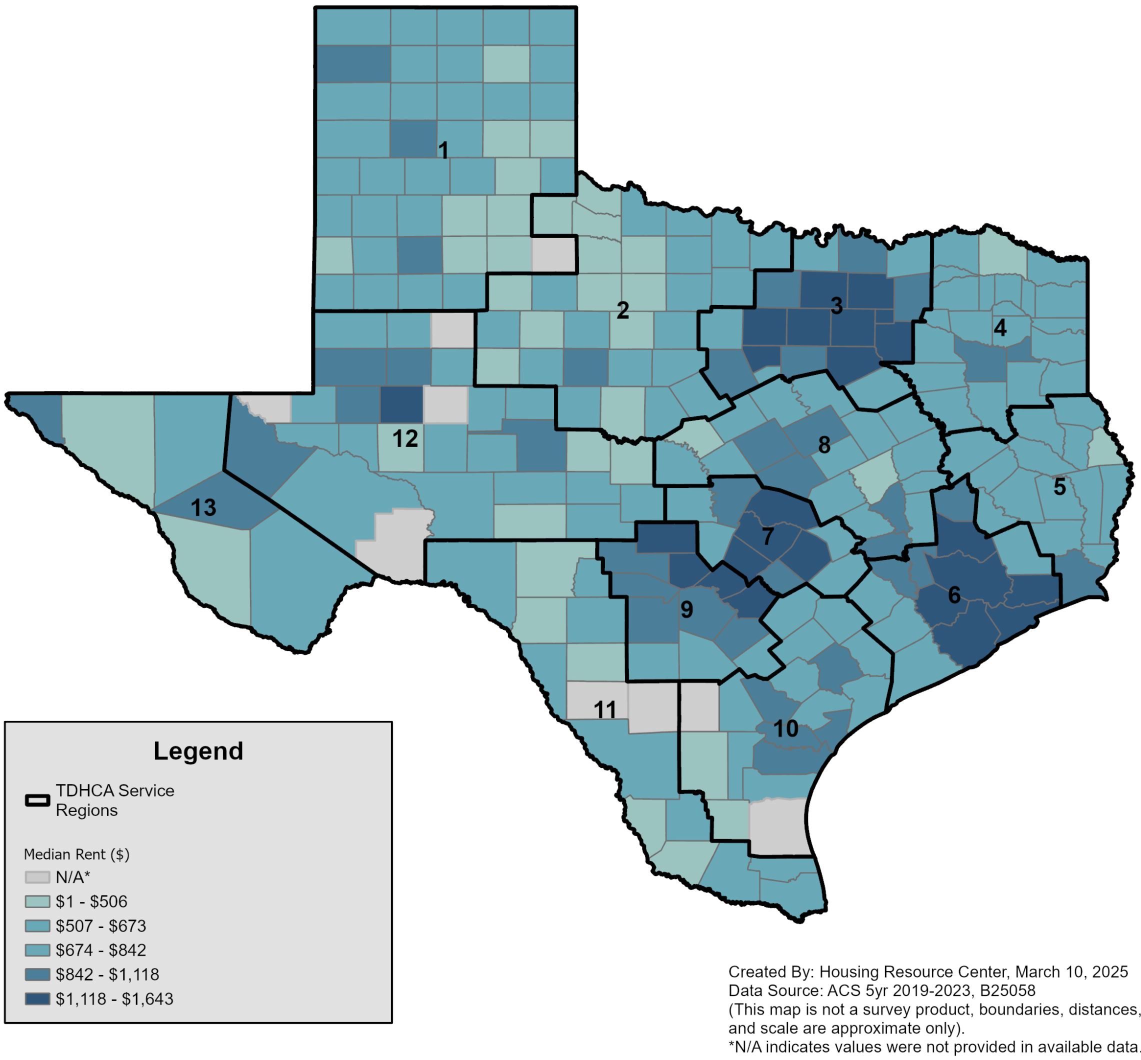
Table 13 - Rent Paid

Data Source: 2016-2020 ACS

Market Analysis 15, Median Value of Homes by County



Market Analysis 15, Median Rent by County



Housing Affordability

Number of Units affordable to Households earning	Renter	Owner
30% HAMFI	364,471	No Data
50% HAMFI	643,645	2,020,261
80% HAMFI	1,966,221	1,866,568
100% HAMFI	No Data	845,050
Total	***2,974,337***	***4,731,879***

Table 14 – Housing Affordability

Data Source: 2016-2020 CHAS

	Renters earning 0-30% AMI	Renters earning >30-50% AMI	Renters earning >50-80% AMI	Renters earning >80-100% AMI	Renters earning >100% AMI
Rental affordable to households making 0-30% AMI	172,874	62,214	50,058	24,315	55,010
Rental affordable to households making >30-50% AMI	192,924	159,388	147,595	53,823	89,915
Rental affordable to households making >50-80% AMI	331,386	343,376	497,787	254,580	539,092
Rental affordable to households making >80% AMI	74,310	59,143	115,244	88,965	475,920

Table 6 - Housing Mismatch - Renters CHAS 15C

Table 6 Notes

Table shows number of units affordable to different levels of AMI that are occupied by renters at different AMI levels**.**

	Owners earning 0-30% AMI	Owners earning >30-50% AMI	Owners earning >50-80% AMI	Owners earning >80-100% AMI	Owners earning >100% AMI
Home value affordable to households earning 0-50% AMI	269,329	305,754	432,900	250,206	762,072
Home value affordable to households earning >50-80% AMI	108,777	132,156	269,576	211,717	1,144,342
Home value affordable to households earning >80-100% AMI	35,841	40,085	80,978	68,169	619,977
Home value affordable to households earning >100% AMI	62,887	54,339	106,522	84,636	1,308,856

Table 6 - Housing Mismatch - Owners CHAS 15A & B

Table 6 Notes

Table 6 shows number of units affordable to different levels of AMI that are occupied by owners at different AMI levels.

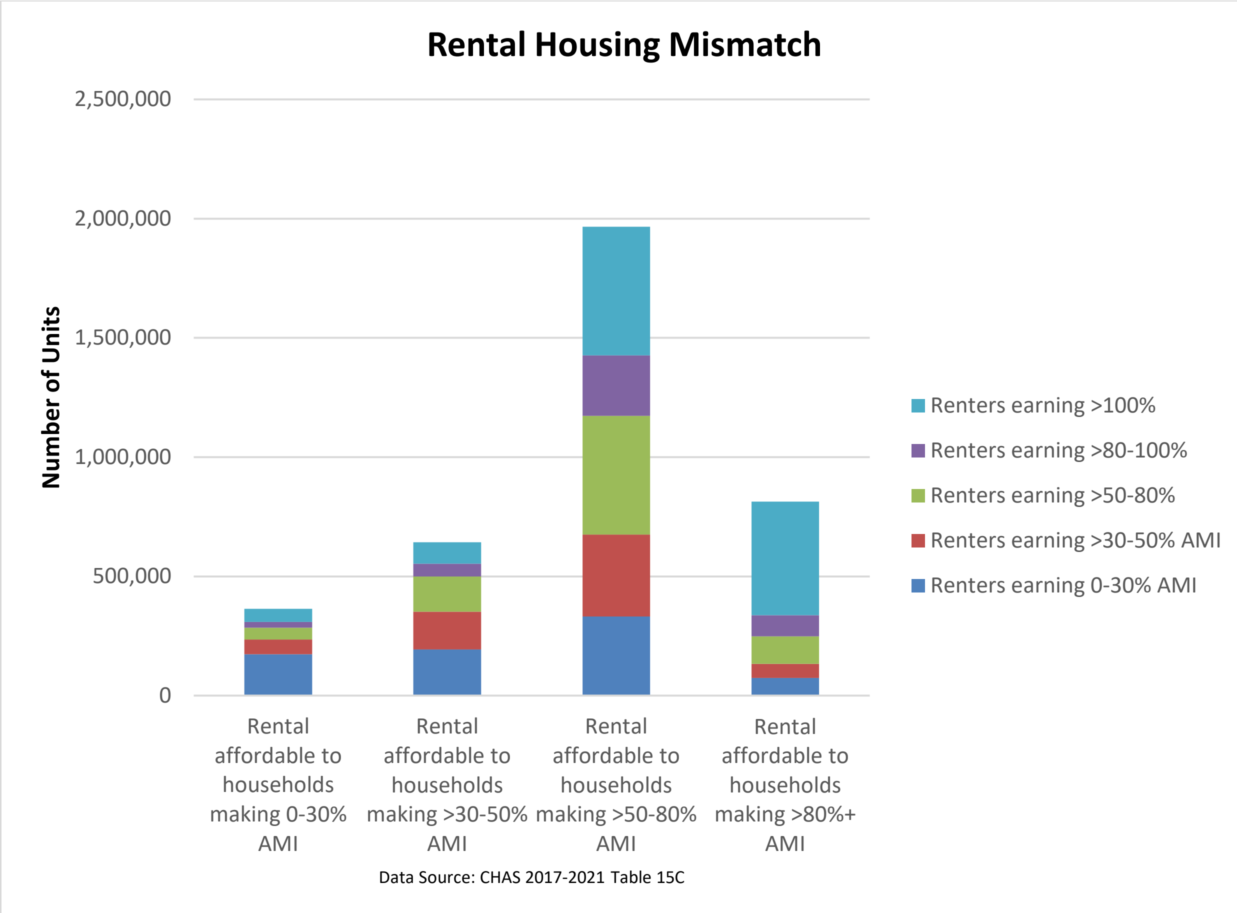

Rental Housing Mismatch
Number of Units
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
Rental affordable to households making 0-30% AMI
Rental affordable to households making >30-50% AMI
Rental affordable to households making >50-80% AMI
Rental affordable to households making >80%+ AMI
Renters earning >100%
Renters earning >80-100%
Renters earning >50-80%
Renters earning >30-50% AMI
Renters earning 0-30% AMI
Data Source: CHAS 2017-2021 Table 15C

Chart 2a

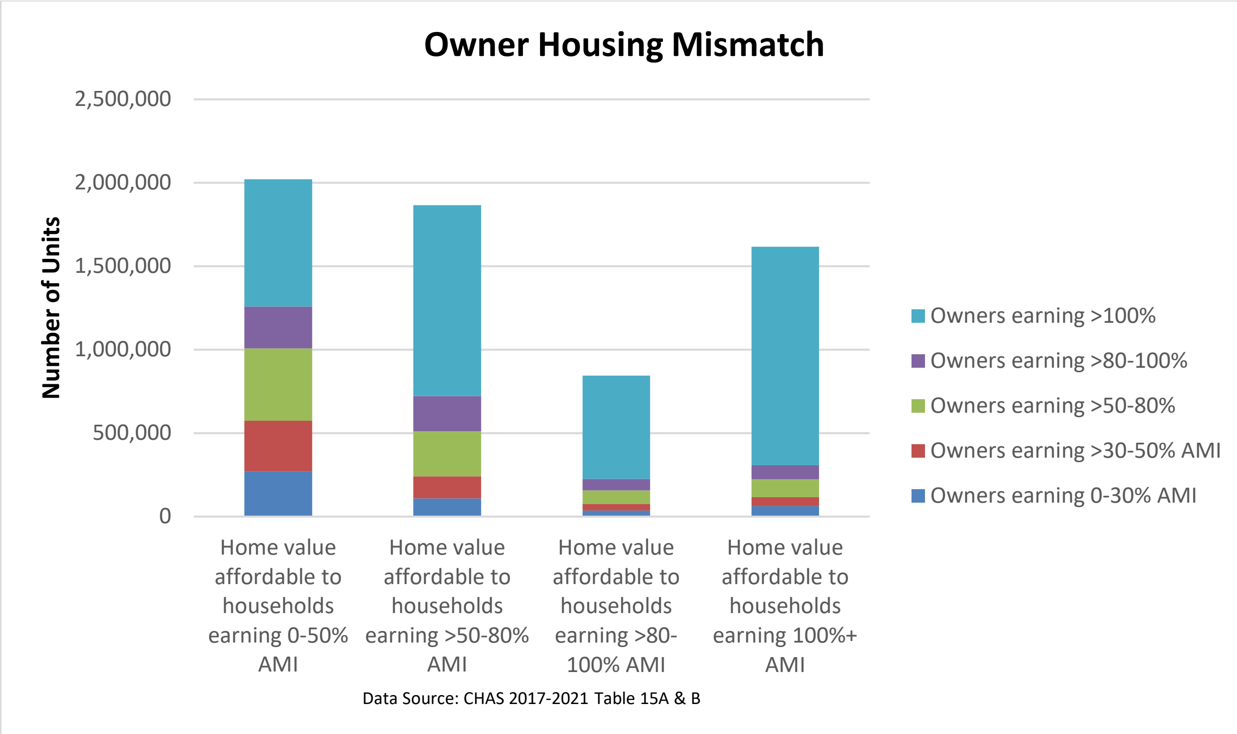


Chart 2b

Disaster Recovery

As outlined in detail in each of the Action Plans for the supplemental disaster assistance found on the Texas General Land Office website, the State of Texas has had large recovery efforts from each of the events in which it received funding. While most programs are under way, there remains unmet need that will still exceed the funds available to the State. This can be evidenced by the remaining unmet need in Action Plans related to each disaster event. Please refer to each program's Action Plan or the disaster recovery divisions most current Quarterly Progress Report for specific details https://www.glo.texas.gov/disaster-recovery/action-plans

Is there sufficient housing for households at all income levels?

As seen in tables 6a and 6b above, there were approximately 771,494 renter households at 0-30% Area Median Income (AMI) in Texas from 2017-2021. During this same period, there were 364,471 rental units affordable to households in this income level in the supply of housing units but only 172,874 were actually accessed by households earning 0-30% AMI. This results in a shortage of 598,620 rental units for this income group. Continuing with this comparison, there were 624,121 renter households with incomes in the >30-50% AMI category, and only 221,602 affordable rental units actually accessed by this income category (a shortage of 402,519); there were 810,684 renter households with incomes in the >50-80% category and 695,440 rental units accessed by renters in this income category (a shortage of 115,244 units). This shows that there is a shortage of affordable rental housing for all households under

80% of AMI; 51% of all renter households under 80% AMI are cost burdened. There is an even higher cost burden for renter households under 30% AMI, with 78% of those households cost burdened.

Because there is no data for the 0-30% AMI category for owner housing stock, the impact of the analysis is not as compelling; there was a sufficient supply of units that were affordable to households earning 0-50% and >50-80% AMI. There was no data showing how many units were affordable to households making 0-30% AMI. These figures do not take geography into consideration; affordable units may not exist where households want to live (TDHCA, 2024).

As seen in Map 3a and 3b, the median rents are highest in the Metroplex, Capital, Gulf Coast, Alamo, and parts of the Permian Basin and Coastal Bend regions. These are the regions with many of the largest metropolitan statistical areas in the state. The lowest median rents are in the Northwest Texas, Southeast Texas, South Texas Border, and West Texas regions. The highest median home values are in many of the same regions with the highest rent and the areas with the lowest median home values are many of the same regions as the lowest median rents.

Tables 6a and 6b relating to housing mismatch compare demand and supply of affordable housing by looking at the number of occupied households and housing units in different affordability categories. Higher income households, preferring to spend less on housing, often reside in units that could be affordable to the lowest-income households. Households that have incomes greater than 80% AMI can afford units in any of the defined affordability categories for renters, but more than 75,000 of them live in units affordable to households at 30% AMI. One result of this dynamic is that as households at higher incomes occupy market rate affordable units, the remaining higher cost units are those that remain available for lower-income households.

Bar charts 2a and 2b show the housing mismatch visually and illustrate the housing market interaction of various income groups and housing costs. These charts also illustrate the housing market mismatch between housing units and income groups. Very low–income rental households (0-30% AMI) account for less than half of all the occupants of housing that is affordable to them. All low-income households (0-80% of AMI) make up only 63% of all households occupying housing affordable to them. Note that these units reflect market-rate affordability, and not solely government-monitored affordable units. These figures illustrate housing market mismatches as well as an implicit cost burden for those households that are residing in units beyond their affordability category. Housing mismatch shows that the supply of affordable housing does not sufficiently address the demand for low-income housing. The analysis indicates that additional affordable housing options may be needed for households with lower incomes.

How is affordability of housing likely to change considering changes to home values and/or rents?

One way to measure affordability is to compare median income to median housing costs. According to the U.S. Census ACS 2020 Table B25119, median income for owners in Texas was $81,913 and for renters was $43,161. For the 2022 American Community Survey Table B25119, the median household income in Texas was $93,779 for owners and $49,306 for renters. Between 2020 and 2022, this represents a 14% increase for both owners and renters. Both of these increases are smaller than the corresponding median mortgage (16%) and rent (16%) increases during the same period, showing that affordability is decreasing as housing price increases are out pacing wage increases. Median home price increases (27%) are outpacing wages in this same time frame.

Another way to measure affordability is to use the Housing Affordability Index from the Real Estate Center at Texas A&M. This index reflects the ratio of median family income to the income required to qualify for a fixed-rate mortgage loan at an 80% loan to value ratio to purchase the median-priced home; the higher the affordability index, the more affordable the Multiple Listing Service (MLS) Area. From 2019 to 2023, 100% of the MLS Areas in Texas had a higher index in 2019 than in 2023, showing a statewide decrease in affordability.

One example of affordability change is in Austin. Austin's Housing Affordability index was 1.67 in 2019, and decreased to 1.08 in 2023. During this same period, the Center shows Austin's median income of $95,900 in 2019, and $122,300 in 2023 (a 28% increase from 2019). The median cost of housing (ACS Table DP04) was $318,400 in 2019, and $487,200 in 2023 (53% increase from 2023). This MSA illustrates the interplay of housing costs and income.

For renters, the American Community Survey 1-year estimates (Table DP04) show that the percentage of renters with cost burden in Texas was 48% in 2019 and slightly rose to 53% in 2023. Given the increase in median incomes reported by the Center, it could have been expected to see a reduction in cost burden. However, the fact that it rose supports that there is a continuing lack of affordable housing for renters.

Housing costs and income often vary greatly across the state. Each local economy supports different wages and affordability of housing. According to data from the Texas A&M Real Estate Center MSAs with the largest increases in median income over the last five years (2019-2023) have some of the least affordable housing available. Examples of this include Laredo which had a 53% increase in median income over the five-year period, and the housing affordability index has fallen over the same period from 1.27 to 1.09. These changes are most evident in border region MSAs, Brownsville-Harlingen saw median income increase 41% but housing affordability fall to 0.95, and the McAllen-Edinburg-Mission MSA saw a similar trend with a 34% increase in median income and its housing affordability index fell to 0.96.

Only one MSA in the state saw a decrease in median income over the five-year period and that was Odessa (-5%), but housing affordability there continued to decline. The Texas A&M data shows that income and housing costs vary greatly across the state and can be dependent on issues that affect the entire state or issues that are tied to local economies and industry.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

NOT APPLICABLE TO STATE GRANTEES

Discussion:

This section has demonstrated that the supply of affordable housing does not meet the demand and that there is a disconnect between the types of units needed and the types of units available in the market. The condition of housing is discussed in Market Analysis Section 20.

There are many factors that can lead to this gap in affordable housing. The following analysis from the Texas Comptroller and Texas A&M Real Estate Center highlight a few of the factors.

The Texas Comptroller analyzed the Texas Housing market in 2024 and found the following:

- "Texas' median home prices rose by 40 percent between 2019 and 2023."
- "Average homeowners insurance rate have increased sharply in recent years in Texas…"
- "…Texas was 306,000 homes short of what was needed as of 2021." (Texas Comptroller, 2024)

The Comptroller identified housing affordability challenges for potential homebuyers as, interest rates, down payment and closing costs, property tax costs and homeowners insurance; challenges such as housing cost burden (households spending more than 30% of their income on housing costs), and the lack of units affordable to the lowest income buyers (Texas Comptroller, 2024). These issues are further discussed above in the document in Market Analysis section 15.

The Comptroller identifies "finite land availability, zoning and land-use regulations" as potential impediments to new home and apartment construction. The Comptroller provided the following insight on improving housing affordability in the state, "State government's ability to improve housing affordability may be limited, but there are possible actions that can be taken to alleviate the financial burden. For state government, these improvements may include additional relief from the property tax burden, more funding for low- to moderate-income housing programs or incentives to increase the supply of housing at the price range where it is most needed. Local governments may take steps to streamline the permitting process or bolster housing affordability through more public-private partnerships." (Texas Comptroller, 2024)

The Texas A&M Real Estate Center notes that Single-Family construction permits are on the rise and approaching pre financial crisis levels in the state. The Center also noted in their 2024 Texas Real Estate Forecast that Multifamily apartment deliveries will be much lower in 2024 than 2023 due to the pipeline of properties under construction having peaked. This could result in statewide delivery of apartments being 20% lower by year end. This will lead to rent growth strengthening in 2024 (TRERC, 2024).

The topics analyzed in this section and reenforced by the Comptroller and Real Estate Center show that the cost of housing and lack of affordable housing continue to be issues for Texans.

MA-20 Condition of Housing – 91.310(a)

Introduction:

The State of Texas has a large percentage of owner occupied (74%) and renter occupied (48%) housing in the state with no American Community Survey or HUD defined Housing Conditions, as seen in Table 7 below. ACS and HUD use these conditions to determine if a household's housing is causing a burden. The four Housing Conditions are the unit lacks a kitchen, the unit lacks plumbing, there is more than one person per room signaling overcrowding and the household has a cost burden greater than 30%, meaning they spend more than 30% of their income on housing. Less than one percent of both owner and renter occupied housing units experience three or more substandard housing conditions. The most common housing condition experienced by both owners and renters, in Texas, is cost burden.

In addition to the surveyed housing conditions mentioned above, the prevalence of homes in Texas that could have lead based paint account for roughly 31% of owner occupied housing units and 40% of renter occupied housing units as seen in Table 8 below. In 1978, lead-based paint was banned for use in housing. Lead-based paint poses the greatest danger during deterioration. Children under the age of six years old are the most at risk because they tend to put their hands or objects, which may have lead dust, into their mouths, and may absorb more lead because of their growing bodies (Centers for Disease Control and Prevention, 2024).

As seen in Map 4 below, the highest concentration of units built prior to 1980, is in the Texas panhandle and West Texas. Many counties in these areas had over 75% of their owner and renter occupied housing stock built prior to 1980.

Describe the jurisdiction's definition of "standard condition" and "substandard condition but suitable for rehabilitation":

Single Family

The State currently defines "standard condition" of existing housing as properties that meet Texas Minimum Construction Standards for single-family development which comports with HUD's property standards as revised in 2013.

"Substandard condition but suitable for rehabilitation" refers to properties that do not meet the above standards but are not sufficiently deteriorated to justify demolition or replacement. These definitions refer to the condition of properties prior to the receipt of assistance. The concept of "not sufficiently deteriorated" is intentionally left with some flexibility for considering situations case by case.

Multifamily

The TDHCA's Compliance Division inspects all HOME rental developments for compliance with NSPIRE unless local codes exceed the NSPIRE requirements in which case the Compliance Division inspects for local codes.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	1,735,632	25%	2,022,112	48%
With two selected Conditions	58,957	1%	178,410	4%
With three selected Conditions	6,303	0%	5,607	0%
With four selected Conditions	91	0%	378	0%
No selected Conditions	5,247,386	74%	2,005,769	48%
Total	***7,048,369***	***100%***	***4,212,276***	***100%***

Table 15 - Condition of Units

Data Source: 2018-2022 ACS

Data Source Comments: Please note HUDs system does not allow for decimal places so numbers under 0.5% have been rounded down and above 0.5% up.

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	3,027,744	43%	1,736,948	36%
1980-1999	1,809,278	26%	1,180,970	24%
1950-1979	1,830,369	26%	1,079,970	22%
Before 1950	380,978	5%	871,440	18%
Total	***7,048,369***	***100%***	***4,869,328***	***100%***

Table 16 - Year Unit Built

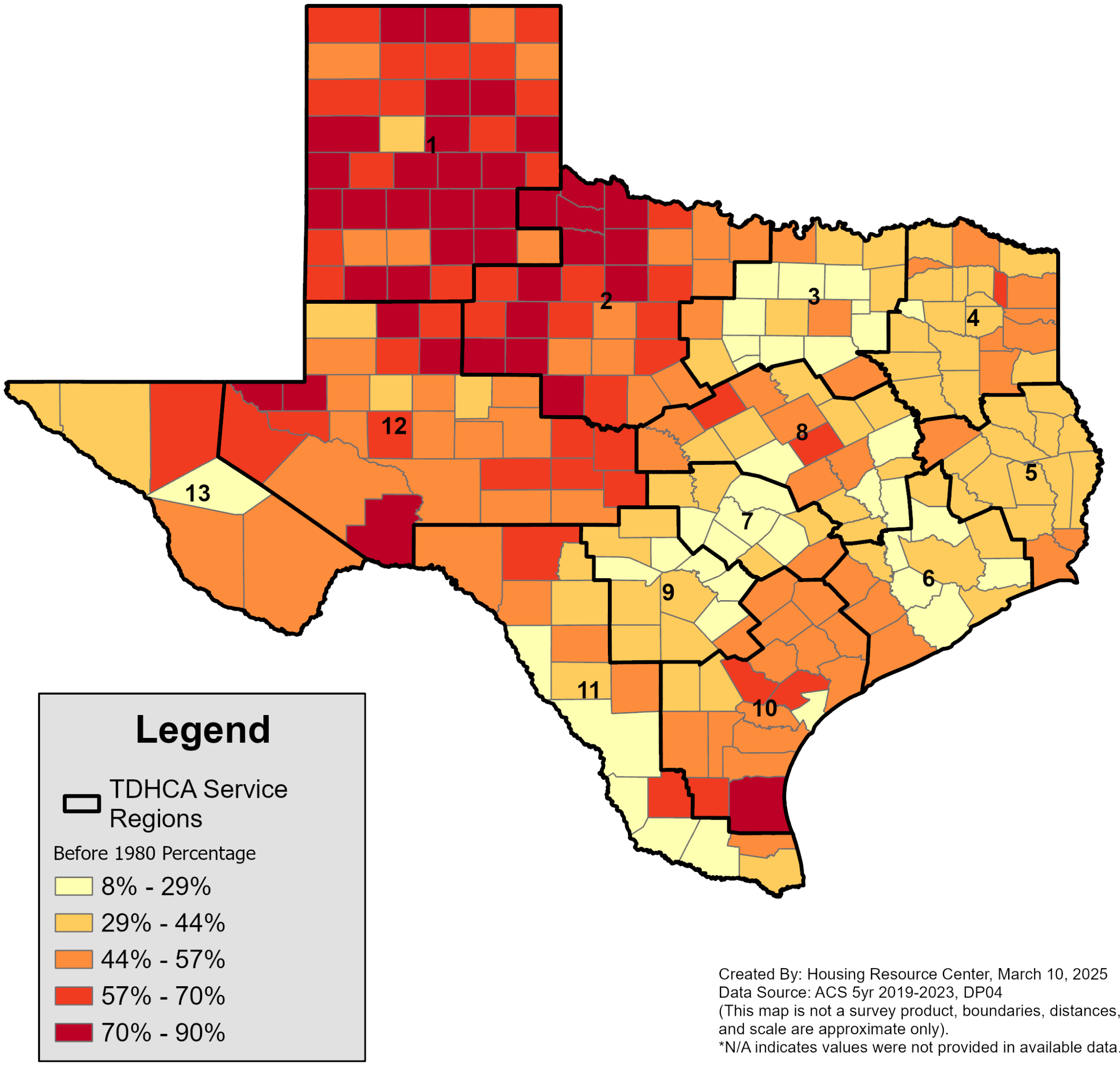
Data Source: 2018-2022 ACS

	0-30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	100%+ AMI	Total
Owner	235,701	259,680	396,528	244,183	1,113,975	2,250,067
Renter	342,100	268,114	313,768	145,105	338,288	1,407,375

Table –8a Renters - Owners Living in Housing Built Before 1980

Map 4

Market Analysis 20, Housing Built Before 1980 by County



Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	2,250,067	62%	1,407,375	38%
Housing Units build before 1980 with children present	292,000	8%	291,055	8%

Table 17 – Risk of Lead-Based Paint

Data Source: 2018-2022 ACS (Total Units) 2017-2021 CHAS (Units with Children present)

***Housing built before 1980**

Please note, while it would be helpful to show the number of housing units built before 1978 (since that would be the first year that new housing would be built without lead-based paint), the closest year that the census has regarding new housing built during that time period is 1980.

	2018 American Community Survey	2019 American Community Survey	2020 American Community Survey	2021 American Community Survey	2022 American Community Survey
Homeowner Vacancy Rate	1.60%	1.60%	1.40%	1.30%	1.20%
Rental Vacancy Rate	7.70%	7.80%	8%	7.60%	7.40%

Table 10 - Vacancy Rates from 2014-2017 in Texas

Disaster Recovery

As outlined in detail in each of the Action Plans for the supplemental disaster assistance, found on the Texas General Land Office website, the State of Texas has undertaken significant recovery efforts from each of the events for which it received funding. Those documents provide disaster specific Needs Assessments and address the estimated condition of units in need of repair. Please refer to each program's Action Plan or the disaster recovery divisions most current Quarterly Progress Report for specific details: https://www.glo.texas.gov/disaster-recovery/action-plans

Need for Owner and Rental Rehabilitation

The age of the housing stock can often provide an indication of its relative condition. Older units are more likely to require repairs, are more costly to repair and renovate, may not contain desired amenities, and are more likely to contain lead paint hazards than more recently constructed units.

Table 7 lists housing units with one or more of four conditions, with those four conditions including (1) lack of complete plumbing facilities, (2) lack of complete kitchen facilities, (3) more than one person per room, and (4) cost burden greater than 30%. There is a much higher percentage of owner-occupied units without any housing conditions (74%) than renter-occupied units (48%). In addition, Table 8 shows the year units were built by occupancy. The percentage of owners and renters is very similar for each date range of built units, except in units built before 1950; there are almost double the number of renter occupied units built before 1950 than owner occupied.

The analysis of the condition of Texas's housing stock includes evaluating the amount of vacant and abandoned housing units and their suitability for rehabilitation. According to 2022 American Community Survey Data, approximately 1,164,418 housing units in Texas, (10%) are considered vacant. A vacant unit may be one which is entirely occupied by persons who have a usual residence elsewhere.

Not all vacant housing units are abandoned. However, due to the size of the state and the complexity of assessing abandoned housing units, the State does not currently have an estimate for the number of abandoned housing units in Texas.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

According to Table 8 above, there are 4,162,757 housing units in Texas that were built before 1980, many of which could potentially contain lead-based paint. Of these homes, 1,951,410 are occupied by renters and 2,211,347 are occupied by owners.

According to 2017-2021 Comprehensive Housing Affordability Strategy (CHAS) Table 13, there are 109,570 homeowners with incomes at 0-80% AMI living in homes built before 1980 and 211,055renter households with incomes at 0-80% AMI living in homes built before 1980. Also, more renters with 0-80% AMI live in housing built before 1980 than renters with incomes above 80% AMI. This may be because housing built before 1980 is less expensive than newer apartments. However, 60% of owners that live in houses built before 1980 have incomes over 80% AMI. This runs contrary to the renter data until looking at the total number of homeowners: 6,391,122. This may have to do with the fact that more owners are in the 80+% AMI category (4,467,658 households) than the 0-80% AMI category (1,923,464 households). Finally, 35% of all owners live in housing that was built before 1980, while 37% of renters live in housing that was built before 1980.

There are 583,055 households with children under six years old living in pre-1980 housing, which is almost equal between renters (291,055 households) and owners (292,000 households). However, when looking at AMI categories, renters in the 0-80% AMI have much higher numbers of households with children living in pre-1980 housing, at just under two renters to every owner: 211,890 renter households with children in the 0-80% AMI category live in pre-1980 housing compared to 109,570 owner households with children in the 0-80% AMI category live in pre-1980 housing.

Discussion:

As noted above, the age of the housing stock provides an indication of its relative condition. Older units are more likely to require repairs, are more costly to repair and renovate, may not contain desired amenities, and are more likely to contain lead paint hazards than more recently constructed units. Further, while rental vacancy rates have remained relatively steady from 2018 (7.7%) to 2022 (7.4%), owner vacancy has fallen 25% from 1.6% to 1.2% potentially signaling a continued lack of housing stock as available units are occupied. A steady rental vacancy rate as noted above could be attributed to the location of rental housing versus the location of renters that are looking for housing along with the housing available not being affordable to renters in the market.

MA-25 Public and Assisted Housing – (Optional)

Introduction:

TDHCA serves as a Public Housing Authority (PHA) with authority to issue up to 1,540 Section 8 HCVs, but has available funds to administer only approximately 840.

Totals Number of Units

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available				725		725	55	0	73
# of accessible units									
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 18 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

TDHCA's PHA Plan does not include physical units.

Describe the Restoration and Revitalization Needs of public housing units in the jurisdiction:

TDHCA's PHA Plan does not include physical units.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

These are included in Strategic Plan Section 50

Discussion:

Please refer to Strategic Plan Section 50.

MA-30 Homeless Facilities – 91.310(b)

Introduction

According to HUD's 2023 Housing Inventory Count Report for Texas Continuum of Care (CoCs), there are 20,267 year-round beds (Emergency Shelter, Transitional Housing, and Safe Haven) in Texas. Of those, 15,271 are Emergency Shelter beds, 4,875 are Transitional Housing beds, and 121 are Safe Haven beds. Texas also has 32,520 year-round Permanent Supportive Housing beds.

While this Market Analysis section focuses on Homeless Facilities, it should be noted that in terms of market dynamics, it has been shown that rapid re-housing or homelessness prevention can result in lower costs to the homeless services providers. For example, a study of rapid re-housing done by the Urban Institute highlighted the cost savings of Rapid Rehousing to the overall Homeless Prevention system. They found that "the average monthly cost of rapid re-housing, including financial assistance, staffing, and overhead, was $880, significantly lower than transitional housing ($2,706) or emergency shelter ($4,819). The average rapid re-housing cost per stay ($6,578) was also far lower than transitional housing ($30,336) or emergency shelter ($16,829). Put another way, offering rapid re-housing provided the same outcomes as usual care and cost 10 percent less. These savings are important. The difference of $4,023 multiplied across all homeless families entering shelter, could result in substantial savings to the system" (Batko & Cunningham, 2018).

Facilities Targeted to Homeless Persons

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	5,496	1,541	2,204	4,865	
Households with Only Adults	10,865	1,541	2,828	12,452	
Chronically Homeless Households				7,511	
Veterans	184		465	7,253	
Unaccompanied Youth	417		331	132	

Table 19 - Facilities Targeted to Homeless Persons

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Texas Health and Human Services Commission (HHSC): Family Violence Program. Family violence centers are located throughout the state and provide services to victims of family violence. Services for victims include 24-hour hotline guidance, information and referral services, legal services, counseling, transportation services, and assistance in obtaining medical care and job training. Selected family violence centers provide temporary shelter services.

Texas Health and Human Services Commission (HHSC): Projects for Assistance in Transition from Homelessness (PATH). PATH funds are used for administration of homelessness prevention services and mental health crisis services. Funds are available to subdivisions of the State of Texas, units of local government and nonprofit entities.

U.S. Department of Veterans Affairs (VA): Comprehensive Homeless Centers. Comprehensive Homeless Centers offer a full range of VA homeless services and coordinate with non-VA service providers to assist homeless veterans.

TDHCA administers three programs for persons who are homeless or are at risk of becoming homeless: HHSP, EH, and ESG programs.

Homeless Housing and Services Program (HHSP)

Homeless Housing and Services Program (HHSP). Funded with state appropriated funds, HHSP's purpose is assisting regional urban areas in providing services to homeless individuals and families, including services such as case management, and housing placement and retention. TDHCA distributes these funds to cities with populations larger than 285,500 persons per the latest U.S. Census figures, which are currently the nine largest cities in Texas or organizations named in their stead by those nine cities. Each city operates HHSP differently. Some provide funding to nonprofit homeless services providers who administer direct services, while others use the funds to repair or rehabilitate existing shelters or to produce more beds within their service area. The funded organizations may change yearly, and an updated list can be found online at https://www.tdhca.texas.gov/homeless-housing-services-program-hhsp. Two examples of services and facilities funded with HHSP are described below:

City of Fort Worth –The City of Fort Worth utilizes HHSP funds to provide permanent supportive housing to chronically homeless persons through the Directions Home program. Households are provided with case management services, and assisted with rental assistance, moving costs, fees and deposits. Clients are all referred through the coordinated entry system. See more below.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40

Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Ending Homelessness (EH) Fund

Created during the 85th Legislative Session, the Fund officially launched in January 2018 through coordination between TDHCA and the Texas Department of Motor Vehicles. From its launch through August 2024, contributions to the Fund totaled $1,291,615. Maximizing every dollar graciously donated by Texans, TDHCA works to leverage contributions with the current federally funded ESG Program and state funded HHSP.

TDHCA distributes the contributions to the Fund to eligible cities and counties that administer the current federally funded Emergency Solutions Grant (ESG) Program and state funded Homeless Housing and Services Program (HHSP). Distributions are made at least once per fiscal year after approval by the TDHCA Governing Board. https://www.tdhca.texas.gov/ending-homelessness-fund

Emergency Solutions Grant (ESG) Program

TDHCA's ESG funds homeless services providers throughout the state that provide direct services to persons and families who are homeless or at risk of becoming homeless. This assistance can take the form of street outreach, emergency shelter, day shelters that provide services to chronically homeless individuals and at risk persons, rapid re-housing, and homelessness prevention. The funded organizations may change yearly, and an updated list can be found online at https://www.tdhca.texas.gov/programs/emergency-solutions-grants-esg-program. Three examples of services and facilities are described below:

Haven for Hope – San Antonio – Haven for Hope provides emergency and transitional shelter that per their website "address[es] the root causes of homelessness by offering programming tailored to the specific needs of the individual. [Their] approach is person-centered, trauma-informed and recovery-oriented. The goal is to meet individuals where they are and support them as they move toward self-sufficiency."

Salvation Army – Multiple Locations - The Salvation Army has a number of transitional and emergency housing options. Many locations include emergency shelters that make provision for men, women, and families where possible. In addition, multiple locations provide rapid rehousing and homeless prevention services.

Advocacy Outreach – Elgin – S*erving Bastrop County and surrounding rural areas,* houses a free Thrift Store, learning center, day shelter for those in need, and advocacy services to help clients prevent or overcome homelessness, increase financial stability, address health needs or personal crises.

MA-35 Special Needs Facilities and Services – 91.310(c)

Introduction

Through a broad range of statewide programs and coordination efforts between several State agencies, Texas provides facilities and services that assist persons who are not homeless but who require supportive housing and programs.

The State is aware that the Supreme Court's decision in the *Olmstead* case maintained that unnecessary segregation and institutionalization of people with disabilities is unlawful discrimination under the Americans with Disabilities Act (ADA). The Fair Housing Act, Section 504 of the Rehabilitation Act, ADA, and §2306.514 of the Texas Government Code provide mandates for accessible residential housing for persons with disabilities. Housing developers may also choose to provide "adaptive design" or "universal access" housing, which promotes uniform standards in the design, construction, and alteration of structures that include accessibility or simple modification for individuals with a disability.

One special need population especially relevant to the State's Consolidated Plan is Persons Living with HIV (PLWH) and their households. The Housing Opportunities for Persons with AIDS (HOPWA) Program is the only Federal program dedicated to the housing needs of PLWH. Under the HOPWA Program, HUD makes grants to local communities, States, and nonprofit organizations for projects that benefit low-income PLWH and their households. The Texas Department of State Health Services (DSHS) administers the State's HOPWA formula program, which provides Tenant-Based Rental Assistance (TBRA), Short Term Rent or Mortgage, and Utility (STRMU), Permanent Housing Placement (PHP), Facility-Based Housing Assistance (FBHA), Supportive Services, and Housing Information Services. The goals of the DSHS HOPWA Program are to help low-income PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to health care and supportive services. The DSHS HOPWA Program is situated within a comprehensive network of core medical and support services entities funded in part by the DSHS HIV Care Services Group including outpatient/ambulatory health services, oral health services, premium and cost sharing assistance services, Texas HIV Medication Program (THMP) services and many others. PLWH who are new to care or have returned to care are screened for housing needs during intake and routine appointments.

TDHCA assists persons who are not homeless but who require supportive housing through a wide variety of programs. For this Plan, most detail is given for the HOME Investment Partnerships Program (HOME) and Emergency Solutions Grant (ESG) program because this document guides the activities for those funding sources. TDHCA also has programs that provide persons returning from mental and physical health institutions with appropriate supportive housing. The Housing Choice Voucher Project Access, HOME TBRA and Section 811 Project Rental Assistance (PRA) Demonstration programs assist persons returning from institutions. The Housing and Health Services Coordination Council (HHSCC) works to increase state efforts to offer Service-Enriched Housing through increased coordination of housing and health services. HHSCC seeks to improve interagency understanding and increase the number of staff in state housing and health services agencies that are conversant in both housing and services.

Regarding services, the mission of the Texas Health and Human Service Commission (HHSC) system is to make a difference in the lives of the people they serve by improving the health, safety and well-being of Texans through good stewardship of public resources.

Finally, the Texas Veterans Commission administers the Housing4TexasHeroes program, or H4TH, which focuses on veterans as its special needs population.

HOPWA Assistance Baseline Table

Type of HOPWA Assistance	Number of Units Designated or Available for People with HIV/AIDS and their families
TBRA	654
PH in facilities	0
STRMU	437
ST or TH facilities	161
PH placement	169

Table 20 – HOPWA Assistance Baseline

Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

To the extent information is available, describe the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The state provides several options for persons who are returning from or exiting institutions into the community. These include HOPWA, HOME, Project Access, Section 811 PRA, and mental health supportive housing programs.

Individuals who exit an institution and enroll in the DSHS HOPWA Program receive housing case management services, a type of HOPWA supportive service. Housing case management is a central component of HOPWA supportive services and key to successful program outcomes for housing stability and access to care. The core functions of housing case management include engagement, assessment, goal setting, service coordination, and discharge planning. While the DSHS HOPWA Program does not specifically target persons returning from mental and physical health institutions, Project Sponsors must conduct ongoing assessments of the supportive services required by households enrolled in the program. This ensures that households are connected with appropriate HOPWA-funded or leveraged supportive services (e.g., core medical and support services funded in part by the DSHS HIV Care Services Group).

TDHCA's HOME Single Family and Homeless Programs Division sets aside funding for persons with disabilities. Awards made under this set-aside can be used to provide rental assistance for persons with mental, physical, intellectual or developmental disabilities, including those exiting institutions as discussed below.

Texas also operates the Project Access Program with its Housing Choice Voucher Program. This program is operated in collaboration with the Money Follows the Person grant received by the State of Texas and assists individuals exiting institutions with a voucher.

Texas has been actively implementing the HUD Section 811 PRA Program since 2015. This program provides project-based supportive housing for persons with disabilities serving three target populations: individuals transitioning out of institutions, people with serious mental illness and youth and young adults with disabilities transitioning out of foster care. Individuals in the target population are eligible for services funded by the Texas Medicaid Program, or other state programs, and are housed in project-based units located in TDHCA-funded multifamily properties. The program is a partnership between TDHCA and the Health and Human Services agencies in Texas to ensure that Section 811 PRA tenants in Section 811 PRA units have access to appropriate supportive services to maintain stable housing. Developers have set aside 1678 units of which to date 485 have been occupied by a qualifying tenant.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

As described above, HOPWA, Project Access, and the Section 811 PRA programs all provide supportive housing options for persons exiting mental and physical health institutions.

While the DSHS HOPWA Program does not specifically target persons returning from mental and physical health institutions, the DSHS HOPWA Program authorizes Facility-Based Housing Assistance (FBHA) services. FBHA encompasses all expenditures for or associated with supportive housing facilities including community residences, single-room occupancy (SRO) dwellings, short-term facilities, project-based rental assistance units, master leased units, and other housing facilities approved by HUD. The DSHS HOPWA Program currently limits the use of FBHA to Short-Term Supportive Housing (STSH) and Transitional Supportive Housing (TSH) services. STSH facilities provide temporary shelters to households that are homeless as a bridge to permanent housing. TSH facilities allow households an opportunity to prepare for permanent housing and develop individualized housing plans that guide their linkage to permanent housing. Alternatively, the DSHS HOPWA Program prioritizes TBRA services with appropriate HOPWA-funded or leveraged supportive services.

The Project Access Program ensures that persons leaving nursing homes and Intermediate Care Facilities (ICFs) for Individuals with Intellectual Disabilities (IIDs) receive supportive housing because, in addition to the housing voucher, they are able to exit the institution and bypass the Medicaid waiver interest lists and are enrolled into one of the HHSC waiver programs. They are supported by Managed Care Organizations and may be supported by Relocation Contractors who assist individuals leaving nursing homes pre- and post-transition to the community.

The Section 811 PRA Program provides an affordable housing option for extremely low-income households transitioning out of nursing facilities and ICFs for IIDs. In addition, persons with serious mental illness, some of which may have experienced stays in state psychiatric hospitals in their past or transitioning out of those facilities, are eligible for Section 811 PRA. The program is a partnership between participating properties, local disability service professionals, TDHCA and the Health and Human Service agencies in Texas, who will ensure that appropriate services are available for Section 811 PRA tenants to maintain stable housing.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

The state has several agencies that address housing with supportive services for people with special needs. The special needs populations below are included in the one-year goals in Strategic Plan Section 35 for HOME, ESG, and HOPWA.

TDHCA's governing statute, Texas Government Code §2306.111(c)(2), states that 5% of the HOME allocation shall be directed toward assistance for Persons with Disabilities who live in any area of the state. In addition, TDHCA may consider allowing HOME Administrators to propose to limit beneficiaries or give preferences to low-income special need populations, as described in the Needs Assessment Section 45.

TDHCA's HOME Multifamily Development funds may be paired with the 9% HTC Program that have the potential to serve populations insofar as the Qualified Allocation Plan (QAP) provides scoring incentives for competing 9% applicants to serve populations with special needs. The QAP also includes certain scoring options only available to supportive housing developments.

TDHCA's ESG subrecipients may choose to prioritize certain special needs populations to serve with their ESG State funds. For example, in the 2024 ESG competition, TDHCA awarded more points to applicants who committed to serve a higher percentage of targeted subpopulations that typically have high barriers to housing, including: persons with serious mental illness; persons recently released from institutions; and persons with substance use disorders.

A full list of TDHCA programs that assist persons with special needs can be found in the State Low Income Housing Plan and Annual Report. This publication is updated annually and can be found online at https://www.tdhca.texas.gov/housing-resource-center-annual-or-biennial-plans-and-reports.

How HOPWA serves PLWH was described in the previous questions in this section.

The Texas Veterans Commission H4TH program awards grants to nonprofit or local government organizations to address home modification needs of Low-Income, Very Low-Income and Disabled Texas Veterans and their families. Such needs include, but are not limited to, the following: walkways, ramps; doors, windows, and flooring materials; sliding doors; handrails and grab bars; bathroom modifications;

and weatherization. Similarly, TDHCA offers a home modification program for disabled Texans, the Amy Young Barrier Removal Program that performs a similar function, but is not limited to Veterans.

Regarding services to support persons with special needs, HHSC oversees the operations of the Health and Human Services System composed of two agencies: HHSC and DSHS. HHSC also administers health care services (such as Medicaid) food assistance and emergency assistance services.

DSHS promotes optimal public and behavioral health through effective public health, clinical, mental health, and substance abuse services.

DFPS is now a standalone agency that protects the elderly, people with disabilities and children from abuse, neglect, and exploitation through investigations and services; and regulates and manages community-based programs for these populations.

MA-40 Barriers to Affordable Housing – 91.310(d)

Describe any negative effects of public policies on affordable housing and residential investment.

A review of State-level laws, regulations, and CPD programs is detailed in Chapter 4 of the State of Texas Analysis of Impediments to Fair Housing Choice (AI), updated in 2024, available at https://www.tdhca.texas.gov/state-texas-analysis-impediments-ai-fair-housing-choice. The AI included a review of policies including tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.

It is important to note that Texas confers a great deal of land use and planning authority on its cities and counties. Chapter 4 of the AI concludes that Texas state laws and programs provide significant considerations of protected classes and do not reflect discriminatory practices; while some Texas laws do authorize – or do not prohibit – local actions that could lead to local decision-making practices that may affect protected classes, those laws do not themselves treat protected classes differently.

In the case of siting and property taxes, Texas state laws have an impact on the location of housing and the affordability of housing. While many regulations reside at the local level, the state does have laws on municipal zoning, platting and other laws that govern such local regulations. In short, all of the special cases in which Texas counties are given zoning powers or zoning-like powers are similar to the municipal zoning enabling powers and do not create barriers to fair housing choice to FHAA-protected persons. The State of Texas does not grant zoning authority to counties, with a few exceptions. However, counties do have selected land use powers that can affect development.

The AI was adopted by the TDHCA Governing Board on June 13, 2024 and identifies six impediments to fair housing choice. To address the identified impediments, the AI provides a number of recommendations that the State will undertake during the 2025-2029 Consolidated Plan period. The efforts of the State to mitigate these barriers and impediments will be seen in Strategic Plan Section 55 and Action Plan Section 75.

MA-45 Non-Housing Community Development Assets -91.315(f)

Introduction

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	362,389	495,900	3%	4%	1%
Arts, Entertainment, Accommodations	1,205,584	379,500	9%	3%	-6%
Construction	1,211,829	1,059,000	9%	8%	-1%
Education and Health Care Services	2,989,483	2,801,100	21%	21%	0%
Finance, Insurance, and Real Estate	958,261	1,057,000	7%	8%	-1%
Information	223,134	230,700	2%	2%	0%
Manufacturing	1,180,979	927,000	8%	7%	-1%
Other Services	689,813	449,900	5%	3%	-2%
Professional, Scientific, Management Services	1,696,528	1,452,500	12%	11%	-1%
Public Administration	571,970	846,100	4%	6%	2%
Retail Trade	1,564,701	1,377,700	11%	11%	-1%
Transportation & Warehousing	893,636	1,328,700	6%	10%	4%
Wholesale Trade	359,821	636,500	3%	5%	2%
Grand Total	13,908,128	13,041,600	100%	--	

Table 21 - Business Activity

Data Source: 2018-2022 ACS (Workers), Texas Workforce Commission Current Employment Statistics (CES) 2022

Labor Force

Total Population in the Civilian Labor Force	14,784,312
Civilian Employed Population 16 years and over	13,908,128
Unemployment Rate	5.2%
Unemployment Rate for Ages 16-24	12%
Unemployment Rate for Ages 25-65	4.26%

Table 22 - Labor Force

Data Source: 2018-2022 ACS

Occupations by Sector	Number of People
Management, business and financial	2,658,954
Farming, fisheries and forestry occupations	53,561
Service	2,360,713
Sales and office	2,979,789
Construction, extraction, maintenance and repair	1,416,921
Production, transportation and material moving	1,947,103

Table 23 – Occupations by Sector

Data Source: 2018-2022 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	7,473,113	61%
30-59 Minutes	3,774,749	31%
60 or More Minutes	994,978	8%
Total	12,242,840	100%

Table 24 - Travel Time

Data Source: 2018-2022 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		
	Civilian Employed	Unemployed	Not in Labor Force
Less than high school graduate	1,300,596	75,954	726,531
High school graduate (includes equivalency)	2,506,699	146,015	992,950
Some college or Associate's degree	3,290,952	162,308	873,909
Bachelor's degree or higher	4,193,694	122,782	681,047

Table 25 - Educational Attainment by Employment Status

Data Source: 2018-2022 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	**25–34 yrs**	**35–44 yrs**	**45–65 yrs**	**65+ yrs**
Less than 9th grade	61,491	154,530	259,473	583,139	422,404
9th to 12th grade, no diploma	344,923	268,874	304,301	533,105	266,508
High school graduate, GED, or alternative	1,032,775	1,060,239	911,595	1,681,394	972,901
Some college, no degree	1,024,185	967,388	794,759	1,396,132	797,089
Associate's degree	164,172	341,529	323,425	534,192	236,184
Bachelor's degree	284,289	1,023,162	905,205	1,353,089	637,547
Graduate or professional degree	24,431	408,472	547,544	790,424	436,344

Table 26 - Educational Attainment by Age

Data Source: 2018-2022 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	28,921
High school graduate (includes equivalency)	35,753
Some college or Associate's degree	44,146
Bachelor's degree	65,598
Graduate or professional degree	82,768

Table 27 – Median Earnings in the Past 12 Months

Data Source: 2018-2022 ACS

Based on the Business Activity table above, what are the major employment sectors within the state?

Texas' business friendly environment continually attracts new business while growing established industries. Major employment sectors currently include Education, Health Care Services, Professional Services, Retail Sales, and Hospitality.

Describe the workforce and infrastructure needs of business in the state.

As Technology, Manufacturing and Energy sectors continue to grow as part of the Texas economy, education and training in these fields is needed to establish a job-ready workforce. Growth in these sectors has increased demand on existing infrastructure, and housing, necessitating plans for improvement and expansion.

Describe any major changes that may have an economic impact, such as planned public or private sector investments or initiatives that have affected or may affect job and business

growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

The private energy sector's expansion of oil and natural gas exploration throughout the state has positively impacted the state's economy through job and business growth. However, this change has been accompanied by a growth in demand on current water and transportation infrastructure by both the private and public sector. Natural disasters ranging from Hurricanes to drought conditions in certain parts of the state have strained infrastructure systems. With households displaced by these events, utilities struggle to recover from storm damage and a changing customer base, which can limit economic opportunities for those areas.

How do the skills and education of the current workforce correspond to employment opportunities in the state?

Explosive population growth and increased global competition present both new opportunities and challenges to ensuring Texans' skills and education remain competitive in the modern workforce.

Describe current workforce training initiatives supported by the state. Describe how these efforts will support the state's Consolidated Plan.

The State offers an extensive array of employment and training programs coordinated through the Governor's Office, the Texas Workforce Commission, and Local Workforce Boards that focus on each region's specific employment and training needs.

In addition, the Governor has placed increased emphasis on Science, Technology, Engineering and Math (STEM) subjects in the standard curriculum.

Describe any other state efforts to support economic growth.

The State continues efforts that ensure Texas remains a business friendly climate through low taxes, a reasonable and predictable regulatory structure, and development of a diverse and educated workforce. The Texas Department of Agriculture's (TDA) Texas Capital Fund (TCF) provides grant funds to non-entitlement communities for infrastructure improvements in support of projects that create or retain jobs, primarily for low-to-moderate income persons.

Discussion

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

In Market Analysis Section 20, the analysis of Table 7 showed that renters had more deficient housing conditions than owners. (As a reminder, deficient housing conditions include (1) lack of complete plumbing facilities, (2) lack of complete kitchen facilities, (3) more than one person per room, and (4) cost burden greater than 30%.) When examining households with more than one housing condition to answer this question, an updated table was used: the 2018-2022 American Community Survey Table B25123. This statewide analysis showed that 4% of renters and 1% of owners had two or more housing conditions. When renters and owners were examined together, the statewide average for households with two or more housing conditions was 2%. A definition of a "concentration" of multiple housing problems is a county with a percentage of the population with multiple housing problems above the state average. By county, concentrations of housing problems ranged from 0-16%, with 182 counties having concentrations above the statewide average of 1% for owner occupied. For renter occupied units there were multiple counties across the state that were above the statewide average of 4% (72). There are 72 counties in which renters and owners combined to have a more than 2% concentration of two or more of the housing conditions noted above; this is 28% of all Texas counties.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

HUD has developed a census tract-based definition of Racially/Ethnically-Concentrated Areas of Poverty (R/ECAPs). The definition involves a racial/ethnic concentration threshold and a poverty test. The racial/ethnic concentration threshold is straightforward: R/ECAPs must have a non-white population of 50% or more of the tract's total population. The poverty threshold is defined by HUD as neighborhoods of extreme poverty which are census tracts in which 40% or more of the individuals in the tract are living at or below the poverty line. Because overall poverty levels are substantially lower in many parts of the country, HUD supplements this poverty threshold with an alternate criterion; that criterion would also classify a tract as a R/ECAP if the tract's rate of individuals in poverty is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower. Census tracts which meet one of the two thresholds for extreme poverty, and also satisfy the racial/ethnic concentration threshold are deemed R/ECAPs. It should be noted that HUD's methodology for R/ECAPs includes only racial and ethnic minorities; it does not contemplate white racially concentrated areas of poverty. Maps of R/ECAPS can be found in Chapter 3 of the AI.

The South Texas Border and Upper Rio Grande regions had the highest percentages of poverty, and both areas had majority Hispanic/Latino populations. The lowest-incomes correlate with the highest levels of minority concentration. African Americans represent a majority-minority population in the North Texas Panhandle, Northern, and the east Texas coastal areas. Hispanic/Latino populations represent a majority-minority population along the South and Southwest Texas borderlands.

The two regions with the highest poverty rates are described below. The other regions are described after the question: What are the characteristics of the market in these areas/neighborhoods?

Texas Region 11: South Texas Border. Region 11's population is majority Hispanic/Latino: nine counties have over 90% of their population as Hispanic/Latino, four counties have more than 70% of their population as Hispanic/Latino, and two counties have more than 50% of their population as Hispanic/Latino. Growth outside population centers frequently leads to the creation of “new colonias”, which are subdivisions that are built to model subdivision standards but contain high levels of substandard housing and contract for deed financing. Four counties show greater than 40% of African Americans living in poverty (Dimmit, Uvalde, Willacy and Zavala). Seven counties show greater than 30% of the Hispanic/Latino populations as living in poverty.

Texas Region 13: Upper Rio Grande. Region 13 is majority Hispanic/Latino and has distinct affluent and low-income communities. Of low-income households, 80% are located in El Paso City. Census tract data shows that most areas with racially concentrated areas of poverty are located around El Paso.

What are the characteristics of the market in these areas/neighborhoods?

Below are short descriptions of each TDHCA service region with noted characteristics from the 2024 Analysis of Impediments to Fair Housing Choice.

Texas Region 1: High Plains. Primarily rural region of communities with diverse economies based around agriculture and ranching. Amarillo and Lubbock contain most of the region’s population and make up the educational, cultural and economic hub of the region.

Texas Region 2: Northwest Texas. The region is predominantly White (non-Hispanic) with clusters of minority populations in the cities, especially Brownwood and Wichita Falls.

Texas Region 3: Metroplex. The most populous region in the State, containing more than one-fourth of the state’s entire population. A large number of corporate headquarters, information technology companies, energy companies, defense contractors, farming and ranching industries, and tourism activity support the region’s economy. African American and Hispanic populations mainly live in the southern part of the Dallas-Fort Worth Metroplex.

Texas Region 4: Upper East Texas. Region 4 includes a handful of racially concentrated areas of poverty, which are located mainly in Tyler, Texarkana, and Paris. The region is home to the East Texas Oil Field, which is the largest and most prolific oil reservoir in the contiguous US.

Texas Region 5: Southeast Texas. Region 5 is the third poorest region in Texas, behind Regions 11 and 13. The region has the highest percentage of disability amongst the civilian non-institutionalized population at 17.7%. Region 5 also has the highest rate of disability in non-metro counties, where nearly one in five individuals has a disability.

Texas Region 6: Gulf Coast. The AI found Houston has large areas of racial and ethnic concentrations throughout the urban core, including R/ECAPs. Houston is the largest city in the U.S. without formal zoning regulations.

Texas Region 7: Capital. Region 7 is the fastest growing region in the state. Region 7 shows one of the lowest rates of households living below the poverty line.

Texas Region 8: Central Texas. Areas of concentration of racial/ethnic minorities in Region 8 are focused in the urban centers of Waco, Temple, and College Station.

Texas Region 9: Alamo. Region 9 has experienced strong suburban growth in the affluent suburbs north of San Antonio; the north side of the city are majority White, while the remainder of the city is majority Hispanic. Counties surrounding San Antonio are less populated and participate in ranching, farming, and rural activities.

Texas Region 10: Coastal Bend. Region 10 is diverse. Exceptions seem to be some of the coastal areas and some of the far north and south portions of the region. This region is home to some of the largest private Ranch’s in the country, like the King Ranch.

Texas Region 11: South Texas Border. The region encompasses the southern border between Texas and Mexico, and the population is majority Hispanic or Latino. The region is home to the most Colonias in the state, many of these small communities lack one or more of running water, sewer, paved roads or city services.

Texas Region 12: West Texas. There are only three R/ECAP in Region 12. This is likely due to the area being rich in oil, which creates job opportunities and lowers poverty rates. The region has the lowest overall poverty rate in the state.

Texas Region 13: Upper Rio Grande. Outside of El Paso the region is sparsely populated, with similar characteristics to region 11. The region has one of the largest average family household size among all regions.

Are there any community assets in these areas/neighborhoods?

A community asset is anything that can be used to improve the quality of community life. While community assets in areas of high poverty are less prevalent. As it relates to housing stock as a community asset, many of the border towns and Gulf Coast areas do not have strict building codes, which have affected the quality of the housing stock; permitting is done through county governments, outside of city boundaries, which generally have fewer or no building codes, rather than the local communities.

Many low-income communities across the state are rich in cultural and social assets. All 13 regions in the state have unique cultural and social histories defined by their communities and help contribute to the culture of Texas as a whole.

Are there other strategic opportunities in any of these areas?

An opportunity exists to increase service delivery and hopefully enhance the resources and assets of communities by structuring Notices of Funding Availability, and rules to encourage collaborations and provide awareness of regional concerns as they relate to housing and infrastructure in these areas.

Affordable housing projects in areas with more economic opportunity may not place residents in proximity to transportation systems, working contrary to the purpose of easing the strain on the household's budget. The State is working to ensure that funding available for affordable housing is being used to help low-income households find housing in areas of opportunity that will help them thrive and not place any additional economic burden on their situation.

Disaster Recovery

As outlined in detail in each of the Action Plans for the supplemental disaster assistance, found on the Texas General Land Office website https://www.glo.texas.gov/disaster-recovery/action-plans, the State of Texas has been implementing recovery efforts from each of the events in which it received funding.

Based on the needs analysis above, describe the State's needs in Colonias

The needs of racial minorities and concentrated poverty in Texas colonias have been discussed in the Needs Analysis Section 30 (Disproportionately Greater Need: Discussion). Colonias are mainly found in the Upper Rio Grande and South Texas Border regions, which are also discussed above.

OMB Control No: 2506-0117 (exp. 09/30/2021)

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

As daily life becomes digital, participation in the digital economy becomes more and more necessary. Having access to online banking, online shopping and even digital healthcare are no longer considered luxuries but simple everyday day tools and can provide rural households access to resources they may otherwise be unable to access. In the State of Texas 88.4% of households have access to a Broadband internet connection (American Community Survey 2018-2022, Table S2801). Per the ACS 11.5% of households do not have access to the internet or roughly just over 1.2 million households.

As can be seen in Map 5 below the majority of Texans without access to Broadband internet service live in rural areas of the state, while those with the most connectivity live in the larger metro areas, DFW, Houston, and Austin. While counties with over 25% of households without Broadband access are spread out across the state, a majority are located in areas with additional housing issues such as Deep South Texas, Upper Rio Grande, and the panhandle regions.

Access to Broadband at home is important for a wide range of reasons from children being able to do school work to adults being familiar with technology needed to enable them to be competitive in the workforce. Without this access the digital skills gap will continue to grow. According to the Federal Reserve Bank of Dallas "Nearly 8 in 10 middle-skill jobs in today's workforce require digital skills, representing 32 percent of all labor market demand in the nation. Digitally intensive middle-skills jobs have grown more than twice as fast as other middle-skill jobs in the past decade, and pay wages, on average, 18 percent higher than middle-skills jobs without a digital component" (Barton, 2016). Workforce opportunities are hindered when low and moderate-income (LMI) communities lack broadband access (Van Horn, 2018). Many jobs are listed only online leaving those that are disconnected unable to locate or apply for those jobs. In addition, many job training and education programs are online, leaving LMI workers who are less likely to have access to the internet at home behind in the fast growing digital economy. Broadband connectivity across the state can lead to a greater knowledge of technology and a more skilled workforce.

Lack of broadband access also affects K-12 students and their ability to learn and complete their homework. "The digital divide is growing in classrooms because of unequal access to essential learning technology resources at home. ...the Pew Research Center explains that "roughly one-third (31.4 percent) of households whose incomes fall below $50,000 and with children ages 6–17 do not have a high-speed Internet connection at home. This low-income group makes up about 40 percent of all families with school-age children in the United States" (Van Horn, 2018). This quickly puts low-income children behind their higher income counterparts.

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

The Texas Broadband Development Office, within the Comptroller's Office, published the *Texas Broadband Plan 2022,* citing that "4.4 million households in Texas are served by only a single internet provider". This equates to over 45% of households with access to internet. "This lack of competition contributes to poor quality internet and service affordability" (Comptroller, 2024).

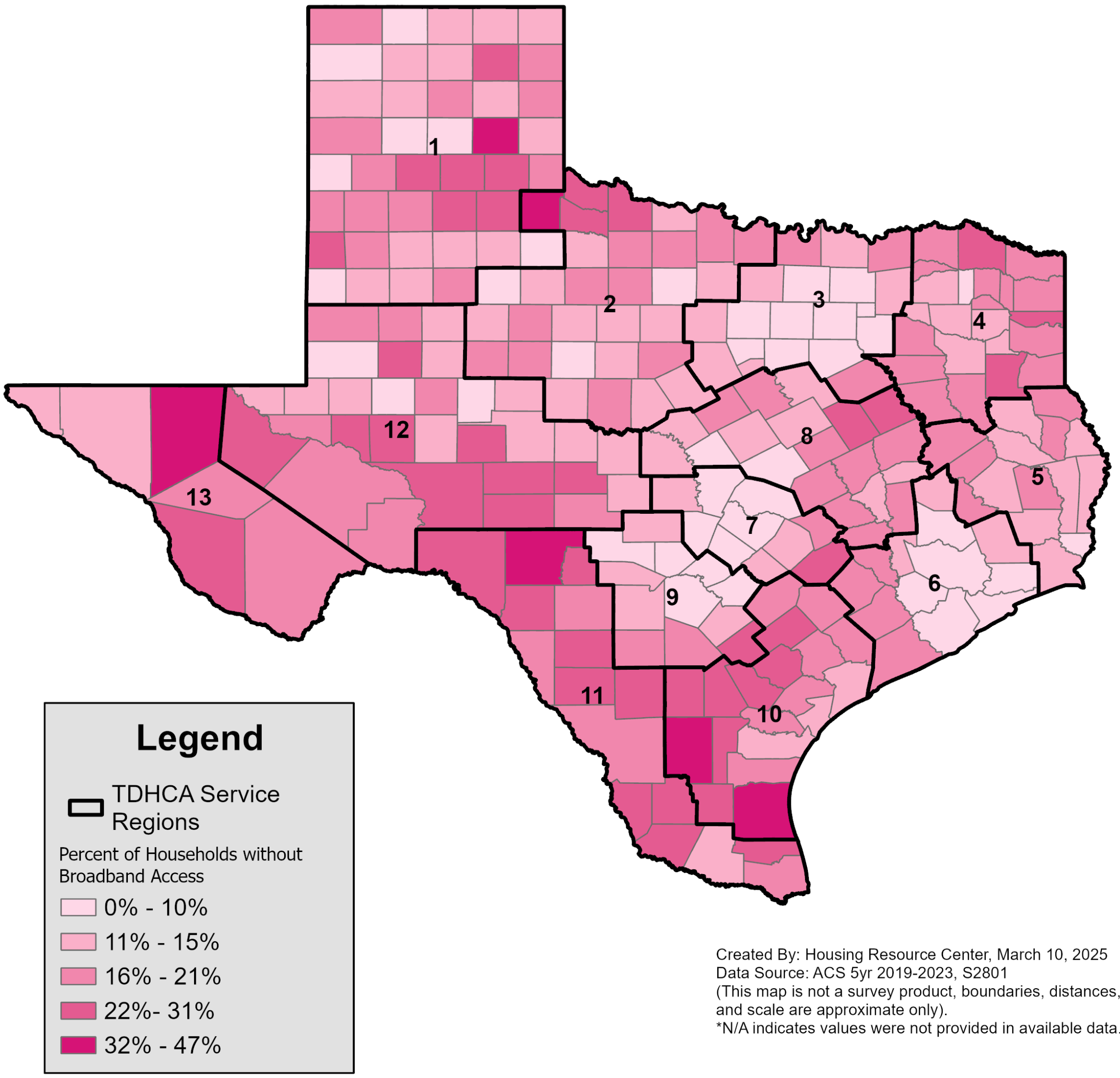
As seen in Map 5 below there is a lack of Broadband services, to a varying degree, across the State of Texas. Increased competition may push providers to expand their service area in order to have access to a larger client base. Currently, the State (TDHCA, TDA and DSHS) does not utilize HUD funding to increase Broadband saturation across the state.

However, to address this issue the 87th Texas Legislature created the Broadband Development Office (BDO) at the Texas Comptroller of Public Accounts. The BDO is charged with broadband expansion, which includes establishing an official statewide plan for expanding access. The Legislature appropriated $5 million to the Comptroller to administer the program. Additionally, the American Rescue Plan Act enacted by the federal government has allocated $500.5 million to Texas for broadband expansion, while the Infrastructure Investment and Jobs Act allocated at least $100 million.

The Broadband Development Office is committed to using these funds as efficiently and effectively as possible. In March 2022, the BDO launched the Texas Broadband Listening Tour, conducting regional town halls in 12 Texas communities to hear directly from Texans about their experiences with broadband (Comptroller, 2024).

Map 5

Market Analysis 60, Households without Broadband Access



MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

The state of Texas is consistently one of the hardest hit by natural disasters in the United States. During the 5-year period from 2019-2023 billion dollar disasters in Texas accounted for over 50% (55) of all billion dollar disasters in the United States (102) and leads the U.S. in total cumulative costs from disasters since 1980 (NCEI, 2024). According to FEMA there have been nine Major Disaster Declarations in Texas since 2019, only behind California and Florida. The number of billion dollar disasters has doubled from 2016 to 2024. In addition, the average number of billion dollar severe storms has also drastically increased in 2023 and 2024 (15.5) compared to the previous five year period (5.5) (NECI, 2024).

The Texas Department of Public Safety, Division of Emergency Management's, State of Texas hazard Mitigation Plan (HMP) identifies the natural hazards projected to be the greatest economic threat to the state during the next five-year planning cycle 2023-2027. The 2023 HMP identified the following hazards as "Highly Likely" meaning they are likely to occur in the next year and on a yearly basis; Coastal Erosion, Drought, Expansive Soils, Extreme Heat, Floods, Hailstorms, Hurricane, Tropical Storm and Depressions, Lightning, Severe Coastal Flooding, Severe Wind, Severe Winter Weather, Tornados, and Wildfires (TxDPS, 2023).

The State of Texas through the Department of Emergency Management continues to fund and support disaster mitigation efforts around the state in order to reduce risk to Texans and build resiliency throughout the state.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

By analyzing income data for individual applications for FEMA assistance in the state of Texas, we can see what population is hardest hit by natural disasters. Data is available for two recent disasters Hurricane Harvey in 2017 and Winter Storm Uri in 2021.

Upon analyzing the data for the 1,044,004 applications submitted to FEMA after Hurricane Harvey, it is clear that the hardest hit group is low- to moderate-income Texans. The median income of all applicants for FEMA assistance for Hurricane Harvey was $30,000; for the 160,525 applicants eligible for rental assistance the median income was $35,962; and for the 959,275 applicants eligible for repair assistance the median income was $28,560 (FEMA Open Data). Applicants could be eligible for both rental and repair assistance simultaneously. This data shows that very low to moderate income individuals do not have the means to recover from natural disasters on their own due to multiple factors including low-incomes and lack of insurance. 69% of FEMA applicants for assistance after Harvey did not have homeowners insurance and 89% did not have flood insurance (FEMA Open Data).

Similar to Harvey, of the 68,630 applications submitted to FEMA after Winter Storm URI, low to moderate income Texans were the hardest hit. The median income of all applicants was $31,000, the median income of homeowners was $42,000 and of renters was $25,000. Unlike after Harvey only 32% of FEMA applicants for assistance after URI did not have homeowners insurance.

With the predicted continuance of “highly likely” disasters noted above, it is reasonable to assume that LMI households will be more adversely affected by disasters than their higher income counterparts.

In addition to impact data collected by FEMA for federally declared disasters, disaster events that involve smaller geographies cause significant damage that often remains unaccounted for. These events generally do not meet the damage thresholds necessary to access federal funding, but have a serious impact on local housing and infrastructure needs, in communities with fewer resources for recovery.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The following Strategic Plan is the five-year plan from 2025-2029 for the Community Planning and Development (CPD) Programs governed by this document: the HOME Investment Partnerships (HOME) Program, the Emergency Solutions Grant (ESG) Program, the Housing Opportunities for Persons with AIDS (HOPWA) Program, the Community Development Block Grant (CDBG) Program, and the National Housing Trust Fund (NHTF).

Strategic Plan Section 10 discusses the five programs' geographic priorities. All CPD Programs distribute funds based on formulas, which take into account various need and availability factors.

Strategic Plan Section 25 discusses Priority Needs, which includes the Special Needs Populations described in Needs Assessment Section 45. Each program addresses these populations in different ways.

Strategic Plan Section 30 discusses the types of activities each program will use in response to market conditions. HOME may use the creation of new units, the rehabilitation of existing multifamily rental units, acquisition of units including preservation of affordability for those units, or Tenant-Based Rental Assistance (TBRA) to assist Special Needs populations. HOPWA may use TBRA; Short-Term Rental, Mortgage, and Utility (STRMU) assistance; Permanent Housing Placement (PHP); Facility-Based Housing Assistance (FBHA); Supportive Services; Housing Information Services; and Resource Identification. ESG may use rehabilitation in response to market conditions. CDBG may use economic development, public works, public infrastructure development, and housing activities.

Strategic Plan Section 35 discusses other programs with which CPD Programs can leverage funds, as well as committees, workgroups, and councils headed by the Texas Department of Housing and Community Affairs (TDHCA), the Texas Department of State Health Services (DSHS), or the Texas Department of Agriculture (TDA). HOME includes leveraging with the Housing Tax Credit (HTC) Program and a variety of programs other than CPD Programs.

Strategic Plan Section 40 discusses the State infrastructure as well as the subrecipients or subgrantees of CPD Programs. HOME includes how it works with Community Housing Development Organizations (CHDOs) and its Reservation System. HOPWA includes Administrative Agencies (AA) and Project Sponsors. CDBG includes Regional Reviews and Self-Help Centers (SHCs).

Strategic Plan Section 45 discusses the number of households to be assisted with CPD funding.

Strategic Plan Section 50 discusses the challenges facing Public Housing Authorities (PHA) and the State's efforts to assist. Although the State does not administer funds for public housing developments, the CPD Programs, along with the HTC Program, provide opportunities to assist PHAs.

Strategic Plan Section 55 discusses barriers to affordable housing.

Strategic Plan Section 60 discusses homeless strategies, including street outreach, shelter support, and rapid re-housing, among other strategies. ESG, HOPWA, and Section 811 are included in this strategy.

Strategic Plan Section 65 discusses how the CPD Programs address lead-based paint hazards and communicate the requirements in their procedures.

Strategic Plan Section 70 discusses how the CPD Programs add to the State's plans to reduce the number of households in poverty.

Strategic Plan Section 75 discusses homelessness, barriers to affordable housing, and reducing poverty-level households in colonias. Texas sets aside 12.5% of the CDBG Program for colonias.

Finally, Strategic Plan Section 80 discusses how the State will monitor the activities in the Consolidated Plan.

SP-10 Geographic Priorities – 91.315(a)(1)

Geographic Area

Table 1 - Geographic Priority Areas

1	**Area Name:**	State of Texas
	Area Type:	State Service Area
	Other Target Area Description:	State Service Area
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	State of Texas.
	Include specific housing and commercial characteristics of this target area.	Described in the Needs Assessment of the 2025-2029 State of Texas Consolidated Plan.
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	Described in the Process Chapter of the 2025-2029 State of Texas Consolidated Plan.
	Identify the needs in this target area.	Described in the Needs Assessment of the 2025-2029 State of Texas Consolidated Plan.
	What are the opportunities for improvement in this target area?	Described in the Needs Assessment and Market Analysis of the 2025-2029 State of Texas Consolidated Plan.
	Are there barriers to improvement in this target area?	Described in the Needs Assessment and Market Analysis of the 2025-2029 State of Texas Consolidated Plan.

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

TDHCA and TDA do not provide priorities for allocating investment geographically to areas of minority concentration as described in 24 CFR §91.320(d).

HOME Program Geographic Priorities

Texas Government Code §2306.111 requires that TDHCA use a Regional Allocation Formula (RAF) to allocate its HOME funding. The RAF uses data from the Census Bureau to prioritize how to geographically allocate funding, such as: number of persons who live at or under 200% of the poverty line; number of households with rent or mortgage payments that exceed 30% of income; number of units with more than one person per room; and vacant units for rent or for sale. Both homeowner data and renter data are used in the RAF. This formula captures data on all Texas counties and accordingly helps promote funding in areas of geographic priorities.

Additionally, Texas Government Code §2306.111 (except when waived by the Governor) specifies that TDHCA shall expend at least 95% of its HOME funds for the benefit of areas not in Participating Jurisdictions (PJs). Therefore, need and availability in the areas that are PJs are not prioritized in the RAF. The RAF is included in the distribution method for all HOME funds from the annual allocation except for federal- and state-mandated activities, such as CHDO Operating Expenses, housing programs for persons with disabilities, and the Contract for Deed Conversion Program. The RAF is assessed, revised as appropriate, and published annually, after the public comment process, at https://www.tdhca.texas.gov/housing-resource-center-annual-or-biennial-plans-and-reports. Funds from the annual allocation which have previously been made available under the RAF are not required to utilize the RAF for future distribution.

ESG Geographic Priorities

Beginning with Federal Fiscal Year 2013, ESG funds have been prioritized for each of the HUD-designated Continuum of Care (CoC) Regions. The amount of funding to be allocated to each CoC Region is determined utilizing a formula that factors in data from a variety of sources, including the HUD Comprehensive Housing Affordability Strategy, the American Community Survey, and CoC Point in Time Counts. Factors utilized most recently included renter cost burden, population of persons in poverty, the total homeless population, and the amount of ESG funding made available to the CoC Region through direct HUD allocation.

CDBG Geographic Priorities

Texas CDBG Funds for projects under the Community Development (CD) Fund are allocated to 24 regions according to a formula included in the One-year Action Plan, similar to the methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs. In addition, 10% of the annual allocation is allocated to projects under the Colonia Fund categories, which must be expended within 150 miles of the Texas-Mexico border. In addition, 2.5% of the annual allocation is dedicated for Colonia Self-Help Centers, allocated by state statute among five Texas-Mexico border counties, as well as in other border counties that are determined to be economically distressed. The remaining CDBG programs are available to communities statewide.

HOPWA Geographic Priorities

DSHS contracts with AAs in six Ryan White Part B HIV Planning Areas encompassing 26 HIV Service Delivery Areas (HSDAs). AAs subcontract with Project Sponsors in each HSDA for statewide service delivery. The DSHS HOPWA Program serves all 254 counties in Texas, prioritizing those outside the six HOPWA-funded Metropolitan Statistical Areas: Austin, Dallas, El Paso, Fort Worth, Houston, and San Antonio. The program utilizes an allocation formula based on persons living with HIV (PLWH) in poverty, housing costs, prior-year performance data, and reported waitlists. During the program year, the program reallocates activity funds and adjusts household output goals within and between HSDAs to meet changing needs.

NHTF Geographic Priorities

Texas will distribute NHTF funds through a competitive NOFA process. For any year that the NHTF allocation (after subtracting the state's administrative percentage) is less than $20 million, the funds will initially be available geographically, based on the proportion of Extremely Low-Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within each region prior to collapse into a statewide competition or otherwise prioritized in a NOFA. If the allocation received by the State exceeds $20 million, an Allocation Formula similar to that used for the State's allocation of HOME funds will be used to distribute NHTF funds, although statutory requirements regarding a priority for areas not in Participating Jurisdictions or any HOME-specific set asides will not apply. If the State implements a homeownership program component using NHTF, the homeownership program only may use a different allocation method, based on proportionate need. When distributing funds geographically, several State Service Regions may be combined to increase the amount of funding available to applicants, but in no case will fewer than four distinct geographic regions for initial funding distribution be used.

SP-25 Priority Needs – 91.315(a)(2)

Priority Needs

Table 2– Priority Needs Summary

1	**Priority Need Name**	Rental Assistance
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	Geographic Areas Affected	State Service Area

	Associated Goals	Tenant Based Rental Assistance with HOME Funding HOPWA Tenant-Based Rental Assistance HOPWA Facility-Based Housing Subsidy Assistance HOPWA Permanent Housing Placement Assistance HOPWA Resource Identification HOME Administration HOPWA Project Sponsor Administration HOPWA Grantee Administration
	Description	Rental Assistance includes security and utility deposits, and rental subsidies, usually while the household engages in a self-sufficiency program.
	Basis for Relative Priority	The Needs Assessment in Section 10 established that cost burden was a housing problem that affected the most households who have housing problems and were within 0-100% Area Median Income (AMI). Needs Assessment Section 10, Table 3 "Housing Problems", shows that 84% of renters with housing problems and income between 0-100% AMI had cost burden (i.e., spending more than 30% of income on rent) or severe cost burden (i.e., spending 50% or more of income on rent). In the answer to the question in that section "What are the most common housing problems?", it was found that renters with housing problems in the 0-30% AMI category experienced a severe cost burden 12% higher than homeowners with housing problems, and renters with housing problems in the >30-50% and >50-80% AMI categories experienced non-severe cost burden 7-11% higher than homeowners with housing problems. The Market Analysis Section 15 shows that renters do not have access to enough affordable rental units. First, in the answer to the question in that section "Is there sufficient housing for households at all income levels?", there is a discussion of housing mismatch which demonstrates that higher income households often reside in market-rate units that could be affordable to the lowest-income households. Low-income households (e.g., 0-80% AMI) make up only 63% of all households occupying housing affordable to them. Even though there appears to be a large number of affordable units, this mismatch is one issue that creates cost burden. Also, in the answer to the question in that section "How is affordability of housing likely to change considering changes to home values and/or rents?", even with the increase in median incomes, the rates of cost burden for all renters rose slightly over 5 years from 48% in 2019 to 53% in 2023. Rental assistance would help to lower this rate of cost burden.
2	**Priority Need Name**	Production of New Units
	Priority Level	High

	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	Geographic Areas Affected	State Service Area
	Associated Goals	Acquisition &Construction of Single-Family Housing Households in New/Rehabilitated Multifamily Units NHTF Households in New/Rehabbed Multifamily Units CDBG Colonia Self-Help Center HOME Administration NHTF Administration

	Description	Multifamily development of units in new rental developments, which will have units offered at rents restricted by the funding source. CHDOs could be eligible to receive funding for the development of affordable single-family homes. New single-family homes and rehabilitated existing homes must follow certain design and quality requirements and must be sold to low-income homebuyers after completion of construction. The production of new units may be paired with permanent financing to qualified households if needed. HOME State recipients and subrecipients could be eligible to receive funding for the sale of an existing unit in need of reconstruction or for the new construction of a unit of single-family housing to low-income homebuyers. Interim construction and permanent financing is made available to qualified households. Production also includes Self-Help Housing. The Bootstrap Loan Program (Bootstrap) allows for self-help housing construction to provide very low-income families—including persons with special needs, such as colonia residents—an opportunity to purchase or refinance real property on which to build new housing or repair their existing homes through "sweat equity." Household income may not exceed 60% of AMI. All Bootstrap households provide at least 65% of the labor necessary to build or rehabilitate their housing under the supervision and guidance of a state-certified administrator or Colonia Self-Help Center. The maximum Bootstrap loan may not exceed $45,000 per household. The Colonia SHCs provide targeted colonias in border counties with opportunities to improve housing and increase personal capacity for homeownership. The SHCs provide housing services in the form of new construction, reconstruction, rehabilitation, tool lending, construction skills training, and utility connections. Colonia residents are able to repair and construct their own and others' housing under the guidance of qualified nonprofit housing developers who provide training in construction methods and homeownership. SHC community development activities include homeownership education, access to and training in computers/technology, consumer rights education, financial literacy, and solid waste disposal assistance.

	Basis for Relative Priority	As previously established in the "Basis for Relative Priority" for the Rental Assistance Priority Need, the most common housing problem for renters is distinctly cost burden. Creation of new multifamily units that offer reduced rents works hand-in-hand with rental assistance, since both types of assistance alleviate cost burden. Regarding the need for more affordable single-family units, the Needs Assessment Section 10 established that cost burden was a housing problem that by far affected the most homeowners that had housing problems and were within 0-100% AMI. Needs Assessment Section 10, Table 3, "Housing Problems", shows that 83% of homeowners with housing problems and incomes between 0-100% AMI had cost burden (i.e., spending more than 30% of income on mortgage) or severe cost burden (i.e., spending 50% or more of income on mortgage). In the answer to the question in that section "What are the most common housing problems?", it was found that homeowners with housing problems in >50-80% and >80-100% AMI categories experienced a severe cost burden -6-8% higher than renters with housing problems. Also, Needs Assessment Section 05 discussed the needs of colonia residents, who live in colonias with reduced infrastructure and poor housing. New affordable units would provide options for persons who live in substandard housing. Finally, the Market Analysis Section 15 showed how the affordability of homes for households with median family income compared to the income required to qualify for an 80%, fixed-rate mortgage to purchase a median priced home in all Multiple Listing Services (MLS) has gone down from 2019 to 2023. When affordability is going down, the need for affordable units increases.
3	**Priority Need Name**	Acquisition of existing units
	Priority Level	High

	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with HIV/AIDS and their Families Victims of Domestic Violence Other
	Geographic Areas Affected	State Service Area
	Associated Goals	CDBG Colonia Self-Help Centers HOME Administration
	Description	Homebuyer assistance can also include contract for deed conversions. Also, TDHCA's Colonia SHCs provide targeted colonias in border counties with opportunities to improve housing and increase personal capacity for homeownership and employment. The SHCs provide housing services in the form of new construction, reconstruction, rehabilitation, contract for deed conversions, tool lending, construction skills training, and utility connections. Colonia residents are able to repair and construct their own and others' housing under the guidance of qualified nonprofit housing developers who provide training in construction methods and homeownership. SHC community development activities include homeownership education, access to and training in computers/technology, consumer rights education, financial literacy, and solid waste disposal assistance.

	Basis for Relative Priority	As was already established in the "Basis for Relative Priority" for the Production of new units, the most common housing problem for owners is cost burden. Assisting homebuyers with the affordable acquisition of units will help address cost burden for potential homebuyers. As established by Needs Assessment Section 05, unscrupulous practices regarding the use of contracts for deed are often detrimental to the buyers of properties. By converting those contracts for deed to traditional mortgages, the units that were unaffordable through the high interest rates in the contracts for deed become affordable through mortgages, while also providing the homeowner with the full rights of homeownership. Also, as established by Needs Assessments Section 45, persons with disabilities may need assistance with barrier removal.
4	**Priority Need Name**	Rehabilitation of Housing
	Priority Level	High

	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Other
	Geographic Areas Affected	State Service Area
	Associated Goals	Homeless Goals Reconstruction of Single-Family Housing Households in New/Rehabilitated Multifamily Units NHTF Households in New/Rehabbed Multifamily Units CDBG Public Improvements and Facilities CDBG Colonia Set-Aside CDBG Colonia Self-Help Centers CDBG Administration HOME Administration NHTF Administration

	Description	Rehabilitation is the act of making repairs designed to address health and safety concerns, as well as local code requirements, and reconstruction is rebuilding either because it is not cost feasible to repair the home because of the extent of needed repairs, or because a home has been damaged or destroyed beyond repair. Rehabilitation or reconstruction of single-family units involves construction activities on owner-occupied housing on the same site. Activities intended to address rehabilitation needs can also result in new construction of housing units when they replace a previous, existing housing unit (Reconstruction). Also permitted are (1) instances where an existing owner-occupied manufactured housing unit is replaced with a site-built house or another manufactured housing unit on the same site; (2) an existing housing unit is demolished and rebuilt on a lot located outside a floodplain or away from other environmental hazards; or (3) when a housing unit is replaced because it has become uninhabitable as a result of disaster or condemnation by local government. Rehabilitation of multifamily units varies from property to property depending on specific needs and could include exterior and/or interior work. A definition of rehabilitation can be found in the Housing Tax Credit Program Qualified Allocation Plan, 10 Texas Administrative Code §11.1(d)(111). Rehabilitation and reconstruction include self-help housing, which involves on-site technical assistance to low- and very low-income individuals for outreach and education; housing rehabilitation, especially of existing housing stock in the colonias; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; contract-for-deed conversions; and capital access for mortgages. Finally, rehabilitation may include renovation or major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter.

	Basis for Relative Priority	As was already established in the "Basis for Relative Priority" for the Production of new units, the most common housing problem for renters and owners is cost burden. The Needs Assessment Section 10 shows that substandard housing is the least commonly identified housing problem, experienced by only 3.5% of the population under 100% AMI. However, the Market Assessment Section 15 notes the importance of local economies on the housing markets. While substandard housing is not as common of a problem for Texas as a whole compared to other housing problems, in some communities substandard housing may be a substantial problem. This is true in rural areas and especially true in colonias, as noted in Needs Assessment Section 05. Rehabilitation of multifamily units will help ensure affordability for renters and, as new units are added to the State's affordable housing stock, provide more affordable rental choices. Rehabilitation for single-family housing in colonias is strongly supported by the Needs Assessment and Market Analysis. Although homeowner cost burden is measured in the Needs Assessment Chapter by comparing the mortgage and utility payments to the income of the homeowner, an analysis of home rehabilitation or reconstruction compared to income of the homeowner may show a substantial hardship for homeowners. Assistance of up to $110,000, which is the highest amount allowable in the HOME single-family reconstruction activity in 2019, would result in a loan of similar size as some mortgages generated through a private financial institution. If the homeowner already has a mortgage or has income between 0-80% AMI, this large loan payment could create a burden. The HOME Program provides grants and/or deferred forgivable loans for owner-occupants for reconstruction or new construction. This program helps sustain affordability, because it repairs or replaces older housing stock through deferred, forgivable loans or grants with new, more energy-efficient housing stock, thus reducing potential cost burden. Though the focus in the Needs Assessment and Market Analysis is on affordability and availability, it should be noted that replacement of a dilapidated unit would also improve the safety of the homeowner. Because of these factors and particularly the needs inside colonias, HOME funds are made available annually for single-family reconstruction and new construction activities. TDHCA will continue to evaluate annually whether HOME funds should be directed to other activities that could more directly address common housing problems, such as cost burden, while ensuring that the rural parts of the state have access to address the most common housing problems they may be experiencing based on geography or population. Regarding the rehabilitation of emergency shelters, Needs Assessment 40 shows that there are 11,184 unsheltered homeless persons on a given night. Maintaining the safety and quality of shelters will continue to warrant the rehabilitation of emergency shelters when possible. In the CDBG

		program, housing rehabilitation is an eligible activity given priority under the Colonia Set-Aside goal and as established by regional priority.
5	**Priority Need Name**	Supportive Services for Persons with HIV/AIDS
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Persons with HIV/AIDS Persons with HIV/AIDS and their Families
	Geographic Areas Affected	State Service Area
	Associated Goals	HOPWA Funded Supportive Services HOPWA Housing Information Services HOPWA Resource Identification HOPWA Project Sponsor Administration HOPWA Grantee Administration
	Description	The DSHS HOPWA Program currently limits the use of Supportive Services to Housing Case Management. Eligible households may receive Housing Case Management with housing assistance services or as a standalone supportive service. The core functions of Housing Case Management include engagement, assessment, goal setting, service coordination, and discharge planning. The intensity or level of housing case management that a Project Sponsor provides will depend on the household’s assessed level of need.

	Basis for Relative Priority	The Market Analysis states that the DSHS HOPWA Program provides Tenant-Based Rental Assistance (TBRA); Short Term Rent, Mortgage, and Utility (STRMU) assistance; Permanent Housing Placement (PHP); Facility-Based Housing Assistance (FBHA); Supportive Services and Housing Information Services. Housing Case Management plays a vital role in HOPWA Supportive Services. Effective implementation of Housing Case Management can contribute to successful program outcomes for housing stability and access to care. Project Sponsors must conduct ongoing assessments of the housing assistance and supportive services required by participant households and make adequate supportive services available to them. At the end of 2022, 114,221 PLWH lived in Texas, many with incomes below the poverty level. The number of PLWH continues to rise yearly because PLWH are living longer lives. According to the Centers for Disease Control and Prevention (CDC), Texas had the 5th highest rate (19.8/100,000 population) of new HIV diagnoses in the nation in 2022. HOPWA serves households with incomes that fall at or below 80 percent of AMI. Housing assistance and supportive services remain critical needs for PLHW and their households.
6	**Priority Need Name**	Homeless Outreach
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Other
	Geographic Areas Affected	State Service Area

	Associated Goals	Homeless Goals
	Description	Offering essential services helps unsheltered homeless persons connect with emergency shelter, housing, or critical services, and provides urgent, non-facility-based care to those who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. Outreach includes engagement, case management, emergency health and mental health services, transportation, and services for special needs populations. Case Management includes using a centralized assessment system, conducting evaluations, counseling, coordinating services, obtaining local benefits, monitoring program participant progress, providing information and referrals, and developing an individualized housing plan. Emergency health services include assessing a program participant's health problems and developing a treatment plan while helping to understand their health needs. Mental health services are also provided. Transportation assistance is allowed for the homeless population and outreach providers. Outreach to special needs population will vary based on the special need and will be specified in Strategic Plan Section 45.
	Basis for Relative Priority	Needs of individuals and families at risk of homelessness are established in Needs Assessment Section 10. Along with having low incomes, many individuals and families at risk of homelessness have co-occurring issues, such as needs for essential services like childcare or education. Because of these co-occurring issues, outreach to prevent homelessness for these populations is essential. Special needs populations described in Needs Assessment Section 45 have difficulty retaining housing in unique ways and are often vulnerable to homelessness. These populations need outreach tailored to them.
7	**Priority Need Name**	Emergency Shelter and Transitional Housing
	Priority Level	High

	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Persons with HIV/AIDS and their Families Other
	Geographic Areas Affected	State Service Area
	Associated Goals	Homeless Goals HOPWA Facility-Based Housing Subsidy Assistance HOPWA Resource Identification HOPWA Project Sponsor Administration HOPWA Grantee Administration
	Description	Emergency shelter means the provision of a temporary shelter for homeless persons which does not require occupants to sign leases or occupancy agreements. Emergency shelters include shelters that provide overnight accommodation services as well as shelters that provide a space to stay during daytime hours. Emergency shelters can offer essential services, such as case management, childcare, education services, employment assistance, job training, outpatient health services, legal services, life training skills, mental health services, substance abuse treatment services, transportation, and services for special populations.

	Basis for Relative Priority	As was already established in the "Basis for Relative Priority" for Rental Assistance, the most common housing problem is cost burden. As discussed in Needs Assessment Section 10, certain characteristics, such as cost burden, can lead to instability of housing and risk of homelessness. With the 11,184 estimated number of homeless persons unsheltered on a given night listed in the Needs Assessment Section 40, the need for emergency shelter becomes apparent.
8	**Priority Need Name**	Rapid Re-housing
	Priority Level	High
	Population	Extremely Low Low Large Families Families with Children Elderly Public Housing Residents Persons with HIV/AIDS Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Other
	Geographic Areas Affected	State Service Area
	Associated Goals	Homeless Goals HOPWA Facility-Based Housing Subsidy Assistance HOPWA Permanent Housing Placement Assistance HOPWA Resource Identification HOPWA Project Sponsor Administration

	Description	Rapid re-housing includes housing relocation, stabilization services, and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. Rapid re-housing may involve providing last month's rent, rental application fees, security deposits, utility deposits, utility payments, and moving costs. Services provided for homelessness prevention may involve housing search and placement, housing stability case management, mediation, legal services for subject matters such as landlord/tenant disputes, and credit repair.
	Basis for Relative Priority	As established in Needs Assessment Section 40, a continuum of care approach for homeless populations necessitates more options than only providing emergency shelter. In addition, Market Analysis Section 30 discusses the cost savings of rapid re-housing.
9	**Priority Need Name**	Homeless Prevention
	Priority Level	High
	Population	Extremely Low Low Large Families Families with Children Elderly Public Housing Residents Persons with HIV/AIDS and their Families Other
	Geographic Areas Affected	State Service Area
	Associated Goals	Homeless Goals HOPWA Tenant-Based Rental Assistance HOPWA Short-Term Rent, Mortgage & Utilities Asst. HOPWA Facility-Based Housing Subsidy Assistance HOPWA Permanent Housing Placement Assistance HOPWA Resource Identification HOPWA Project Sponsor Administration HOPWA Grantee Administration

	Description	Homelessness prevention includes using relocation and stabilization services and short- and/or medium-term rental assistance to prevent an individual or family from moving into an emergency shelter or another place. Homelessness prevention may involve providing last month's rent, rental application fees, security deposits, utility deposits, utility payments, and moving costs. Services provided for homelessness prevention may involve housing search and placement, housing stability case management, mediation, legal services for subject matters such as landlord/tenant disputes, and credit repair.
	Basis for Relative Priority	As established in Needs Assessment Section 40, a continuum of care approach for homeless populations necessitates more options than providing emergency shelter. Market Analysis Section 30 discusses the cost savings of homelessness prevention.
10	**Priority Need Name**	Public Improvements and Infrastructure
	Priority Level	High
	Population	Extremely Low Low Moderate Non-housing Community Development Other
	Geographic Areas Affected	State Service Area
	Associated Goals	CDBG Public Improvements and Facilities CDBG Economic Development CDBG Urgent Need CDBG Colonia Set-Aside CDBG Administration
	Description	Public improvements and infrastructure include water and wastewater systems, roads/streets, and other utilities. These systems are critical to the long-term viability of rural communities, which often lack the financial resources to make critical upgrades for efficiency or quality standards. SHCs in colonias include on-site technical assistance to low- and very low-income individuals and families for community development activities; infrastructure improvements; outreach and education; construction skills training; and infrastructure construction and access.

	Basis for Relative Priority	Although the Non-Homeless Special Need category "other" does not indicate which "other" is specified in the printed version of this document, "other" in this context means colonia residents. The Needs Assessment shows the need for public improvements and infrastructure as a majority of the applications received for CDBG funds include improvements and/or installation of public infrastructure. This predominance demonstrates a priority need for these types of projects. Project priorities established regionally consistently support public infrastructure as among the highest needs in rural communities.
11	**Priority Need Name**	Economic Development
	Priority Level	High
	Population	Extremely Low Low Moderate Non-housing Community Development Other
	Geographic Areas Affected	State Service Area
	Associated Goals	CDBG Public Improvements and Facilities CDBG Economic Development CDBG Administration
	Description	Economic development includes projects in support of job creation activity primarily benefiting individuals of low-to-moderate income and downtown revitalization activities to eliminate/prevent slum and blight conditions, and other activities to support the economic opportunities of non-entitlement communities.

	Basis for Relative Priority	Although the Non-Homeless Special Need category "other" does not indicate which "other" is specified in the printed version of this document, "other" in this context means colonia residents. The Market Analysis shows that economic development is needed as growing urbanization and an increasingly competitive global environment present challenges for the economic conditions of rural, non-entitlement communities. CDBG funds are often used by communities to provide the infrastructure improvements necessary to secure a major employer locating or expanding operations within the community, offering permanent employment opportunities to primarily low- and moderate-income persons. Few other resources are available to meet this need in small rural communities. Downtown revitalization projects to eliminate blighted conditions create an environment where local small businesses can thrive. Accessibility-related improvements are encouraged to ensure that all visitors are able to safely access the stores, restaurants, and other businesses that make our rural communities vibrant places to live, work, and visit.
12	**Priority Need Name**	Public Facilities
	Priority Level	High
	Population	Extremely Low Low Moderate Non-housing Community Development Other
	Geographic Areas Affected	State Service Area
	Associated Goals	CDBG Public Improvements and Facilities CDBG Economic Development CDBG Urgent Need CDBG Colonia Set-Aside CDBG Administration
	Description	Public facilities include but are not limited to neighborhood facilities such as health facilities, libraries, public schools or community centers, and facilities for persons with special needs such as the homeless and senior citizens.

	Basis for Relative Priority	The Needs Assessment describes how the need for public facilities in rural communities is frequently foregone in order to employ CDBG for fundamental public infrastructure improvements. CDBG funding can support local efforts by providing facilities for important community services. Rural communities often face challenges in providing fire protection, frequently relying on volunteer fire departments to respond in an emergency across very large areas. Rural districts and volunteer departments rarely have resources to upgrade large equipment and vehicles to provide critical services. CDBG funds have been requested to fill this need from time to time, and more recently TDA has dedicated additional resources in this area.
13	**Priority Need Name**	Public Services
	Priority Level	High
	Population	Extremely Low Low Moderate Non-housing Community Development Other
	Geographic Areas Affected	State Service Area
	Associated Goals	CDBG Public Improvements and Facilities CDBG Economic Development CDBG Urgent Need CDBG Colonia Set-Aside CDBG Colonia Self-Help Centers CDBG Administration
	Description	Public service activities include, but are not limited to, employment services, health services, and services for senior citizens.
	Basis for Relative Priority	The Needs Assessment shows the need for public services in rural communities is frequently foregone in order to employ CDBG for fundamental public infrastructure improvements. Additionally, many rural communities lack the service providers needed to deliver such services in their communities. CDBG funding may be able to bridge the gap to provide or establish needed services for some communities.

Narrative (Optional)

Low-income persons with special needs for housing-related priority goals include colonia residents; elderly and frail elderly populations; homeless populations and persons at risk of homelessness; persons with alcohol and substance use disorders; persons with mental, physical, intellectual, or developmental disabilities; persons with HIV/AIDS and their families; public housing residents and persons on wait lists for public housing; veterans and wounded warriors; victims of domestic violence, including persons with protections under the Violence Against Woman Act (VAWA) (domestic violence, dating violence, sexual assault, or stalking); youth aging out of foster care; and farmworkers. Please refer to the Needs Assessment Chapter of this document for more detailed descriptions of the need associated with special needs groups. Note that when the population is listed as "other," this could be one of three populations: colonia residents, youth aging out of foster care, and farmworkers.

SP-30 Influence of Market Conditions – 91.315(b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	Market Analysis Section 15 shows a possible housing mismatch in which lower-income Texans frequently are only able to access higher income units. In this case, TBRA can assist with that problem. TBRA allows eligible households the funds needed to select a rental unit that may have a higher rent than they could afford. HOME Use of TBRA The HOME Program takes into account the needs of households that have a cost burden as market conditions lead to the need for TBRA. Rental subsidy and security and utility deposit assistance is provided to tenants, in accordance with written tenant selection policies, for an initial period identified in the written agreement not to exceed 24 months. If available and allowed in the written agreement, additional funds may be set-aside to provide assistance beyond 24 months.

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
TBRA for Non-Homeless Special Needs	Established in the Market Analysis Section 10, some special needs populations receive priority in many programs. HOME Use of TBRA for People with Special Needs The HOME Program considers income, availability of housing, and condition of housing for persons with special needs as market conditions that lead to the need for TBRA for this population. The Needs Assessment chapter also highlights the need in Texas for special needs populations to have access to rental housing. For example, the numbers of persons with disabilities transitioning from institutional living into community-based living is increasing, creating a priority for the State of Texas. TDHCA's TBRA is critical in helping households transition back into the community. In addition, of the households with disabilities assisted with HOME in 2018, approximately 87% used that assistance for TBRA; the remainder of the requests were for home repair or purchase. HOPWA use of TBRA for People with Special Needs For low-income PLWH and their households, the shortage of available affordable housing persists. Rising housing costs price eligible households out of the market while household incomes remain the same or decrease. Owners continue shifting utility responsibilities to tenants and increasing initial move-in costs. Rent-to-income-ratio requirements prevent households from accessing housing. Many households have poor credit, rental, and criminal histories, affecting housing access. Corporate owners regularly exclude applicants with minor infractions. In response to these market characteristics, the DSHS HOPWA Program provides TBRA, an ongoing and portable rental subsidy that helps households obtain or maintain permanent housing in the private rental housing market until they can enroll in the Housing Choice Voucher (HCV) Program or other affordable housing programs.

New Unit Production	Market Analysis Section 15 reflects that there are not enough affordable housing units available for renters. Market Analysis Section 15 also shows that there is a lack of supply of housing for sale, with only a 3.36 months' supply of inventory for sale. HOME use of New Unit Production Because HOME Multifamily funds used for the production of multifamily housing are typically paired with other resources such as housing tax credits and/or conventional financing, the availability of those other resources influences the use of funds for new construction. As with any development, the cost of land, materials, and labor are also factors. Finally, the demand for the housing from not only income-eligible tenants but those who exhibit an ability to pay rent is a primary market characteristic. For single-family HOME funds for new unit production, HOME grantees, including CHDOs, state recipients, and subrecipients identify the needs for new housing in their communities before they apply. Projects are reviewed to ensure that a qualified buyer is in place prior to approval. CDBG Program use of New Unit Production Office of Colonia Initiatives (OCI) anticipates that the rise of overall construction costs stems from the increase in prices for materials, labor, and land, which may cause TDHCA to increase the average amount of assistance per household. With the increased assistance per household and lower amounts of funding per household, TDHCA may decrease the number of single-family households served with construction. NHTF Program use of New Unit Production The Texas NHTF will provide funding for new construction (or reconstruction) of multifamily developments that meet TDHCA underwriting requirements. NHTF funds will be used for the production of multifamily rental housing for extremely low-income households, in which the units will generally not generate sufficient income to pay operating costs, therefore NHTF will typically be leveraged by other resources such as HOME funds, housing tax credits and/or conventional financing; the availability of those other resources will impact the use of NHTF for new construction. As with any development, the cost of land, materials, and labor are also factors. Finally, the demand for the

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
	housing from not only income-eligible tenants but those who exhibit an ability to pay rent is a primary market characteristic. If NHTF is used for production of units for ownership, increasing costs for material, labor and land will factor into the assistance available for each unit, as will the availability of other fund sources to leverage NHTF. Because NHTF is required to serve extremely low-income households, the availability of mortgage financing with an affordable payment will impact the amount of assistance required by households to reach sustainable ownership. Because of these factors, NHTF funds used for ownership may result in fewer households served than typical for other funding sources.

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Rehabilitation	While only approximately 1.5% of the Texas housing stock is considered substandard per Needs Assessment Section 10, almost half of the housing stock is over 30 years old per Market Analysis Section 20. Older housing stock can be associated with necessary housing repairs, especially if households are hoping to age in place. In addition, Market Analysis Section 10 discusses the need for barrier removal for persons with disabilities. Finally, Needs Assessment Section 05 establishes the need for rehabilitation in colonias. HOME and NHTF use of Rehabilitation When a single-family housing unit or multifamily property is determined to be in disrepair, the suitability for rehabilitation varies by project type. HOME provides assistance to owner-occupants for reconstruction or new construction of housing on the existing site and take each housing unit on a case-by-case basis, accounting for factors such as property value, and construction costs. For a multifamily property, the applicant for funds provides a third-party property condition assessment that evaluates the extent of needed rehabilitation or reconstruction. ESG use of Rehabilitation Currently, due to administrative rule, rehabilitation is not offered with ESG funds. CDBG use of Rehabilitation To address the condition of the housing stock, the CDBG Program has established a limit of $25,000 dollars per home and a process to select homes for rehabilitation. The CDBG Program will consider adjustments based on a specific request from the subrecipient and that household's circumstances. Vacant and abandoned housing units are not precluded from consideration. The grant recipient is responsible for establishing priority based on local housing needs. For the Colonia SHC, the assistance limit is $100,000 per household for reconstruction and new construction and $75,000 per household for rehabilitation. The OCI encourages rehabilitation assistance if the activity requires less than $75,000 to be brought up to minimum construction standards so that the maximum number of households may be served.

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Acquisition, including preservation	Market Analysis Section 15 establishes that there are not enough affordable housing units available for owners. Homebuyer assistance helps ensure that homeowners purchase units that are within their means and help to make the units more affordable. In addition, Needs Assessment Section 05 discusses the abuses of contracts for deed, which may be improved by converting the contracts to traditional mortgages, resulting in acquisition of the unit. HOME use of Acquisition HOME offers homebuyer assistance to acquire a site where there is not an existing unit of housing, or where the existing unit of housing is substandard and in need of demolition. Funds may be utilized for the purchase and subsequent new construction of a standard unit of single-family housing on the purchased site. CDBG use of Acquisition, Including Preservation SHC program assistance for acquisition comes as either a grant or a low- or 0%-interest forgivable loan. The SHC assists a market that is less likely to qualify for mortgage products at market interest rates and that use traditional underwriting criteria.

Table 3 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)

Introduction

CPD funding is governed by this Consolidated Plan, but the State also works to collaborate, coordinate, and layer non-CPD funding sources in order to reach more Texans and more efficiently use available funds. Programs listed in the anticipated resources narrative sections below may be used to leverage CPD funds.

These include:

- 4% Housing Tax Credit (HTC)/Private Activity Bond (PAB) Program;
- 9% HTC Program;
- Multifamily Direct Loan Program;
- Homeless and Housing Services Program (HHSP);
- State Ending Homelessness Fund (EH Fund);
- State Housing Trust Fund Program;
- Texas Mortgage Credit Certificate (TX MCC) Program;
- First time homebuyer loan programs, including the My First Texas Home Program;
- Neighborhood Stabilization Program - Program Income (NSP PI);
- Section 8 Housing Choice Voucher (HCV) Program;
- Section 811 Project Rental Assistance (Section 811 PRA) Program; and
- Tax Credit Assistance Program Repayment Funds (TCAP RF).

For the programs above, the expected future funding amounts, to the extent known, are in the planning documents governing those programs. These documents are online at http://www.tdhca.state.tx.us/. The anticipated resources below focus on CPD Programs.

TDHCA participates in numerous committees, workgroups, and councils, which help TDHCA stay apprised of other potential resources and considerations in addressing affordable housing needs. Relationships with other federal and state agencies and local governments are extremely valuable, helping Texas agencies to coordinate housing and services and serve all Texans efficiently and effectively. TDHCA's involvement in these committees can promote opportunities to pursue federal funding opportunities. TDHCA actively seeks engagement and input from community advocates, funding recipients, potential applicants for funding, and others to obtain input regarding the development of effective policies, programs and rules. Changes to funding plans are made periodically based on feedback received through these avenues.

TDHCA is the lead agency for the following workgroups:

C-RAC: C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board. It advises TDHCA regarding the needs of colonia residents and the types of programs and activities which should be undertaken by the Colonia SHCs.

Disability Advisory Workgroup (DAW): The DAW augments TDHCA's formal public comment process, affording staff the opportunity to interact more informally and in greater detail with various stakeholders and to get feedback on designing more successful programs, with a specific focus on gaining insight on issues impacting persons with disabilities.

Housing and Health Services Coordination Council (HHSCC): HHSCC is established by Texas Government Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing and focusing on other cross-agency efforts.

Texas Interagency Council for the Homeless (TICH): The TICH was statutorily created in 1989 to coordinate the State's homeless resources and services. The TICH consists of representatives from nine state agencies. TDHCA, as the primary source for state homelessness funding, provides administrative and planning support to the TICH.

Weatherization Assistance Program Planning Advisory Committee (WAP PAC): The WAP PAC is comprised of a broad representation of organizations and agencies and provides balance and background related to the weatherization and energy conservation programs at TDHCA.

The descriptions of the collaborations for DSHS and TDA are in the Discussion question of this section below.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		

CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	64,060,478.10	1,000,000	8,684,209	$73,744,687	320,302,390.5	TDA's CDBG Program funds community and economic development, including program income collected by the state, and program income retained by local subgrantees, excluding the colonia set-aside. Communities may also coordinate CDBG funding with U.S. Department of Agriculture's (USDA) Rural Development funds or Texas Water Development Board's (TWDB) State Revolving Fund. Program Income of $1,165,108 will be allocated to TDA's State Revolving Loan Fund, which supports economic

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
								development. TDHCA administers a portion of the CDBG funding through its Colonia SHCs.
CDBG Colonias Set-aside	public - federal	Acquisition Admin and Planning Homeowner rehab Public Improvements Public Services	7,117,830.90	0	0	7,117,830.90	35,589,154.5	The Colonia Set-Aside is used for goals described in the Strategic Plan Section 45. The Colonia Economically Distressed Areas Program (CEDAP) Legislative Set - Aside leverages funding from the TWDB's Economically Distressed Areas Program.

HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	33,003,098.78	15,208,416.32	0	48,211,515.10	165,015,493.9	TDHCA's HOME Program goals are described in the Strategic Plan Section 45 for multifamily and single-family activities. Single-family HOME activities may be coordinated with State Housing Trust Fund resources, including Bootstrap Loans and the Amy Young Barrier Removal Program. HOME Multifamily Development Funds can be layered with 4% and 9% HTCs and TDHCA Multifamily Direct Loan funds, including NHTF, TCAP Repayment Funds, and NSP Program Income. TDHCA also develops rules that

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
								govern all multifamily programs, including the Multifamily Direct Loan Program, known as the State Multifamily Rules, which includes but is not limited to the Uniform Multifamily Rules and the Housing Tax Credit Program Qualified Allocation Plan. TDHCA develops the Multifamily Direct Loan (MFDL) Program Rule.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	$8,062,244	0	$1,015,015	9,077,259	40,311,220	DSHS HOPWA Program authorizes the following activities: TBRA; STRMU; Facility-Based Housing Subsidy Assistance; PHP; Supportive Services, Housing Information Services, Resource Identification, Project Sponsor Administration, and Grantee Administration. Project Sponsors leverage available funds from the Ryan White HIV/AIDS Program to assist households with other core medical and support services.

ESG	public - federal	Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	$10,308,471	0	0	$10,308,471	51,542,355	TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems (HMIS) activities. HHSP is Texas state general revenue funding for the eight largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees.
Housing Trust Fund	public - federal	Multifamily rental new construction	$9,611,392.27	$928,405.22	0	$10,539,797.49	48,056,961.35	TDHCA's NHTF Program goals are described in the

		Multifamily rental rehab							Strategic Plan Section 45 for multifamily and single-family activities. NHTF Multifamily Development Funds can be layered with 4% HTCs and 9% HTCs, and TDHCA Multifamily Direct Loan funds, including HOME, HOME-CHDO, NSP Program Income and TCAP Loan Repayment. TDHCA also develops rules that govern all multifamily programs, including the Multifamily Direct Loan Program, known as the State Multifamily Rules, which includes but is not limited to the Uniform Multifamily Rules and the

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
								Housing Tax Credit Program Qualified Allocation Plan. TDHCA develops the Multifamily Direct Loan (MFDL) Program Rule specifically for the MFDL Program.

Table 4 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

HOME

HOME multifamily development is often used to leverage with the HTC Program, which authorizes 9% low-income housing tax credits of $2.75 per capita for each state, and 4% HTC in amounts linked to the usage of the state’s cap for issuance of tax-exempt PABs to finance affordable housing development. In Texas, this equates to approximately $88,000,000 in 9% tax credits available to be awarded annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of $880,000,000. The credits are usually syndicated to limited partner investors to yield cash for use in eligible development activities. In recent years the syndication rates have dropped significantly to a range between 75-80%. TDHCA's Qualified Allocation Plan (QAP) identifies the criteria used for selection of eligible developments to provide housing for low-income tenants. HOME provides increased leverage, allowing property owners to utilize fewer tax credits and less private debt and local funding, thus providing more efficient use of resources. Other leveraging sources may include United States Department of Agriculture (USDA) operating subsidies and loans, and conventional and FHA-insured loans. Match requirements for the HOME Multifamily Direct Loan Program will in part be met through Rules and NOFAs that establish awardees’ provide up to 10% of the award amount in match. In addition to the 10% match provided as part of the developer’s obligation, TCAP RF may be utilized as HOME match, and THDCA calculates below market interest rates on eligible loans provided to the HOME development which is included in the match funds reported in the CAPER. TDHCA requires Subrecipients and state recipients to provide match of up to 15% of the project hard costs for some single-family activities. TDHCA provides HOME match eligible loans through its Texas Housing Trust Fund Bootstrap Loan Program and utilizes the cash value of the yield forgone on the below market interest rate loan and HOME match.

ESG

To meet the ESG match requirement, TDHCA includes the provision of evidence of proposed match as part of the ESG application process. TDHCA awards additional points to applicants that commit to provide match in excess of the requirements. Subrecipients that also administer HHSP funds or funds from the EH Fund may utilize those funds as match for ESG, if they are otherwise eligible to be counted as match.

HOPWA

Texas HOPWA does not have a match requirement but leverages funds whenever possible. Project Sponsors leverage available funds from Ryan White and State Services grants, private funding sources, foundations, and local assistance to help clients. DSHS shares grantee administrative costs with AAs. However, AAs leverage most of their administrative expenditures from other funding sources

Due to IDIS character limits, CDBG and NHTF Leveraging is described in the question below.

If appropriate, describe publicly owned land or property located within the state that may be used to address the needs identified in the plan

CDBG Leverages

More than 85% of TX CDBG grants include local match fund commitments. Matching funds are required for certain grants, while other grants award points to encourage local match; a sliding scale allows smaller communities to contribute less match funding than larger communities. Match funds may be provided by the applicant, or by a water or sewer utility benefiting from the project. Economic development (ED) projects benefiting private business require 1-for-1 match commitment, with the business most often providing this substantial match.

NHTF Program Leveraging

NHTF multifamily development may be used to leverage with the HTC Program, which was created by the Tax Reform Act of 1986 and authorizes 9% low-income housing tax credits in the amount of $2.75 per capita for each state, and 4% low-income housing tax credits in amounts linked to the usage of the state's cap for issuance of tax-exempt bond to finance affordable housing development. In Texas, this equates to approximately $88,000,000 in 9% tax credits available to be awarded by TDHCA annually.

These credits may be claimed each year for ten years and this represents potential tax credit value on the magnitude of $880,000,000. The tax credits are syndicated to limited partner investors to yield cash for use in eligible development activities. In recent years the syndication rates have dropped significantly to a range between 75-80%. TDHCA must develop a Qualified Allocation Plan (QAP) for the selection of eligible developments to provide housing for the low-income tenants. NHTF provides increased leverage, allowing the property owners to utilize fewer tax credits and less private debt and local funding, therefore providing more efficient use of resources.

State Owned Land

The Texas General Land Office manages state owned lands and mineral rights totaling approximately 13 million acres. Much of this is leased for the benefit of the Permanent School Fund, an endowment fund established in 1876 for the benefit of Texas public school education. There is currently no plan to use state owned land for affordable housing or community development goals; however, local jurisdictions occasionally donate land or property in support of activities designed to address the needs identified in the plan as part of their contribution to locally administered programs.

Discussion

HOPWA

Continuing with the discussion of collaboration begun in the Introduction of this section.

DSHS HIV initiatives strive to reduce the number of undiagnosed persons and increase the number of virally suppressed PLWH. DSHS works with community partners, stakeholders, and health care providers statewide to strengthen services that prevent HIV transmission, improve diagnosis rates, and fill gaps in clinical treatment and related support services. The Texas HIV Syndicate serves as the Texas integrated HIV prevention and care planning group and facilitates this collaboration. The Syndicate includes representation from PLWH, HIV prevention and care organizational leaders, and other community stakeholders, many of which provide HOPWA services. The Texas HIV Syndicate produced Achieving Together, a community plan to end the HIV epidemic in Texas. This plan reflects the ideas, recommendations, and guidance of the Texas HIV Syndicate and Achieving Together Partners, as well as statewide community engagement efforts with PLWH, people impacted by HIV, clinicians, and researchers. The plan has six focus areas, one of which addresses mental health, substance use, housing, and criminal justice. Within DSHS, the HIV/STD/HCV Epidemiology and Surveillance Unit collects and reports data on HIV in Texas, which includes data submission to the Centers for Disease Control and Prevention (CDC). Subsequently, HUD uses this data to determine HOPWA formula allocations, while other federal agencies use it for planning, developing, implementing, and evaluating HIV service programs, including HOPWA. Finally, TDA participates in the following workgroups:

Texas Water Infrastructure Coordination Committee (TWICC): TWICC is a voluntary organization of federal and state funding agencies and technical assistance providers that address water and wastewater needs throughout the State. TDA participates in TWICC to coordinate efforts to leverage funds.

Drought Preparedness Council, The Council was authorized and established by the 76th Texas Legislature in 1999 and is responsible for assessment and public reporting of drought monitoring and water supply conditions, along with other duties.

Main Street Interagency Council. The Main Street Interagency Council evaluates and ranks Main Street applications and makes recommendations to the Commission for new Main Street designations.

Texas Joint Housing Solutions Workgroup. The Texas Joint Housing Solutions Workgroup is a collection of state and federal agencies and organizations who work to identify resources that can address temporary unmet housing needs and solutions that allow disaster survivors to transition to permanent housing. TDHCA and TDA both participate in this workgroup.

These workgroups, committees, and councils help to strengthen communication between state agencies as well as provide opportunities to layer or combine funding sources.

With the block grants and the layering resources listed above, there are also CDBG Disaster Recovery (DR) funds for multiple events with varying geographic restrictions. More details can be found at http://recovery.texas.gov/action-plans/index.html

SP-40 Institutional Delivery Structure – 91.315(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
San Antonio Metropolitan Ministries	Non-profit organizations	Homelessness	Other
Maverick County Hospital District (MCHD)	Subrecipient	Non-homeless special needs	Other
Victoria County Public Health Department (VCPHD) HIV/AIDS Resource Program (HARP)	Subrecipient	Non-homeless special needs	Other
Alamo Area Resource Center (AARC)	Subrecipient	Non-homeless special needs	Other
Community Action of Central Texas (CA) Rural AIDS Services Program (RASP)	Subrecipient	Non-homeless special needs	Other
United Way of the Greater Tri-County Area (UWGTCA) Central Texas Support Services (CTSS)	Subrecipient	Non-homeless special needs	Other
Waco-McLennan County Public Health District (WMCPHD)	Subrecipient	Non-homeless special needs	Other
NORTEX Regional Planning Commission (NORTEX)	Subrecipient	Non-homeless special needs	Other
Project Unity (PU)	Subrecipient	Non-homeless special needs	Other
Shannon Supportive Health Services (SSHS)	Subrecipient	Non-homeless special needs	Other
Your Health Clinic (YHC)	Subrecipient	Non-homeless special needs	Other

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Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Dallas County Health and Human Services (DCHHS)	Subrecipient	Non-homeless special needs	Region
Baptist Hospitals of Southeast Texas (BHS) Smart Health Clinic	Subrecipient	Non-homeless special needs	Other
Brown Family Health Center (BFHC)	Subrecipient	Non-homeless special needs	Other
Allies in Hope (AIH)	Subrecipient	Non-homeless special needs	Other
Special Health Resources for Texas (SHRT)	Subrecipient	Non-homeless special needs	Other
Access Care of Coastal Texas (ACCT)	Subrecipient	Non-homeless special needs	Other
Legacy Community Development Corporation (LCDC)	Subrecipient	Non-homeless special needs	Other
Panhandle AIDS Support Organization (PASO)	Subrecipient	Non-homeless special needs	Other
Central Texas Community Health Centers CommUnityCare	Subrecipient	Non-homeless special needs	Other
Basin Assistance Services (BAS)	Subrecipient	Non-homeless special needs	Other
South Plains Community Action Association (SPCAA) Project CHAMPS	Subrecipient	Non-homeless special needs	Other
City of Laredo Health Department (CLHD)	Subrecipient	Non-homeless special needs	Other
Westbrook Clinic (WC)	Subrecipient	Non-homeless special needs	Other
Coastal Bend Wellness Foundation (CBWF)	Subrecipient	Non-homeless special needs	Other

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Dignity Health Management Center (DHMC)	Subrecipient	Non-homeless special needs	Other
AIDS Outreach Center (AOC)		Non-homeless special needs	Other
Salvation Army Fort Worth (SAFW) Mabee Center	Subrecipient	Non-homeless special needs	Other
Bexar County Hospital District DBA University Health (UH)	Other	Non-homeless special needs	Region
Dallas County Health and Human Services (DCHHS)HOPWA Unit	Subrecipient	Non-homeless special needs	Other
Brazos Valley Council of Governments (BVCOG)	Other	Non-homeless special needs	Region
South Texas Development Council (STDC)	Other	Non-homeless special needs	Region
Brazos Valley Council of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
The Houston Regional HIV/AIDS Resource Group, Inc. (TRG)	Other	Non-homeless special needs	Region
Tarrant County Public Health (TCPH)		Non-homeless special needs	Region
ARK TEX COUNCIL OF GOVERNMENTS	Regional organization	Economic Development Non-homeless special needs public services	Region

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
North Central Texas Council of Governments		Economic Development Non-homeless special needs public facilities public services	Region
Texoma Council of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
Permian Basin Regional Planning Commission	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
PANHANDLE REGIONAL PLANNING COMMISSION	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
Rio Grande Council of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
NORTEX Regional Planning Commission	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
South Plains Association of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
West Central Texas Council of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
Concho Valley Council of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
East Texas Council of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
Capital Area Council of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
Coastal Bend Council of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Golden Crescent Regional Planning	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
Houston-Galveston Area Council	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
Alamo Area Council of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
Deep East Texas Council of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
South East Texas Regional Planning Commission	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
Lower Rio Grande Valley Development Corp.	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Middle Rio Grande Development Council	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
South Texas Development Council	Other	Economic Development Non-homeless special needs public facilities public services	Region
Central Texas Council of Government	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
Heart of Texas Council of Governments	Regional organization	Economic Development Non-homeless special needs public facilities public services	Region
YOUTH AND FAMILY ALLIANCE DBA LIFEWORKS	Non-profit organizations	Homelessness	Other
THE SALVATION ARMY Amarillo	Non-profit organizations	Homelessness	Other
ADVOCACY OUTREACH	Non-profit organizations	Homelessness	Other
LA POSADA PROVIDENCIA	Non-profit organizations	Homelessness	Other
MID-COAST FAMILY SERVICES, INC.	Non-profit organizations	Homelessness	Other
THE SALVATION ARMY, Arlington	Non-profit organizations	Homelessness	Other
The Salvation Army – Costal bend	Non-profit organizations	Homelessness	Other

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
CORPUS CHRISTI HOPE HOUSE, INC.	Regional organization	Homelessness	Other
City of Amarillo	Government	Homelessness	Other
Alliance of Community Assistance Ministries, inc.	Non-profit organizations	Homelessness	Other
THE BRIDGE OVER TROUBLED WATERS, INC	Non-profit organizations	Homelessness	Other
AUSTIN STREET CENTER	Non-profit organizations	Homelessness	Other
BAY AREA TURNING POINT, INC.	Non-profit organizations	Homelessness	Other
BEAT AIDS COALITION TRUST	Non-profit organizations	Homelessness	Other
BRIDGE STEPS DBA THE BRIDGE	Non-profit organizations	Homelessness	Other
CATHOLIC CHARITIES OF THE RIO GRANDE VALLEY	Non-profit organizations	Homelessness	Other
CENTER FOR SURVIVORS OF TORTURE	Non-profit organizations	Homelessness	Other
CENTER FOR TRANSFORMING LIVES	Non-profit organizations	Homelessness	Other
CITY HOUSE, INC	Non-profit organizations	Homelessness	Other
COMAL COUNTY FAMILY VIOLENCE SHELTER, INC	Non-profit organizations	Homelessness	Other
COVENANT HOUSE TEXAS	Non-profit organizations	Homelessness	Other
CROSSROADS COMMUNITY ACTION	Non-profit organizations	Homelessness	Other
DENTON COUNTY FRIENDS OF THE FAMILY, INC	Non-profit organizations	Homelessness	Other
EL PASO HUMAN SERVICES, INC	Non-profit organizations	Homelessness	Other

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
FAMILIES IN CRISIS, INC	Non-profit organizations	Homelessness	Other
FAMILY CRISIS CENTER, INC	Non-profit organizations	Homelessness	Other
FAMILY VIOLENCE PREVENTION SERVICES, INC.	Non-profit organizations	Homelessness	Other
FRIENDSHIP OF WOMEN, INC	Non-profit organizations	Homelessness	Other
HARMONY COMMUNITY DEVELOPMENT CORP.	Non-profit organizations	Homelessness	Other
HAVEN FOR HOPE OF BEXAR COUNTY	Non-profit organizations	Homelessness	Other
HTX H.O.P.E. HAVEN	Non-profit organizations	Homelessness	Other
NB HOUSING PARTNERS	Non-profit organizations	Homelessness	Other
NORTEX REGINLA PLANNING COMMISSION	Non-profit organizations	Homelessness	Other
PROJECT VIDA	Non-profit organizations	Homelessness	Other
RANDY SAMS OUTREACH SHELTER	Non-profit organizations	Homelessness	Other
SAFEHAVEN OF TARRANT COUNTY	Non-profit organizations	Homelessness	Other
SALVATION ARMY (FORT WORTH)	Non-profit organizations	Homelessness	Other
SALVATION ARMY (MIDLAND)	Non-profit organizations	Homelessness	Other
SALVATION ARMY (TEMPLE)	Non-profit organizations	Homelessness	Other
SALVATION ARMY (WACO)	Non-profit organizations	Homelessness	Other
SAN ANTONIO METROPOLITAN MINISTRY, INC	Non-profit organizations	Homelessness	Other

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
SARAH'S HOUSE	Non-profit organizations	Homelessness	Other
TARRANT COUNTY HANDS OF HOPE	Non-profit organizations	Homelessness	Other
THE SAFE ALLIANCE	Non-profit organizations	Homelessness	Other
THRIVE YOUTH CENTER, INC	Non-profit organizations	Homelessness	Other
TRANSCEND STEM EDUCATION	Non-profit organizations	Homelessness	Other
TWIN CITY MISSION, INC.	Non-profit organizations	Homelessness	Other
UNDER 1 ROOF	Non-profit organizations	Homelessness	Other
WEST HOUSTON ASSISTANCE MINISTRIES, INC	Non-profit organizations	Homelessness	Other
Proyecto Azteca, Inc.	CHDO	Ownership	Colonias
Texas CDBG	Departments and agencies	Economic Development Non-homeless special needs public facilities public services	State
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS	Departments and agencies	Homelessness Planning Public Housing Rental	State
TEXAS DEPARTMENT OF STATE HEALTH SERVICES	Departments and agencies	Non-homeless special needs	State
HIDALGO COUNTY	Government	Economic Development Non-homeless special needs Ownership Planning public facilities public services	Colonias

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
EL PASO COUNTY	Government	Economic Development Non-homeless special needs Ownership Planning public facilities public services	Colonias
Equity	Non-profit organization	Ownership public services	Colonias
VAL VERDE COUNTY	Government	Economic Development Non-homeless special needs Ownership Planning public facilities public services	Colonias
MAVERICK COUNTY	Government	Economic Development Non-homeless special needs Ownership Planning public facilities public services	Colonias
WEBB COUNTY	Government	Economic Development Non-homeless special needs Ownership Planning public facilities public services	Colonias

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
STARR COUNTY	Government	Economic Development Non-homeless special needs Ownership Planning public facilities public services	Colonias
COMMUNITY DEVELOPMENT CORPORATION OF BROWNSVILLE	Non-profit organizations	Ownership Rental	Colonias
WILLACY COUNTY	Government	Economic Development Non-homeless special needs Ownership public facilities public services	Region
NUECES COUNTY	Government	Economic Development Non-homeless special needs Ownership public facilities public services	Colonias

Table 5 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

The institutional delivery system of the Grantee involves three State agencies: TDHCA, TDA, and DSHS. For the State, one institutional delivery gap is the limited staff resources. As a result of the revisions to the HUD HOME Rule, TDHCA has been assigned expanded responsibility for monitoring and oversight with no increase in level of funding for this purpose. For TDA, fewer staff and limited financial resources have impacted program decisions, including the type of funding opportunities offered, limited travel for on-site technical assistance in a very large state, and changing application procedures. There is a great amount of need demonstrated in the Needs Assessment, of which only a small portion can be addressed with the resources available. Every year the programs are oversubscribed.

Program’s institutional deliveries;

HOME provides loans and grants through units of general local government, public housing authorities, CHDOs, nonprofit organizations and other eligible entities. TDHCA sets-aside a portion of the HOME allocation for CHDO operations, offers periodic training specific to CHDO activities, and encourages participation at CHDO training events offered by HUD.

For ESG, the program had traditionally funded subrecipients through a statewide competitive Notice of Funding Availability (NOFAs). However, this system led to gaps in ESG subrecipients service areas because applicants in certain areas of the State may not have scored high enough to receive an award. ESG now has better coordination through geographic targeting of funds to the CoC areas to try and close these funding gaps.

NHTF provides low interest rate, soft repayable and deferred forgivable loans to public housing authorities, nonprofit organizations, and other eligible entities. TDHCA sets aside all of the NHTF allocation for eligible Developments to construct or rehabilitated HTF-assisted units for Extremely Low-Income persons. Eligible Developments are awarded through the Uniform Multifamily Application process.

Inadequate HOPWA administrative caps require DSHS, AAs, and Project Sponsors to leverage other funding sources for personnel costs and constrain the quality and scope of programmatic oversight. AAs and Project Sponsors often experience high turnover each year, including key staff with HOPWA responsibilities and programmatic subject-matter expertise. While the DSHS HOPWA Program provides statewide coverage, HSDAs often have only one program access point serving a vast region. For many households living in rural areas with inadequate public transportation, attending medical appointments, to obtaining medication, and meeting with Project Sponsor staff can create barriers to accessing housing assistance and supportive services.

For CDBG, funds are awarded through competitive applications, other than the small portion directed to TDHCA to support Colonia SHCs. TDA ensures that communities in each region of the state receive grants, however current funding levels cannot meet the needs of all eligible communities. In fact, communities must limit their requests to the highest priority projects, and many communities do not apply for funding based on the limited funds available.

Assess the strengths and gaps in the institutional delivery system working within the Colonias

Colonia communities are often geographically dispersed within their counties and do not have a formal organizational structure. Local government entities and nonprofit organizations that want to apply for funding on behalf of colonia residents may not have the staff resources or experience to navigate complex federal programs. Colonia communities and border counties also do not have a tradition of using private outside administrators to ensure compliance with federal regulations.

TDHCA's HOME Division allocates funding for contract-for-deed-conversion activities each year specifically designed to assist households in moving from contract-for-deed situations into a traditional mortgage. The funds assure a continued revenue stream for administrators working on these issues and promote capacity. Other HOME funds are limited to non-PJs by State statute, and most colonias are located in these areas.

The incidence of literal homelessness in the colonias appears to be below the state average; however, there is a greater incidence of overcrowding housing as family members double up in one unit. Since Colonia communities often do not have formal organizational structure, no organizations within Colonias have applied for funding through TDHCAs NOFAs for ESG. TDHCA provides incentives for service to colonias in its ESG NOFAs.

The CDBG Program includes a colonia set-aside to address ongoing infrastructure and housing needs in Colonias. Counties apply for funding on behalf of colonia communities, and many administer the projects using local staff after certifying their capacity to do so. CDBG-funded projects may also include, or be related to, funding from other state and federal agencies, which increases the complexity of the projects. TDA works with other agencies to create as smooth a process as possible but must rely on the County and its administrative staff or consultant to complete the projects.

TDHCA has two Border Field Offices strategically placed along the Texas-Mexico border. These offices disseminate information and extend on-going technical assistance to grass roots organizations, nonprofits and units of general local government who serve colonia residents.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	X
Mortgage Assistance	X		X
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
Street Outreach Services			
Law Enforcement	X		
Mobile Clinics	X		X
Other Street Outreach Services	X	X	X
Supportive Services			
Alcohol & Drug Abuse	X	X	X
Child Care	X	X	X
Education	X	X	X
Employment and Employment Training	X	X	X

Supportive Services			
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	X
Other			
Insurance Assistance, Food Pantry	X		X

Table 6 - Homeless Prevention Services Summary

Describe the extent to which services targeted to homeless person and persons with HIV and mainstream services, such as health, mental health and employment services are made available to and used by homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth) and persons with HIV within the jurisdiction

The sheer size of Texas results in large areas of the state where there are significant gaps in the availability of services for persons who are homeless or at risk of homelessness. This is especially true in rural areas where only one organization may serve numerous counties and towns.

Regarding ESG, mainstream services such as health, mental health and employment services are primarily provided to homeless persons who are residing in emergency shelter or who have been housed through rapid re-housing. Of the 49 Subrecipients of 2024 ESG funds, the majority provide case management, transportation, education, employment search, and life skills training. Healthcare, mental health, childcare, and legal services were the least offered.

Historically, DSHS, AAs, and Project Sponsors have prioritized the most important and indispensable HOPWA activities like housing assistance and supportive services. During the HOPWA 2023 program year, DSHS allocated 72, 20, and 8 percent of funds to housing assistance, supportive services, and administration respectively. By the end of the DSHS HOPWA Program year, Project Sponsors provided housing assistance to 1,233 households and supportive services to 1,137 households. To promote the availability and use of HOPWA services, Project Sponsors share program information and eligibility criteria with other HIV prevention and care agencies, local public housing agencies, and other affordable housing programs in their HSDA(s). Situated within a comprehensive network of HIV care services, the DSHS HOPWA Program integrates with the administrative structure of the Texas Ryan White Part B HIV/AIDS Program and the larger, multi-sectoral system for delivering treatment and care to PLWH in Texas. These services include outpatient/ambulatory health, oral health, mental health, health insurance premium and cost sharing assistance, Texas HIV Medication Program (THMP), and many others. Ryan White HIV/AIDS Program participants receive information about housing assistance and supportive services during intake and routine medical, psychosocial, or other appointments. Service providers regularly screen clients about their housing situation and needs, making referrals as appropriate.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

For the State agencies, many workgroups, committees, or councils help to address service delivery for special needs populations. These are described in Strategic Plan Section 30.

For the CPD Programs, HOME single-family focuses resources on the needs of disabled populations, as described in Strategic Plan Section 25. TDHCA's HOME Multifamily Development funds are often paired with competitive housing tax credits. Competitive housing tax credits are awarded to applicants based upon a scoring system, and one way to obtain points is by committing to set-aside at least 5% of units for Persons with Special Needs as defined by TDHCA and to set-aside at least an additional 2% of units for referrals from the COC or local homeless service provider. Therefore, the majority of HOME Multifamily Development funds are used, albeit indirectly, for developments with units set-aside for Persons with Special Needs. Developments awarded HOME/NHTF Multifamily Development funds alone or in conjunction with noncompetitive housing tax credits typically do not have an incentive to set-aside units for Persons with Special Needs, unless those developments are awarded under the Persons with Disabilities set-aside.

HOPWA Project Sponsors continue to report that Single Point of Access or wrap-around models demonstrate excellent results with increased access and adherence to medical care. The model provides PLWH with medical, psychosocial, and educational supportive services in a central location. Regardless of location, many Project Sponsors continued monitoring clients' medical appointments, medication, and treatment adherence.

For CDBG, two Border Field Offices along the Texas-Mexico border support colonia-serving grantees with on-going technical assistance as well as disseminate information directly to colonia residents. C-RAC, which consists of individuals that live in the colonias that are addressed with SHC funds, exists to advise TDHCA/TDA and assess its CDBG-funded activities in the colonias.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

The State works to streamline program delivery by cross training and education. Training includes offerings through other government agencies, such as the State Office of Risk Management and the Comptroller, as well as tuition reimbursement for classes related to duties at work. Cross training in particular allows for greater flexibility in staff positions, making them more efficient and effective.

The State works to leverage and layer funding sources. Collaboration among State agencies and local communities is paramount. While the leveraging and layering cannot stretch the funds to address all the needs, it makes existing funds go further to reach more Texans in need.

Regarding HOME, most funds for single-family activities are funded utilizing a model that allows for submission of individual household activities on a ready-to-proceed basis rather than requiring subrecipients and State Recipients to enter into an agreement for funds without having identified specific eligible projects. Use of this system of fund reservation provides subrecipients and State Recipients more flexibility in the usage of HOME funds, expands the network of administrators, and allows TDHCA to serve a broader geographic area. TDHCA allocates HOME funds for single-family activities including CHDO, homebuyer, homeowner, and TBRA on a household-by-household basis. Through the Reservation System, TDHCA is using HOME funds more promptly, serving more households in a more diverse area, and expanding its network of providers.

The HOME Multifamily Development Program awards the large majority of its funds to applicants who receive allocations through either 9% HTC Program or the 4% HTC Program. This partnership with a highly scrutinized funding source can be viewed as a distinct strength in the institutional delivery of HOME Multifamily Development Program.

For ESG, TDHCA allocates a formula-based amount of funding to each CoC region in the state in an effort to assure distribution to as many areas of the state as possible. Applicants compete first with other applications in the same CoC region; then any remaining funding is pooled to fund the highest scoring applications overall. This funding mechanism is designed to select the highest quality applications while prioritizing geographic distribution and local goals.

DSHS will continue leveraging existing State and AA resources to administer the HOPWA Program and providing technical assistance and training to Project Sponsors as needed. To accommodate the needs of various households and assure proper use of staff resources, Project Sponsors will continue to offer multiple methods of meeting with applicant and participant households, including regular office, special office, home visit, and remote meetings.

For CDBG, TDA provides training through published policies, workshops, and on-site visits. Workshops and webinars are held prior to each competitive application cycle to ensure that all interested communities, particularly jurisdictions with low- to moderate-income and colonia areas, will have the information to compete for funding. Additional training is provided to ensure that grant recipients are aware of all federal and state requirements. All projects receive an initial site visit, an assigned TDA staff member for Grant Management, and a risk assessment is used to determine which projects require on-site reviews at project completion.

SP-45 Goals Summary – 91.315(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Goals	2025	2029	Homeless	State of Texas	Homeless Outreach Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	ESG: $51,542,355	Tenant-based rental assistance / Rapid Rehousing: 5,339 Households Assisted Homeless Person Overnight Shelter: 58,620 Persons Assisted Homelessness Prevention: 8,850 Persons Assisted
2	Acquisition &Construction of Single-Family Housing	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units	HOME: $0	Homeowner Housing Added: 0 Household Housing Unit
3	Reconstruction of Single-Family Housing	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Reconstruction of Housing	HOME: $ $112,836,149.56	Homeowner Housing Reconstructed: 562 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Tenant Based Rental Assistance with HOME Funding	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance	HOME: $79,926,018.89	Tenant-based rental assistance / Rapid Rehousing: 4,440 Households Assisted
5	Households in New/Rehabilitated Multifamily Units	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units Rehabilitation of Housing	HOME: $ $25,502,324.09	Rental units constructed: 128 Household Housing Unit Rental units rehabilitated: 14 Household Housing Unit
6	NHTF Households in New/Rehabbed Multifamily Units	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units Rehabilitation of Housing	Housing Trust Fund: $47,429,088.71	Rental units constructed: 375 Household Housing Unit
7	HOPWA Tenant-Based Rental Assistance	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance Homeless Prevention	HOPWA: $22,538,860	Tenant-based rental assistance / Rapid Rehousing: 3,565 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	HOPWA Short-Term Rent, Mortgage & Utilities Asst.	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Homeless Prevention	HOPWA: $4,550,545	Homelessness Prevention: 2,280 Persons Assisted
9	HOPWA Facility-Based Housing Subsidy Assistance	2025	2029	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Rental Assistance Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	HOPWA: $647,305	Homelessness Prevention: 280 Persons Assisted
10	HOPWA Permanent Housing Placement Assistance	2025	2029	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Rental Assistance Rapid Re-housing Homeless Prevention	HOPWA: $1,178,680	Public service activities other than Low/Moderate Income Housing Benefit: 830 Persons Assisted
11	HOPWA Funded Supportive Services	2025	2029	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: $7,880,750	Public service activities other than Low/Moderate Income Housing Benefit: 6,000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	HOPWA Housing Information Services	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: $11,840	Public service activities other than Low/Moderate Income Housing Benefit: 115 Persons Assisted
13	HOPWA Resource Identification	2025	2029	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	HOPWA: $359,840	Other: 0 Other
14	CDBG Public Improvements and Facilities	2025	2029	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Economic Development Public Facilities Public Services	CDBG: $264,541,099	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1,200,000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
15	CDBG Economic Development	2025	2029	Non-Housing Community Development Economic Development	State of Texas	Public Improvements and Infrastructure Economic Development Public Facilities Public Services	CDBG: $45,165,588	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 665,000 Persons Assisted
16	CDBG Urgent Need	2025	2029	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public Facilities Public Services	CDBG: $0	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 0 Persons Assisted
17	CDBG Colonia Set-Aside	2025	2029	Affordable Housing Non-Housing Community Development	State of Texas	Production of New Units Acquisition of existing units Rehabilitation of Housing Public Improvements and Infrastructure Public Facilities Public Services	CDBG Colonias Set-aside: $39,404,391	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 10,000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
18	CDBG Colonia Self-Help Centers	2025	2029	Self-Help Centers	State of Texas	Rehabilitation of Housing Public Services	CDBG: $8,897,288.63	Other: 22,688 Other
19	CDBG Administration	2025	2029	Administration/Technical Assistance	State of Texas	Rehabilitation of Housing Public Improvements and Infrastructure Economic Development Public Facilities Public Services	CDBG: $ 11,176,746	Other: 0 Other
21	HOME Administration	2025	2029	HOME Administration	State of Texas	Rental Assistance Production of New Units Acquisition of existing units Rehabilitation of Housing	HOME: $22,793,082.96	Other: 0 Other
22	NHTF Administration	2025	2029	NHTF Administration	State of Texas	Production of New Units Rehabilitation of Housing	Housing Trust Fund: $5,269,898.75	Other: 0 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
23	HOPWA Project Sponsor Administration	2025	2029	Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	HOPWA: $1,969,890	Other: 0 Other
24	HOPWA Grantee Administration	2025	2029	Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Homeless Prevention	HOPWA: $1,173,510	Other: 0 Other

Table 7 – Goals Summary

Goal Descriptions

1	**Goal Name**	Homeless Goals
	Goal Description	Goals for 5-year period based on Program Year (PY) performance.
2	**Goal Name**	Acquisition &Construction of Single-Family Housing
	Goal Description	The number will be an estimation of households to be assisted through single-family HOME funds for acquisition and new construction based on PY 2025 allocation.
3	**Goal Name**	Reconstruction of Single-Family Housing
	Goal Description	The number will be an estimation of households to be assisted through Single-Family HOME funds for reconstruction and new construction of owner-occupied housing based on the PY 2025 allocation for general single family and persons with disabilities set-asides.
4	**Goal Name**	Tenant Based Rental Assistance with HOME Funding
	Goal Description	The number will be an estimation of households to be assisted through Single-Family HOME funds for TBRA based on the PY 2025 allocation for general single family and persons with disabilities set-asides, and a planned shift in resources from multifamily to single-family activities.
5	**Goal Name**	Households in New/Rehabilitated Multifamily Units
	Goal Description	The number will be an estimation of units rehabilitated or newly constructed based on the PY 2025 allocation. Multifamily Development Funds are available in the form of low interest rate repayable loans to for-profit and nonprofit developers to construct and/or rehabilitate affordable multifamily rental housing. HOME Multifamily Development Funds typically represent 10% to 40% of the total development costs on projects that are layered with 9% HTCs. For non-layered projects, HOME Multifamily Development Funds can represent over 50% of a project's total development cost. If the construction is paired with tax credits, performance is measured at the time that cost certification occurs. If construction is only HOME funding, then performance is measured at the time of final draw.

6	**Goal Name**	NHTF Households in New/Rehabbed Multifamily Units
	Goal Description	The number will be an estimation of newly constructed/rehabilitated units based on average per unit maximum investment. Multifamily Development Funds are available in the form of low interest rate repayable and deferred forgivable loans to for-profit and nonprofit developers to construct/rehabilitate affordable multifamily rental housing. If the construction/rehabilitation is paired with Tax Credit financing, performance is measured at the time that cost certification occurs. If construction/rehabilitation is only utilizing Multifamily Direct Loan funds, then performance is measured at the time of final draw.
7	**Goal Name**	HOPWA Tenant-Based Rental Assistance
	Goal Description	The number of households that received TBRA services during the program year. TBRA provides an ongoing and portable rental subsidy that helps households obtain or maintain permanent housing in the private rental housing market, including assistance for shared housing arrangements, until they can enroll in the Housing Choice Voucher Program (HCVP) or other affordable housing programs
8	**Goal Name**	HOPWA Short-Term Rent, Mortgage & Utilities Asst.
	Goal Description	The number of households that received STRMU services during the program year. STRMU provides short-term rent, mortgage, and utility payments for households experiencing a financial crisis related to their HIV health condition or a change in their economic circumstances. STRMU helps prevent homelessness by enabling households to remain in their own homes.
9	**Goal Name**	HOPWA Facility-Based Housing Subsidy Assistance
	Goal Description	The number of households that received FBHA services during the program year. HOPWA Facility-Based Housing Assistance (FBHA) activities include Short-Term Supportive Housing (STSH) and Transitional Supportive Housing (TSH). STSH provides temporary shelter for households experiencing homelessness Services allow households to develop individualized housing plans that address both short- and long-term needs and culminate in permanent housing.. TSH provides up to 24 cumulative months of non-portable facility-based rental assistance to households that are homeless or at risk of homelessness, including assistance for shared housing arrangements. Services allow households to prepare for permanent housing and develop individualized housing plans that culminate in permanent housing.

10	**Goal Name**	HOPWA Permanent Housing Placement Assistance
	Goal Description	The number of households that received PHP services during the program year. PHP helps households access, secure, and establish a permanent residence, maintained either on their own or with the help of ongoing rental assistance. Eligible costs include application fees, related credit checks, utility hookup fees and deposits, and reasonable security deposits necessary to move persons into permanent housing.
11	**Goal Name**	HOPWA Funded Supportive Services
	Goal Description	The number of households that received Housing Case Management services during the program year. The DSHS HOPWA Program currently limits the use of Supportive Service funds to Housing Case Management. Project Sponsors may provide Supportive Services with HOPWA housing assistance services or as a standalone service. The core functions of Housing Case Management include engagement, assessment, goal-setting, service coordination, and discharge planning. The intensity or level of housing case management that a Project Sponsor provides will depend upon the household's assessed level of need.
12	**Goal Name**	HOPWA Housing Information Services
	Goal Description	The number of households that received Housing Information Services during the program year. Housing Information Services include, but are not limited to, counseling, information, and referral services to assist households with locating, acquiring, financing, and maintaining housing. This may also include fair housing guidance for households that have encountered discrimination on the basis of race, color, religion, sex, age, national origin, familial status, or disability.
13	**Goal Name**	HOPWA Resource Identification
	Goal Description	The work products, deliverables, and other activities of projects that used Resource Identification funds. Resource Identification encompasses activities that establish, coordinate, and develop housing assistance resources for eligible households (including preliminary research and expenditures necessary to determine the feasibility of specific housing-related initiatives).
14	**Goal Name**	CDBG Public Improvements and Facilities
	Goal Description	Total number of beneficiaries for CDBG community grants, for basic infrastructure, public facilities, public services, and other community needs.

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15	**Goal Name**	CDBG Economic Development
	Goal Description	Number of jobs created/retained and beneficiaries served by the Texas Capital Fund programs.
16	**Goal Name**	CDBG Urgent Need
	Goal Description	Total number of beneficiaries served by the CDBG Urgent Need programs.
17	**Goal Name**	CDBG Colonia Set-Aside
	Goal Description	Total number of beneficiaries served by the CDBG colonia programs.
18	**Goal Name**	CDBG Colonia Self-Help Centers
	Goal Description	Colonia residents receiving direct assistance through Self-Help Centers.
19	**Goal Name**	CDBG Administration
	Goal Description	CDBG Administrative costs including Technical Assistance.
20	**Goal Name**	HOME Administration
	Goal Description	HOME Administrative funds from PY 2025 HOME allocation and projected PI.
21	**Goal Name**	NHTF Administration
	Goal Description	NHTF Administrative funds.
22	**Goal Name**	HOPWA Project Sponsor Administration
	Goal Description	Administration funds for HOPWA Project Sponsors

23	**Goal Name**	HOPWA Grantee Administration
	Goal Description	HOPWA Administrative funds

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

Based on anticipated program activities, TDHCA estimates that the number of PY 2025 beneficiaries for HOME single-family assisted will be approximately 625 low-, very low-, or extremely low-income households. On the basis of historical performance, TDHCA estimates that approximately 50 percent of those households will be minority households. The HOME Multifamily Program estimates that approximately 30 households will have incomes in the 0-50% AMI category, 30 households in the <80% AMI category, and 15 households with moderate income will be served per year from 2025 to 2029.

The NHTF Program estimates that the number of households that will be assisted through new construction and rehabilitation activities per year will be an estimation of newly constructed units based on the average per unit maximum investment. Performance will be measured at the time of Multifamily Direct Loan final draw or at the time of tax credit cost certification, as applicable.

The ESG Program estimates that 2,838households will be assisted through homelessness prevention and rapid re-housing activities per year.

The DSHS HOPWA Program helps eligible PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to health care and supportive services. Stable housing helps PLWH access comprehensive healthcare, adhere to HIV treatment, and achieve viral suppression. DSHS estimates that the Texas HOPWA program will assist 1,384 unduplicated households with housing assistance services per year.

The CDBG Program encourages regional priority set-asides for housing projects such as housing rehabilitation, and housing rehabilitation. Based on prior applications, the TDA estimates that 9,900 persons will be assisted per year through CDBG housing activities. Of those persons, 22,688 colonia residents are expected to be assisted through Colonia Self-Help Center activities, and 2,000 rural Texans across the state are expected to receive utility connections and similar housing assistance.

Disaster Recovery: As outlined in great detail in each of the Action Plans for the supplemental disaster assistance, the State of Texas had huge recovery efforts from each of the events it received funding for. While all of the programs are well under way, there remains unmet need that will still exceed the funds available to the State. Please refer to each program's Action Plan or the disaster recovery divisions most current Quarterly Progress Report for specific details: http://recovery.texas.gov/action-plans/index.html.

SP-50 Public Housing Accessibility and Involvement – 91.315(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

TDHCA is a PHA that receives tenant-based Section 8 through the Housing Choice Voucher Program. It does not administer public housing funds for the purpose of operating public housing developments, and serves only a small portion of Texas. Also, TDHCA is not under a Voluntary Compliance Agreement for additional 504 units.

To address Public PHA needs, TDHCA allows PHAs to be subrecipients or sponsors for many of its programs, such as HTC Program, HOME Program and ESG Program. PHAs have successfully sponsored and administered HTC awards to rehabilitate or develop affordable rental housing and TDHCA addresses the matter of public housing accessibility and involvement through these programs. Over the last several years the Department has made rule changes specifically to remove challenges PHAs faced in layering their RAD transactions with the HTC Program. The Department also has a strong collaborative relationship with several of the larger PHAs in Texas as TDHCA issues Project Access vouchers to those exiting institutions, which are then most commonly absorbed by the local PHA where the household chooses to live.

The Department has recently adopted new 10 Texas Administrative Code (TAC) §1.201-1.212 concerning Accessibility Requirements which provides guidance regarding the requirements of Section 504 of the 1973 Rehabilitation Act and the Fair Housing Act and applicability to all recipients of awards from TDHCA. TDHCA has adopted the 2010 ADA standards for accessible design, with the exceptions listed in “Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities” Federal Register 79 FR 29671. In addition, all rental developments assisted by TDHCA must conform to these standards, which require that at least 5% of the units be accessible for persons with physical disabilities and at least 2% of the units be accessible for person with hearing and visual impairments.

Activities to Increase Resident Involvements

HOME Addresses Public Housing Residents Involvement

TDHCA sends notification of published notices of funding availability under the HOME Program to interested parties around the state, including PHAs. Furthermore, staff of PHAs, especially those receiving HOME funds and those with Section 8 Homeownership programs, are targeted by TDHCAs Texas Statewide Homebuyer Education Program for training to provide homebuyer education opportunities and self-sufficiency tools for PHA residents.

In addition, PHAs also administer HOME tenant-based rental assistance funds, enabling them to provide households with rental assistance and services to increase self-sufficiency.

ESG Addresses Public Housing Residents Involvement

PHA residents are eligible to receive assistance and services from ESG subrecipients, as long as the assistance does not violate Section 576.105(d) of the ESG rules (24 CFR §576.105(d)) regarding use of funds with other subsidies.

HOPWA Addresses Public Housing Residents Involvement

The DSHS HOPWA Program does not provide public housing assistance. However, Project Sponsors interface with local public housing agencies to coordinate housing assistance and supportive services efforts. Project Sponsors share HOPWA program information and eligibility criteria with local housing authorities and other affordable housing programs in their HSDA. While households that participate in HCV or public housing programs do not qualify for HOPWA-funded housing assistance services, Project Sponsors may provide PHP services to secure a subsidized unit. Additionally, Project Sponsors may provide Housing Case Management services to public housing residents and they may receive core medical and support services through the Ryan White HIV/AIDS Program. PHA residents are eligible beneficiaries for CDBG-funded projects through an eligible unit of local government.

Is the public housing agency designated as troubled under 24 CFR part 902?

No

Plan to remove the 'troubled' designation

TDHCA has worked to promote programs that will repair substandard housing and develop additional affordable housing units: TDHCA has designated PHAs as eligible entities for its programs, such as the HTC Program, HOME Program, and ESG Program. PHAs have successfully administered HTC awards to rehabilitate or develop affordable rental housing, as well as rental assistance programs.

Through HUDs Rental Assistance Demonstration (RAD) Program, PHAs can use public housing operating subsidies along with the HTC Program once the older PHA units are demolished and replaced with new housing or rehabilitated. Most of the PHAs currently taking advantage of this program are located in urban areas of the state that receive their own allocations of HOME funds; therefore, TDHCA does not anticipate using its HOME funds in conjunction with RAD.

Finally, TDHCA has developed a relationship with the Texas Housing Association and the Texas chapter of the National Association of Housing and Redevelopment Officials, which represent the PHAs of Texas.

SP-55 Barriers to affordable housing – 91.315(h)

Barriers to Affordable Housing

A review of State-level laws, regulations, and CPD programs is detailed in Chapter 3 of the State of Texas Analysis of Impediments to Fair Housing Choice (AI), updated in 2024, available at https://www.tdhca.texas.gov/state-texas-analysis-impediments-ai-fair-housing-choice. The AI included a review of policies including tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.

It is important to note that Texas confers a great deal of land use and planning authority on its cities and counties. Chapter 3 of the AI concludes that Texas state laws and programs provide significant considerations of protected classes and do not reflect discriminatory practices; while some Texas laws do authorize or do not prohibit local actions that could lead to local decision-making practices that may affect protected classes, those laws do not themselves treat protected classes differently.

In the case of siting and property taxes, Texas state laws have an impact on the location of housing and the affordability of housing. While many regulations are local, the state does have laws on municipal zoning, platting and other topics that govern such local regulations. In short, all of the special cases in which Texas counties are given zoning powers or zoning-like powers are similar to the municipal zoning enabling powers and do not create barriers to fair housing choice to FHAA-protected persons. The State of Texas does not grant zoning authority to counties, with a few exceptions. However, counties do have selected land use powers that can affect development.

The AI was adopted by the TDHCA Governing Board on July 11, 2024 and identifies five impediments to fair housing choice. To address the identified impediments, the AI provides recommendations that detail 23 Action Items that the State will undertake during the 2025-2029 Consolidated Plan period. The efforts of the State to mitigate these barriers and impediments will be seen in Strategic Plan Section 55 and Action Plan Section 75.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Local governments and officials generally have a greater awareness of their local economic, demographic and housing conditions, and the State of Texas gives local governments authority over their own lands. Please note that, as a state entity, state agencies cannot lobby or attempt to influence the support or defeat of a legislative measure. However, TDHCA and TDA can and do provide information to localities related to affordable housing compliance.

The State of Texas does not have authority to exercise zoning, impose impact fees, development fees or deed restrictions, or regulate building codes and so cannot directly affect these barriers. Nonetheless, TDHCA is taking steps to increase its role as an information resource to assist localities in overcoming unnecessary regulatory barriers which may increase the cost of housing. TDHCA accomplishes this as follows:

- Creating consistent resources across state agencies that will assist users in finding policy guidance, seeking assistance, and finding trainings;
- Continuing education programs, such as the Texas Statewide Homebuyer Education Program which provides lenders, homebuyer educators, and consumers with information on serving traditionally underserved populations;
- Creating data transparency tools that will provide program, service and underserved population information that can be used by elected officials, local governments, developers, contract administrators, and the general public when creating policy positions and recommendations; and,
- Continuing research on defining and addressing any identified State and local policy barriers and countering such barriers through the release of best practices guidance or pursuing modifications of such policies where rules are promulgated by TDHCA and modification is possible under State statute.

SP-60 Homelessness Strategy – 91.315(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Subrecipients of TDHCA ESG funding are required to participate in coordinated entry, which assesses individual needs and identify service and housing options available through the ESG program or through other CoC resources.

Addressing the emergency and transitional housing needs of homeless persons

ESG provides funds for emergency shelter, allowing U.S. Department of Housing and Urban Development's (HUD) CoC Program recipients to apply more of their federal dollars to support transitional housing activities. Emergency shelter is coupled with essential services to address the more urgent needs of those in emergency shelter, and case management to address barriers to obtaining permanent housing. ESG will continue working in coordination with CoCs to fund emergency shelter as a way to help persons who are homeless transition from homelessness to transitional housing (where needed), and then to permanent housing.

The DSHS HOPWA Program provides Facility-Based Housing Assistance (FBHA) services to eligible households. FBHA encompasses all expenditures for or associated with supportive housing facilities including, community residences, single-room occupancy (SRO) dwellings, short-term facilities, project-based rental assistance units, master leased units, and other housing facilities approved by HUD. The DSHS HOPWA Program currently limits FBHA to Short-Term Supportive Housing (STSH) and Transitional Supportive Housing (TSH) services. STSH provides temporary shelter for households experiencing homelessness. TSH provides up to 24 cumulative months of non-portable facility-based rental assistance to households that are homeless or at risk of homelessness, including assistance for shared housing arrangements. Additionally, the DSHS HOPWA Program embraces a housing-first approach in which Project Sponsors provide PHP and TBRA services with appropriate supportive services.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

In line with HUD's mission to shelter homeless persons as a first step to ending homelessness, Texas has shifted its focus from primarily providing street outreach and shelter support to finding ways to help persons who are homeless in becoming permanently housed. Emergency shelter is combined with case management and essential services to better equip individuals and families to remain in permanent housing. In instances where an individual or family is not at the point of entering permanent housing, transitional shelter may be provided, if the shelter meets the criteria of an emergency shelter as permitted by the program regulations. To encourage permanent housing activities, TDHCA incentivizes applications that provide a wider array of services for those currently being served by street outreach or utilizing emergency shelter to better facilitate the transition to permanent housing. ESG funds may be used for housing relocation efforts to reach out to landlords and negotiate rental contracts for clients. Combined with stabilization efforts, rapid rehousing provides permanent housing along with financial and service supports that assist clients in remaining in permanent housing.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

Based on prior ESG funding history, homelessness prevention ranks third in the use of ESG funds in Texas. TDHCA anticipates that ESG funded organizations will continue to utilize approximately 17% of the ESG grant on homelessness prevention activities. These activities include financial assistance, and activities meant to help a household maintain its permanent housing after discharge from the program. Case management is focused on improving a family's ability to remain in permanent housing, including acquiring any Federal, State, or other benefits that may be available. TDHCA incentivizes applications though scoring to provide a wider array of services to recipients of homelessness prevention, as well as applications that propose the greatest percentage of assisted households who retain housing after program exit.

DSHS HOPWA Program provides STRMU services to eligible households. While the DSHS HOPWA Program does not specifically target persons discharged from institutions, TBRA, FBHA, and PHP can meet the short- and long-term housing needs of such persons.

TDHCA received three awards totaling $31 million for the Section 811 Program and is implementing the program during the Consolidated Plan period. The program is helping extremely low-income individuals with disabilities and their families by providing approximately 600 new integrated supportive housing units in nine areas of the state. Members of the target population include individuals transitioning out of institutions including nursing facilities, people with severe mental illness and young adults with disabilities transitioning out of the state's foster care system. The Section 811 Target Population receives assistance from public agencies, are Medicaid-eligible, and could be at-risk of housing instability and/or homelessness.

OMB Control No: 2506-0117 (exp. 09/30/2021)

SP-65 Lead based paint Hazards – 91.315(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

The 1992 Community and Housing Development Act included Title X and calls for a three pronged approach to target conditions that pose a hazard to households: (1) notification to occupants about the existence of hazards so they can take proper precautions, (2) identification of lead-based paint hazards before a child can be poisoned and, (3) control of these lead-based paint hazards in order to limit exposure to residents. (Texas Department of State Health Services, 2007).

While TDHCA monitors its properties for compliance with HUD lead-based paint regulations, DSHS oversees the Texas Environmental Lead Reduction Rules (TELRR) for the state as a whole. These rules cover areas of lead-based paint activities in target housing (housing constructed prior to 1978) and child-occupied facilities, including the training and certification of persons conducting lead inspections, risk assessments, abatements, and project design. For all projects receiving over $25,000 in federal assistance, contractors need to follow inspections and abatements standards overseen by DSHS as well as the HUD requirements. By following these standards, the state is increasing access to housing without lead-based paint hazards.

HOME Addresses Lead-Based Paint

The HOME Program requires lead screening in housing built before 1978 for all HOME eligible activities and in accordance with 24 CFR §92.355, and 24 CFR Part 35 subparts A, B, J, K, M, and R.

NHTF Addresses Lead-Based Paint

The NHTF Program requires that eligible Developments mitigate lead hazards in accordance with 24 CFR §93.351 and the applicable provisions of 24 CFR Part 35, as provided in TDHCAs NHTF Minimum Rehabilitation Standards.

ESG Addresses Lead-based Paint

During the annual contract implementation training, TDHCA provides ESG subrecipients with requirements and information related to lead-based paint regulations. TDHCA requires ESG funded subrecipients to determine if a housing unit was built prior to 1978, for households seeking ESG funded rent or rent deposit assistance whose household has a family member(s) 6 years of age or younger. If the housing unit is built prior to 1978, the ESG subrecipients will notify the household of the hazards of lead-based paint.

HOPWA Addresses Lead-Based Paint

Per 24 CFR §574.310(b), §574.635, §35, and HUD CPD Notices 94-05 and 22-15, assisted housing, including shared housing arrangements, must meet safety and sanitation standards and comply with applicable state and local housing codes, licensing provisions, and any other structural or operational requirements. Assisted housing must also meet all Habitability Standards, Lead Safe Housing Rules, Fire Safety Requirements, and Carbon Monoxide Safety Requirements. While the DSHS HOPWA Program does not undertake lead-based paint abatement activities, Project Sponsors perform Housing Quality Standards certifications for each assisted unit to assess for lead-based paint health risks.

CDBG Addresses Lead-Based Paint

Lead-based paint mitigation is an activity eligible under housing rehabilitation that is funded under the Colonia Planning and Construction Fund and Community Development Funds. Each contract awarded requires the subgrantee to conform to Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)) and procedures established by the CDBG in response to the Act.

How are the actions listed above integrated into housing policies and procedures?

HOME Addresses Lead-based Paint Procedures

The HOME Program evaluates the potential for the presence of lead-based paint for HOME assisted activities and takes appropriate steps in accordance with 24 CFR §92.355 and 24 CFR Part 35 including notification of potential lead-based paint hazards to households residing in housing units that pre-date 1978. Furthermore, single-family and multifamily development and reconstruction activities in HOME increase the access to lead-based-paint-free housing because they create new housing.

NHTF Addresses Lead-Based Paint Procedures

The Multifamily Direct Loan Program evaluates the potential for the presence of lead-based paint for NHTF assisted activities and takes appropriate steps in accordance with 24 CFR §93.351 and the applicable provisions in 24 Part 35, as provided in TDHCAs NHTF Minimum Rehabilitation Standards. The aforementioned include notification of potential lead-based paint hazards to households residing in housing units that pre-date 1978. Furthermore, multifamily development and reconstruction activities with NHTF increase the access to lead-based-paint-free housing because they create new housing.

ESG Addresses Lead-Based Paint Procedures

ESG subrecipients providing rental assistance with ESG funds are required to evaluate the potential presence of lead-based paint in housing units. For housing units built prior to 1978, the ESG subrecipients notify the household of the hazards of lead-based paint in accordance with 24 CFR Part 35. More ESG actions for lead-based paint are located in the One Year Action Plan.

HOPWA Addresses Lead-Based Paint Procedures

The regulations for lead-based paint in 24 CFR §35 require certain responses to potential lead-based paint hazards. Unless otherwise exempt, if the structure was built or last rehabilitated prior to 1978, a child under the age of six will reside in the unit, and the property has a deteriorated paint surface inside or outside the structure, Project Sponsors cannot approve the property for HOPWA services until the owner appropriately controls and clears the surface. Project Sponsors that perform visual assessments must complete the HUD Lead-Based Paint Visual Assessment Training.

CDBG Addresses Lead-Based Paint Procedures

In accordance with CDBG state regulations and the Lead-Based Paint Poisoning Prevention Act, CDBG has adopted a policy to eliminate as far as practicable the hazards of lead poisoning due to the presence of lead-based paint in any existing housing assisted under CDBG. Abatement procedures should be included in the housing rehabilitation contract guidelines for each project and must appear in the approved work write-up documentation for all homes built prior to 1978 that will be rehabilitated. TDHCA is updating the Texas Minimum Construction Standards for 2020. This standard already requires all homes built prior to 1978 that will be rehabilitated with Department assistance to comply with the Environmental Protection Agency Renovation, Repair, and Painting Final Rule found at 40 CFR 745.

SP-70 Anti-Poverty Strategy – 91.315(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

Through its Community Services Block Grant Program, TDHCA provides administrative support funds to Community Action Agencies and other human service delivery organizations that offer emergency and poverty-related programs to lower-income persons. Activities for the Community Services Block Grant Program can include education services, such as providing funds for tuition or scholarships for higher education. Education can help prevent children from continuing the cycle of poverty when they are adults, and re-education can help adults gain a job in a different career track.

Rental assistance programs, such as the ESG Program, HHSP Program, Section 8 HCV, and HOME's TBRA, can provide case management, which may include a recommendation for the individual to start or continue an appropriate educational program. In the process of creating reduced-rent housing through the HTC or HOME programs, developments located near community amenities or in high opportunity areas score additional points in the application process. These amenities or high opportunity areas may help tenants break the cycle of poverty.

HOPWA Project Sponsors must complete the HOPWA Getting to Work Training Curriculum. The curriculum covers a range of topics, including the benefits of working while living with HIV and employment resources. The program does not require participant households to enroll in any employment or vocational services, but participants agree to consider ways of increasing income and decreasing non-essential expenses. Housing Case Management services assess households' housing status, primary housing barriers, and other needs. Project Sponsors refer clients to local workforce centers if part of their individualized plan includes increasing earned income.

For those income-eligible Texans who have housing, subsidizing or reducing the energy costs may help keep that housing affordable and prevent homelessness. The Comprehensive Energy Assistance Program provides payment of utilities based on income eligibility and priority group status. If the applicant is eligible, the Comprehensive Energy Assistance Program subrecipient makes the energy payment to an energy company through a vendor agreement with energy providers. This program works in conjunction with TDHCA's Weatherization Assistance Program, which provides funds to subrecipients to help low-income households control energy costs through the installation of weatherization (e.g., energy-efficient) measures and energy conservation education.

TDHCA's Housing Trust Fund offers the Amy Young Barrier Removal Program, which helps persons with disabilities and low incomes make their homes accessible through one-time grants of up to $22,000 for accessibility modifications. The Amy Young Barrier Removal Program is available for both renters and owners and can help low-income persons with disabilities maintain their housing without requiring relocation for purposes of accessibility.

Finally, the Texas CDBG Program awards funds for community and economic development projects, including infrastructure, housing, and new jobs, benefiting a projected 375,000 persons per year, who are primarily low- to moderate-income persons.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

More detail on how the CPD Programs governed by this Plan add to the State's anti-poverty strategy is below.

HOME Anti-Poverty Strategy

Through the HOME TBRA Program, TDHCA assists households with rental subsidy and security and utility deposit assistance for an initial period not to exceed 24 months. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training, General Education Development (GED) classes, or drug dependency classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment options and increase their economic independence and self-sufficiency. Additionally, TDHCA allocates funding toward the rehabilitation and construction of affordable rental housing, subsidizing units to benefit very low-income households, and may assist very low-income households along the border by promoting the conversion of contract for deed arrangements to traditional mortgages.

ESG Anti-Poverty Strategy

ESG funds activities that provide shelter and essential services for homeless persons, as well as intervention services for persons threatened with homelessness. Essential services for homeless persons include medical and psychological counseling, employment counseling, substance abuse treatment, transportation, and other services.

ESG's case management and housing stabilization activities help clients to address the situations that contribute to their homelessness or risk of homelessness. Success in these activities makes it more likely that a household will gain education or training that will lead to a job or otherwise increased income, or will receive more cash or non-cash benefits, all of which would help to reduce the number of poverty-level families.

For individuals threatened with homelessness, homelessness prevention funds can be used for short-term subsidies to defray rent and utility arrearages for households receiving late notices, security deposits, and payments to prevent foreclosure. And as mentioned, case management and housing stabilization activities may lead to better jobs, higher income, and more Federal, State, or local benefits per household.

CDBG Anti-Poverty Strategy

A substantial majority of CDBG funds, over 90% in Program Year 2023, are awarded to “principally benefit low- and moderate-income persons.” In addition, the formula used to distribute Community Development funds among regions includes a variable for poverty which targets funding to the greatest need. CDBG economic development funds create and retain jobs through assistance to businesses. LMI persons access these jobs, which may include training, fringe benefits, opportunities for promotion, and services such as childcare.

HOPWA Anti-Poverty Strategy

The DSHS HOPWA Program helps eligible PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to health care and supportive services. Stable housing helps PLWH access comprehensive healthcare, adhere to HIV treatment, and achieve viral suppression. HOPWA activities benefit low-income PLWH and their households. The DSHS HOPWA Program does not specifically target households with incomes at or below the Federal poverty level. Nevertheless, over 80 percent of assisted households consistently fall within 0 to 30 percent of the AMI each year.

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SP-75 Colonias Strategy – 91.315

Describe the State's homeless strategy within Colonias.

Homelessness in the colonias manifests itself differently than in other rural areas in Texas. Colonias are typically located outside of areas where shelter and other homeless services operate. While there is little evidence of "literal homelessness" in colonias, the homeless in the colonias are more likely to "double-up" and live with other families in a single household. This contributes to over-crowding. Homeless families and individuals in the colonias may install makeshift dwellings on the same single-family lot as another household (or households) and tap into utility lines with the original family's permission (Mauleon & Ting, 2000). Although this practice is unsafe, it is affordable and widely practiced in the colonias.

Working with the Texas Balance of State CoC (which includes areas of the state where colonias are common), and through OCI staff (who have direct contact with the Colonia SHCs and the residents), the ESG Program plans to publicize the availability of homelessness services. When SHCs identify families that are "doubled-up" or otherwise possibly at risk of homelessness, those persons will be provided information about available services in the areas closest to the colonia. Additionally, applications for TDHCA ESG funding are incentivized though the scoring structure to award points for applications proposing provision of services in colonias.

Describe the barriers to affordable housing in Colonias.

Barriers include high unemployment, low wages, and lack of creditworthiness that hinders qualification for low-cost, traditional lending products. Some colonias lack proper infrastructure which must be in place in order to receive certain government housing assistance, including that of TDHCA. Colonia families that have multiple dwellings on their property are often in violation of the model subdivision rules (there are few exceptions) and limit their ability to access assistance that could address their substandard housing issues. The lack of clear title, due to an accepted informality in land transactions and the practice of unrecorded contracts for deed (a rent-to-own agreement between a seller and a buyer that puts the buyer in a long-term vulnerable position in which they build no equity and could easily lose the property at default) also preclude colonia families from qualifying for housing assistance (Texas Secretary of State, n.d.). Last, local government offices and housing nonprofits that address colonia housing issues may lack the capacity to apply for and manage competitive funding opportunities.

Describe the State's strategy for addressing barriers to affordable housing (including substandard housing) in Colonias.

The State dedicates 12.5% of CDBG funds annually for colonia areas, and additional funds are also awarded for colonia projects through other competitive fund categories. Basic human needs, including water and sewer infrastructure and housing rehabilitation, are prioritized for colonia set-aside funding, with a particular emphasis on connecting colonia households to safe and sanitary public utilities. Colonia planning funds are available to research and document characteristics and needs for colonia communities.

TDHCA continues to have success with the self-help model for building affordable housing, in which colonia residents construct their own and others' housing under the guidance of qualified nonprofit housing developers who provide training in construction methods and homeownership. This model lowers the cost of the housing for homeowners who live far below the poverty line, Also, through the two strategically placed Border Field Offices along the Texas-Mexico border, where the vast majority of Colonias are situated, TDHCA has local staff to readily support administrators, disseminate funding information, and problem solve with both administrators and Colonia residents. Lastly, the Colonia SHCs provides 40-targeted colonias in eight counties with housing opportunities, community development activities, infrastructure improvements, and financial literacy and technology training.

Describe the State's goals/programs/policies for reducing the number of poverty level families in Colonias.

Colonia set-aside funding improves the living conditions and meets basic human needs of low- and moderate-income families in colonias. As with all CPD funds, Section 3 goals encourage job, contracting, and training opportunities for qualifying residents when such opportunities become available as a result of grant funding.

The Colonia SHCs provides 40-targeted colonias in eight border counties with a multitude of opportunities to create a one-stop-shop for low-income colonia families to gain a foothold out of poverty. The SHCs provide housing services in the form of new construction, reconstruction, rehabilitation, tool lending, construction skills training and utility connections. SHC community development activities include homeownership education, access to and training in computers/technology, consumer rights education and financial literacy, and solid waste disposal assistance. While the above listed services are limited only to residents of pre-identified colonias in the SHC Program, the centers themselves are open to all who wish to use the meeting space for activities beneficial to the community or simply to seek information on locating other services. By creating an accessible and consistent manner for which services and information are disseminated among colonias, more households can become beneficiaries of multiple kinds of assistance that build their self-sufficiency over time.

Describe how the State's goals/programs/policies for producing and preserving affordable housing in the Colonias will be coordinated with other programs and services.

TDHCA and TDA, the Texas Commission on Environmental Quality (TCEQ), the Texas Water Development Board (TWDB), the Texas Attorney General's Office, the U.S. Department of Agriculture (USDA), and other agencies facilitate multiple programs besides affordable housing. Collectively, these agencies aim to proactively address potential obstacles that could affect large areas of the Texas–Mexico border and the colonia residents therein.

Through a state set-aside program known as the Colonia–EDAP, TDA partners with the Texas Water Development Board's Economically Distressed Areas Program (EDAP) and similar federal and state programs to provide first time water and wastewater services to colonia areas. For this program, TDA funds house-to-line connections for low- to moderate-income families so that these residents can connect to the mainline funded through the partner agency. This partnership allows the federal and state funding to reach more residents and ensures that LMI families are not left without service due to an inability to pay for the individual connection line.

TDA also participates in the Texas Water Infrastructure Coordinating Committee, which frequently discusses and coordinates funding information and technical assistance for colonia communities with water and wastewater needs.

SP-80 Monitoring – 91.330

Describe the standards and procedures that the state will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements.

The Compliance Division of TDHCA has three sections that are involved in monitoring HOME and/or ESG: Subrecipient Monitoring, Compliance Monitoring, and Physical Inspections. The Subrecipient Monitoring section monitors HOME TBRA, Homeowner Reconstruction Assistance, Homebuyer Assistance with new construction, and all activities under ESG. This section also ensures compliance with Davis Bacon, Uniform Relocation Act, and other applicable requirements during the construction of HOME/NHTF rental developments. The Compliance Monitoring section ensures compliance with HOME/NHTF income/rent restrictions, and other mandates, as applicable. The Fair Housing, Data Management, and Reporting division is responsible for affirmative marketing procedures. The Physical Inspections section ensures compliance with property condition standards and accessibility for HOME and ESG. Owners and administrators are notified about 30 days prior to monitoring. Monitors use standardized checklists to ensure compliance with program requirements.

HOME/NHTF rental developments' Loan Commitments include areas for Section 3 Compliance and Minority/Women's Enterprise requirements. The General Contractor must provide a narrative of efforts to meet these requirements prior to releasing the final draw and/or retainage.

HOME TBRA, HRA, HANC and ESG are monitored based on risk factors that include the amount of funds spent, complaints, prior monitoring results, and single audit findings. Based on risk, the review may be conducted onsite or through a desk review.

If HOME/NHTF properties fall into egregious or ongoing non-compliance or have financial/operational issues that require intervention, TDHCA's Asset Management Division works with the owner to determine the most effective workout/resolution strategy. The two primary goals for HOME/NHTF-assisted developments is to restore compliance with the Land Use Restrictive Agreement and facilitate repayment of the loan under the originally agreed upon terms.

DSHS conducts programmatic and fiscal reviews of their AAs. The HOPWA Coordinator reviews AA program activities for the HIV Care Services Group. DSHS Fiscal Support and Oversight(FSO) performs financial compliance reviews of contractors. Reviews involve periodic remote and on-site, monitoring events with AAs and Project Sponsors. AAs and Project Sponsors (through their AAs) must submit Semi-Annual and Annual Progress Reports (PPRs) to DSHS. AAs submit monthly billing reports and semi-annual financial status reports. In addition to monitoring from the DSHS level, AAs conduct programmatic and fiscal reviews of their Project Sponsors. Similarly, AAs must review their Project Sponsors' progress towards achieving HOPWA service outcome measures. AAs and Project Sponsors must comply with all federal and state regulations, policies, procedures, standards, general provisions, and guidelines as specified in their contractual statement of work.

TDA ensures compliance thorough monitoring of CDBG. Each community is reviewed for compliance with previous awards prior to the award of new funds. Contracts include federal and state requirements which are monitored through an objective risk assessment to determine the appropriate level of monitoring. The areas reviewed include procurement, accounting records, environmental records, construction contracts, client files for rehabilitation services, labor standards, and fair housing and civil rights policies. TDA reviews all required Grant Recipient single audits. The Compliance unit and the Contract Management unit communicate throughout the contract implementation phase of contracts to identify and possibly resolve issues prior to the monitoring phase.

The Colonia SHC activities are facilitated through a MOU between TDHCA and TDA, with the TDHCA providing the majority of oversight.

Annual Goals and Objectives

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

CPD funding is governed by this Consolidated Plan, but the State also works to collaborate, coordinate, and layer non-CPD funding sources in order to reach more Texans and more efficiently use available funds. Programs listed in the anticipated resources narrative sections below may be used to leverage CPD funds.

These include:

- 4% Housing Tax Credit (HTC)/Private Activity Bond (PAB) Program;
- 9% HTC Program;
- Multifamily Direct Loan Program Tax Credit Assistance Program Repayment Funds (TCAP RF);
- Homeless and Housing Services Program (HHSP);
- State Ending Homelessness Fund (EH Fund);
- State Housing Trust Fund Program;
- Texas Mortgage Credit Certificate (TX MCC) Program;
- First time homebuyer loan programs, including the My First Texas Home Program;
- Neighborhood Stabilization Program - Program Income (NSP PI);
- Section 8 Housing Choice Voucher (HCV) Program; and
- Section 811 Project Rental Assistance (Section 811 PRA) Program

For the programs above, the expected future funding amounts, to the extent known, are in the planning documents governing those programs. These documents are online at https://www.tdhca.texas.gov/ The anticipated resources below focus on CPD Programs.

TDHCA participates in numerous committees, workgroups, and councils, which help TDHCA stay apprised of other potential resources and considerations in addressing affordable housing needs. Relationships with other federal and state agencies and local governments are extremely valuable, helping Texas agencies to coordinate housing and services and serve all Texans efficiently and effectively. TDHCA's involvement in these committees can promote opportunities to pursue federal funding opportunities. TDHCA actively seeks engagement and input from community advocates, funding recipients, potential applicants for funding, and others to obtain input regarding the development of effective policies, programs and rules. Changes to funding plans are made periodically based on feedback received through these avenues.

TDHCA is the lead agency for the following workgroups:

C-RAC: C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board. It advises TDHCA regarding the needs of colonia residents and the types of programs and activities, which should be undertaken by the Colonia Self-Help Centers.

Disability Advisory Workgroup (DAW): The DAW augments TDHCA's formal public comment process, affording staff the opportunity to interact more informally and in greater detail with various stakeholders and to get feedback on designing more successful programs, with a specific focus on gaining insight on issues impacting persons with disabilities.

Housing and Health Services Coordination Council (HHSCC): HHSCC is established by Texas Government Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing and focusing on other cross-agency efforts.

Texas Interagency Council for the Homeless (TICH): The TICH was statutorily created in 1989 to coordinate the State's homeless resources and services. The TICH consists of representatives from eight state agencies. TDHCA, as the primary source for state homelessness funding, provides administrative and planning support to the TICH.

Weatherization Assistance Program Planning Advisory Committee (WAP PAC): The WAP PAC is comprised of a broad representation of organizations and agencies and provides balance and background related to the weatherization and energy conservation programs at TDHCA.

The descriptions of the collaborations for DSHS and TDA are in the Discussion question of this section below.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	Public Federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	64,060,478.10	$1,000,000	8,684,209	73,744,687	73,744,687	TDA's CDBG Program funds community and economic development, including program income collected by the state, and program income retained by local subgrantees, excluding the colonia set-aside. Program Income will be allocated to TDA’s State Revolving Loan Fund, which supports economic development. TDHCA administers a portion of the CDBG funding through its Colonia SHCs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG Colonias Set-aside	public - federal	Acquisition Admin and Planning Homeowner rehab Public Improvements Public Services	$7,117,830.90	0	$2,753,872	9,871,702.90	9,871,702.90	The Colonia Set-Aside is used for goals described in the Strategic Plan Section 45. The Colonia Economically Distressed Areas Program (CEDAP) Legislative Set - Aside leverages funding other federal and state funding programs.

HOME	public - federal	Acquisition Homebuyer assistance Homeowner reconstruction Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	33,003,098.78	15,208,416.32	0	48,211,515.10	48,211,515.10	TDHCA's HOME Program goals are described in the Strategic Plan Section 45 for multifamily and single-family activities. Single-family HOME activities may be coordinated with State Housing Trust Fund resources, including Bootstrap Loans and the Amy Young Barrier Removal Program. HOME Multifamily Development Funds can be layered with 4% and 9% HTCs and TDHCA Multifamily Direct Loan funds, including NHTF, TCAP Repayment Funds, and NSP Program Income. TDHCA also develops rules that govern all multifamily programs, including

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
								the Multifamily Direct Loan (MFDL) Program Rule and Housing Tax Credit Program Qualified Allocation Plan (QAP).

HOPWA	public - federal	Tenant-Based Rental Assistance; Short-Term Rent, Mortgage, and Utility; Facility-Based Housing Assistance; Permanent Housing Placement; Housing Case Management; Housing Information Services; Resource Identification; Project Sponsor Administration; and Grantee Administration.	$8,062,244	0	$1,015,015	9,077,259	9,077,259	DSHS will reserve $500,000 from the latest allocation for use in the next annual plan and include this amount under Prior Year Resources. DSHS will only use $$8,577,259 during this annual plan. Tenant-Based Rental Assistance; Short-Term Rent, Mortgage, and Utility; Facility-Based Housing Assistance; Permanent Housing Placement; Housing Case Management; Housing Information Services; Resource Identification; Project Sponsor Administration ; and Grantee Administration.
ESG	public - federal	Financial Assistance Overnight shelter Rapid re-housing (rental assistance)	$10,308,471	0	0	$10,308,471	$10,308,471	TDHCA's ESG funds are awarded via contract to Subrecipient

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
		Rental Assistance Services Transitional housing						agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems (HMIS) activities. HHSP is Texas state general revenue funding for the nine largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees.

Housing Trust Fund	public - federal	Multifamily rental new construction Multifamily rental rehab	$9,611,392.27	$928,405.22	0	$10,539,797.49	$10,539,797.49	TDHCA's NHTF Program goals are described in the Strategic Plan Section 45 for multifamily and single-family activities. NHTF Multifamily Development Funds may be layered with 4% HTCs and 9% HTCs, and TDHCA Multifamily Direct Loan funds, including HOME, HOME-CHDO, NSP Program Income and TCAP Loan Repayment. TDHCA also develops rules that govern all multifamily programs, including the Multifamily Direct Loan (MFDL) Program Rule specifically for the MFDL Program and the Housing Tax Credit Program Qualified Allocation

								Plan (QAP). NHTF received an allocation amount of \$8,605,522.64. The “Annual Allocation” field doesn’t accept cents, therefore numbers in the table below have been entered as whole numbers.

Table 28 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

HOME

HOME multifamily development is often used to leverage with the HTC Program, which authorizes 9% low-income housing tax credits of $2.90 per capita for each state, and 4% HTC in amounts linked to the usage of the state's cap for issuance of tax-exempt PABs to finance affordable housing development. In Texas, this equates to approximately $88,000,000 in 9% tax credits available to be awarded annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of $880,000,000. The credits are usually syndicated to limited partner investors to yield cash for use in eligible development activities. In recent years the syndication rates have dropped significantly to a range between 75-80%. TDHCA's Qualified Allocation Plan (QAP) identifies the criteria used for selection of eligible developments to provide housing for low-income tenants. HOME provides increased leverage, allowing property owners to utilize fewer tax credits and less private debt and local funding, thus providing more efficient use of resources. In addition, HOME is used as a source to fill funding gaps that have occurred in previously-awarded HTC developments due to increased materials costs or interest rates. Other leveraging sources may include United States Department of Agriculture (USDA) operating subsidies and loans, and conventional and FHA-insured loans. Match requirements for the HOME Multifamily Direct Loan Program will in part be met through Rules and NOFAs that establish awardees' requirement to provide up to 7.5% of the award amount, or a higher, or lower amount as reflected in the NOFA. In addition to match provided as part of the developer's obligation, TCAP RF may be utilized as HOME match, and TDHCA calculates to below market interest rates on eligible loans provided to the HOME development which is included in the match funds reported in the CAPER. TDHCA will also use eligible multifamily bonds that are used to finance developments that also receive 4% HTC financing as HOME match. TDHCA requires Subrecipients and state recipients to provide match of up to 15% of the project hard costs for some single-family activities.

ESG

To meet the ESG match requirement, TDHCA requires the commitment of proposed match as part of the ESG application process. TDHCA awards additional points to applicants that commit to provide match in excess of the requirements. Subrecipients that also administer HHSP funds or funds from the EH Fund may utilize those funds as match for ESG, if they are otherwise eligible to be counted as match.

HOPWA

Texas HOPWA does not have a match requirement but leverages funds whenever possible. Project Sponsors leverage available funds from Ryan White and State Services grants, private funding sources, foundations, and local assistance to help clients. DSHS shares grantee administrative costs with AAs. However, AAs leverage most of their administrative expenditures from other funding sources.

Due to IDIS character limits, CDBG and NHTF Leveraging is described in the question below.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to

address the needs identified in the plan

CDBG Leverages

Community Development Fund applications award points to encourage local match; a sliding scale allows smaller communities to contribute less match funding than larger communities. The Rural Economic Development Fund requires matching funds for each application. Match funds may be provided by the applicant, or by a water or sewer utility benefiting from the project.

NHTF Program Leveraging
NHTF multifamily development may be used to leverage with the HTC Program, which was created by the Tax Reform Act of 1986 and authorizes 9% low-income housing tax credits in the amount of $2.90 per capita for each state, and 4% low-income housing tax credits in amounts linked to the usage of the state's cap for issuance of tax-exempt bond to finance affordable housing development. In Texas, this equates to approximately $80,000,000 in 9% tax credits available to be awarded by TDHCA annually.

These credits may be claimed each year for ten years and this represents potential tax credit value on the magnitude of $880,000,000. The tax credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 88% and 92%. TDHCA must develop a Qualified Allocation Plan (QAP) each year for the selection of eligible developments to provide housing for the low-income tenants. NHTF provides increased leverage, allowing the property owners to utilize fewer tax credits and less private debt and local funding, therefore providing more efficient use of resources. In addition, NHTF is used as a source to fill funding gaps that have occurred in previously-awarded HTC developments due to increased materials costs or interest rates.

State Owned Land
The Texas General Land Office manages state owned lands and mineral rights totaling approximately 13 million acres. Much of this is leased for the benefit of the Permanent School Fund, an endowment fund established in 1876 for the benefit of Texas public school education. Generally, state owned land is not utilized for affordable housing or community development goals; however, local jurisdictions occasionally donate land or property in support of activities designed to address the needs identified in the plan as part of their contribution to locally administered programs.

Discussion

HOPWA

Continuing with the discussion of collaboration begun in the introduction of this section,

DSHS HIV initiatives strive to reduce the number of undiagnosed persons and increase the number of virally suppressed PLWH. DSHS works with community partners, stakeholders, and health care providers statewide to strengthen services that prevent HIV transmission, improve diagnosis rates, and fill gaps in clinical treatment and related support services. The Texas HIV Syndicate serves as the Texas integrated HIV prevention and care planning group and facilitates this collaboration. The Syndicate includes representation from PLWH, HIV prevention and care organizational leaders, and other community stakeholders, many of which provide HOPWA services. The Texas HIV Syndicate produced Achieving Together, a community plan to end the HIV epidemic in Texas. This plan reflects the ideas, recommendations, and guidance of the Texas HIV Syndicate and Achieving Together Partners, as well as statewide community engagement efforts with PLWH, people impacted by HIV, clinicians, and researchers. The plan has six focus areas, one of which addresses mental health, substance use, housing, and criminal justice. Within DSHS, the HIV/STD/HCV Epidemiology and Surveillance Unit collects and reports data on HIV in Texas, which includes data submission to the Centers for Disease Control and Prevention (CDC). Subsequently, HUD uses this data to determine HOPWA formula allocations, while other federal agencies use it to plan, develop, implement, and evaluate HIV service programs, including HOPWA.

Finally, TDA participates in the following workgroups:

Texas Water Infrastructure Coordination Committee (TWICC): TWICC is a voluntary organization of federal and state funding agencies and technical assistance providers that address water and wastewater needs throughout the State. TDA participates in TWICC to coordinate efforts to leverage funds.

Drought Preparedness Council; The Council was authorized and established by the 76th Texas Legislature in 1999, and is responsible for assessment and public reporting of drought monitoring and water supply conditions, along with other duties.

Texas Joint Housing Solutions Workgroup. The Texas Joint Housing Solutions Workgroup is a collection of state and federal agencies and organizations who work to identify resources that can address temporary unmet housing needs and solutions that allow disaster survivors to transition to permanent housing. TDHCA and TDA both participate in this workgroup.

These workgroups, committees, and councils help to strengthen communication between state agencies as well as provide opportunities to layer or combine funding sources.

With the block grants and the layering resources listed above, there are also CDBG Disaster Recovery (DR) funds for disasters that have affected that State of Texas. More details and action plans for the various disasters CDBG-DR have been awarded for can be found at https://www.glo.texas.gov/disaster-recovery/action-plan

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Goals	2025	2026	Homeless	State of Texas	Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	ESG: $10,308,471	Tenant-based rental assistance / Rapid Rehousing: 730 Households Assisted Homeless Person Overnight Shelter: 15,385 Persons Assisted Homelessness Prevention: 3,097 Persons Assisted
2	Acquisition & Construction of Single-Family Housing	2025	2026	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units	HOME: $0	Homeowner Housing Added: 0 Household Housing Unit
3	Reconstruction of Single-Family Housing	2025	2026	Affordable Housing Non-Homeless Special Needs	State of Texas	Reconstruction of Housing	HOME: $22,567,229.91	Homeowner Housing Reconstructed: 112 Household Housing Unit
4	Tenant Based Rental Assistance with HOME Funding	2025	2026	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance	HOME: $15,985,203.78	Tenant-based rental assistance / Rapid Rehousing: 888 Households Assisted

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Households in New/Rehabilitated Multifamily Units	2025	2026	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units Rehabilitation of Housing	HOME: $ $5,100,464.82	Rental units constructed: 26 Household Housing Unit Rental units rehabilitated: 3 Household Housing Units
6	NHTF Households in New/Rehabbed Multifamily Units	2025	2026	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units Rehabilitation of Housing	Housing Trust Fund: $9,485,817.74	Rental units constructed: 40 Household Housing Units Rental units rehabilitated: 15 Household Housing Units
7	HOPWA Tenant-Based Rental Assistance	2025	2026	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance Homeless Prevention	HOPWA: $5,075,288	Tenant-based rental assistance / Rapid Rehousing: 713 Households Assisted. DSHS will reserve $279,561from the latest allocation for use in the next annual plan and include this amount under Funding.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	HOPWA Short-Term Rent, Mortgage & Utilities Asst.	2025	2026	Affordable Housing Non-Homeless Special Needs	State of Texas	Homeless Prevention	HOPWA: $1,024,689	Homelessness Prevention: 456 Persons Assisted. DSHS will reserve $56,443from the latest allocation for use in the next annual plan and include this amount under Funding.
9	HOPWA Facility-Based Housing Subsidy Assistance	2025	2026	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Rental Assistance Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	HOPWA: $145,760	Homelessness Prevention: 56 Persons Assisted.. DSHS will reserve $8,029from the latest allocation for use in the next annual plan and include this amount under Funding.
10	HOPWA Permanent Housing Placement Assistance	2025	2026	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Rental Assistance Rapid Re-housing Homeless Prevention	HOPWA: $265,415	Public service activities other than Low/Moderate Income Housing Benefit: 166 Persons Assisted. DSHS will reserve $14,620from the latest allocation for use in the next annual plan and include this amount under Funding.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	HOPWA Funded Supportive Services	2025	2026	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: $1,774,583	Public service activities other than Low/Moderate Income Housing Benefit: 1,200 Persons Assisted. DSHS will reserve $97,749from the latest allocation for use in the next annual plan and include this amount under Funding.
12	HOPWA Housing Information Services	2025	2026	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: $2,666	Public service activities other than Low/Moderate Income Housing Benefit: 23 Persons Assisted. DSHS will reserve $145 from the latest allocation for use in the next annual plan and include this amount under Funding.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
13	HOPWA Resource Identification	2025	2026	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Homeless Prevention	HOPWA: $81,029	Other: 0 Other. Activities that establish, coordinate, and develop housing assistance resources for eligible households (including preliminary research and expenditures necessary to determine the feasibility of specific housing-related initiatives). DSHS will reserve $4,463from the latest allocation for use in the next annual plan and include this amount under Funding.
14	CDBG Public Improvements and Facilities	2025	2026	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public Facilities Public Services	CDBG: $58,524,001	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 200,000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
15	CDBG Economic Development	2025	2026	Non-Housing Community Development Economic Development	State of Texas	Public Improvements and Infrastructure Economic Development Public Facilities Public Services	CDBG: $ $11,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 100,000 Persons Assisted
16	CDBG Urgent Need	2025	2026	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public Facilities	CDBG: $0	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 9,010 Persons Assisted
17	CDBG Colonia Set-Aside	2025	2026	Affordable Housing Non-Housing Community Development	State of Texas	Production of New Units Acquisition of existing units Rehabilitation of Housing Public Improvements and Infrastructure Public Facilities Public Services	CDBG Colonias Set-aside: $10,933,067	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2,175 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
18	CDBG Colonia Self-Help Centers	2025	2026	Self-Help Centers	State of Texas	Production of New Units Acquisition of existing units Rehabilitation of Housing Public Services	CDBG: $ $2,235,349	Other: 4533 Other
19	CDBG Administration	2025	2026	Administration /Technical Assistance	State of Texas	Rehabilitation of Housing Public Improvements and Infrastructure Economic Development Public Facilities Public Services	CDBG: $ $2,218,409	Other: 0 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
20	HOME Administration	2025	2026	HOME Administration	State of Texas	Rental Assistance Production of New Units Acquisition of existing units Rehabilitation of Housing	HOME: $4,558,616.59	Other: 0 Other
22	NHTF Administration	2020	2026	NHTF Administration	State of Texas	Production of New Units Rehabilitation of Housing	Housing Trust Fund: $1,053,979.75	Other: 0 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
23	HOPWA Project Sponsor Administration	2020	2026	Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	HOPWA: $443,579	Other: 0 Other. DSHS will reserve $24,434from the latest allocation for use in the next annual plan and include this amount under Funding.
24	HOPWA Grantee Administration	2020	2026	Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	HOPWA: $264,250	Other: 0 Other. DSHS will reserve $14,556from the latest allocation for use in the next annual plan and include this amount under Funding.

Table 29 – Goals Summary

Goal Descriptions

1	**Goal Name**	Homeless Goals
	Goal Description	Funds will be utilized to provide Administration, HMIS services, emergency shelter, rapid re-housing, homeless prevention and street outreach to eligible persons who are experiencing homelessness or at-risk of homelessness. Actual funding amounts will be determined based on the requested funds by component. The estimates for the funding amount per activity type and number of persons served are extrapolated from data collected over the prior three years. TDHCA limits the amount of funding available for street outreach and emergency shelter to not more than 60% of the total ESG funding available. Likewise, funds for administration and HMIS are limited proportionate to the funds made available in each service component to ensure that the regulatory caps for these expenditures are not exceeded.
2	**Goal Name**	Acquisition & Construction of Single Family Housing
	Goal Description	While no funds under the 2024 allocation are programmed for the implementation of Homebuyer Assistance with New Construction, TDHCA may use deobligated funding or funding remaining from prior year allocations to perform these activities. This activity allows homebuyers to work with Subrecipients to select lots for purchase and provide financing for construction of a new unit of housing on the selected lot. TDHCA does not plan to have a 2024 HOME Program goal for single-family development activities performed by a Community Housing Development Organization (CHDO) for the construction of new single-family housing, but may amend program income, or use deobligated funding or other available HOME funding for such an activity. PY 2024 CHDO set aside funding is initially targeted for multifamily development activities as reflected under the Households in new/rehabilitated multifamily units strategic plan goal but may be revised to program some funding for single-family development activities if TDHCA identifies future interest in the program. Single-family development activities will remain an eligible activity that may be funded in the event future CHDO funding becomes available.
3	**Goal Name**	Reconstruction of Single Family Housing
	Goal Description	The 2024 goal for HOME Program reconstruction activities is to provide assistance to a minimum of 95 households through units of general local governments, and nonprofit organizations. These entities qualify applicants to receive assistance for the repairs and reconstruction necessary to make their homes decent, safe, sanitary, and accessible.

4	**Goal Name**	Tenant Based Rental Assistance with HOME Funding
	Goal Description	The 2024 goal for HOME Program TBRA activity is to provide on-going rental assistance or stand-alone rental security deposit assistance (which may include utility deposit assistance) to an estimated 1,401 households.
5	**Goal Name**	Households in New/Rehabilitated Multifamily Units
	Goal Description	The 2025 goal for HOME Multifamily Program is creating/rehabilitating over 97 multifamily rental units. TDHCA's HOME Multifamily Development Programs awards HOME funds as low-interest loans to CHDOs, for-profit, and nonprofit developers. These loans leverage other public and private financing including housing tax credits, United States Department of Agriculture (USDA) operating subsidies and loans, and conventional and Federal Housing Administration-insured loans. The result is safe, decent, and affordable multifamily rental housing.
6	**Goal Name**	NHTF Households in New/Rehabbed Multifamily Units
	Goal Description	The 2025 goal for Housing Trust Fund is creating and/or rehabilitating 55 multifamily rental units based on the performance period of the previous Program Year, September 1, 2025 – August 31, 2026.
7	**Goal Name**	HOPWA Tenant-Based Rental Assistance
	Goal Description	The number of households that received TBRA services during the program year. TBRA provides an ongoing and portable rental subsidy that helps households obtain or maintain permanent housing, including assistance for shared housing arrangements, in the private rental housing market until they can enroll in the Housing Choice Voucher Program (HCVP) or other affordable housing programs. DSHS set an annual goal of assisting 713 households. The estimated funding and number of individuals served may fluctuate depending on HUD’s final allocation amounts and based on the target percentages identified in Action Plan Section 25.
8	**Goal Name**	HOPWA Short-Term Rent, Mortgage & Utilities Asst.
	Goal Description	The number of households that received STRMU services during the program year. STRMU provides short-term, rent, mortgage, and utility payments for households experiencing a financial crisis related to their HIV health condition or a change in their economic circumstances. STRMU helps prevent homelessness by enabling households to remain in their own homes DSHS set an annual goal of assisting 456 persons. The estimated funding and number of individuals served may fluctuate depending on HUD’s final allocation amounts and based on the target percentages identified in Action Plan Section 25.

9	**Goal Name**	HOPWA Facility-Based Housing Subsidy Assistance
	Goal Description	The number of households that received FBHA services during the program year. HOPWA Facility-Based Housing Assistance (FBHA) activities include Short-Term Supportive Housing (STSH) and Transitional Supportive Housing (TSH). STSH provides temporary shelter for households experiencing homelessness. Services allow households to develop individualized housing plans that address both short- and long-term needs and culminate in permanent housing. TSH provides up to 24 cumulative months of non-portable facility-based rental assistance to households that are homeless or at risk of homelessness, including assistance for shared housing arrangements. Services allow households to prepare for permanent housing and develop individualized housing plans that culminate in permanent housing. DSHS set an annual goal of assisting 56 households. The estimated funding and number of individuals served may fluctuate depending on HUD’s final allocation amounts and based on the target percentages identified in Action Plan Section 25.
10	**Goal Name**	HOPWA Permanent Housing Placement Assistance
	Goal Description	The number of households that received PHP services during the program year. PHP helps households access, secure, and establish a permanent residence, maintained either on their own or with the help of ongoing rental assistance. Eligible costs include, , application fees, related credit checks, utility hookup fees and deposits, and reasonable security deposits necessary to move persons into permanent housing. DSHS set an annual goal of assisting 166 persons. The estimated funding and number of persons served may fluctuate depending on HUD’s final allocation amounts and based on the target percentages identified in Action Plan Section 25.
11	**Goal Name**	HOPWA Funded Supportive Services
	Goal Description	The number of households that received Housing Case Management services during the program year. The DSHS HOPWA Program currently limits the use of Supportive Service funds to Housing Case Management. Project Sponsors may provide Supportive Services with HOPWA housing assistance services or as a standalone service. The core functions of Housing Case Management include engagement, assessment, goal-setting, service coordination, and discharge planning. The intensity or level of housing case management that a Project Sponsor provides will depend upon the household’s assessed level of need. DSHS set an annual goal of assisting 1,200 persons. The estimated funding and number of households served may fluctuate depending on HUD’s final allocation amounts and based on the target percentages identified in Action Plan Section 25.

12	**Goal Name**	HOPWA Housing Information Services
	Goal Description	The number of households that received Housing Information Services during the program year. Housing Information Services include, but are not limited to, counseling, information, and referral services to assist households with locating, acquiring, financing, and maintaining housing. This may also include fair housing guidance for households that have encountered discrimination based on race, color, religion, sex age, national origin, familial status, or disability. DSHS set an annual goal of assisting 23 persons. The estimated funding and number of households served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
13	**Goal Name**	HOPWA Resource Identification
	Goal Description	The work products, deliverables, and other activities of projects that used Resource Identification funds. Resource Identification encompasses activities that establish, coordinate, and develop housing assistance resources for eligible households (including preliminary research and expenditures necessary to determine the feasibility of specific housing-related initiatives). The estimated funding may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
14	**Goal Name**	CDBG Public Improvements and Facilities
	Goal Description	Public Improvements and Facilities includes community grants for basic infrastructure, public facilities, planning activities, public services, and other community needs. The Texas CDBG encourages the use of funds not only to improve existing locations but to provide facilities in other areas to accommodate residential opportunities that will benefit low- and moderate-income persons. Funding allocated includes annual allocation in addition to previously deobligated funds. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
15	**Goal Name**	CDBG Economic Development
	Goal Description	This economic development funding is used for projects that will create or retain permanent employment opportunities, primarily for low to moderate income persons, for downtown revitalization activities, and for other economic development activities for rural communities. Funding allocated includes annual allocation in addition to previously deobligated funds and program income. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.

16	**Goal Name**	CDBG Urgent Need
	Goal Description	Urgent Need assistance is available through the SUN fund as needed for eligible activities in relief of natural disasters and other emergency situations. Funding allocated includes previously deobligated funds. The estimated funding and number of persons served may fluctuate depending on actual natural disaster events, HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
17	**Goal Name**	CDBG Colonia Set-Aside
	Goal Description	This fund is available to eligible county applicants for projects in severely distressed unincorporated areas which meet the definition of a "colonia" under this fund. Funding allocated includes annual allocation. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
18	**Goal Name**	CDBG Colonia Self-Help Centers
	Goal Description	Colonia residents receiving direct assistance through Colonia Self-Help Centers. Assistance includes residential rehabilitation, reconstruction, new construction, utility connections, solid waste removal, and access to a technology center, tool lending library, and educational classes.
19	**Goal Name**	CDBG Administration
	Goal Description	CDBG Administrative costs including Technical Assistance and indirect costs.
20	**Goal Name**	HOME Administration
	Goal Description	HOME Administrative expenses based on HOME allocation and program income received in PY 2024 that is being programmed in the 2025 Action Plan.
21	**Goal Name**	NHTF Administration
	Goal Description	NHTF Administrative funds for PY 2025.
22	**Goal Name**	HOPWA Project Sponsor Administration
	Goal Description	Funds for Project Sponsor Administration.
23	**Goal Name**	HOPWA Grantee Administration
	Goal Description	Funds for Grantee Administration

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

Based on the goal descriptions for HOME in the table above, it is estimated that the State will provide affordable housing to 734 extremely low-income, low-income, and moderate-income families.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

The CPD Programs serve special needs populations and meet the 13 Priority Needs found in Strategic Plan 25 of the 2025-2029 Consolidated Plan. These Needs in Strategic Plan 25 are correlated with Goals in Action Plan 20 to show which activities will serve which priority needs. The goals from Action Plan 20 are listed below with allocation percentages. Percentages in the chart below are estimated and may change depending on funding received from HUD, legislative priorities, and funding requests from administrators or subrecipients. Due to software restrictions, allocations are rounded to the nearest whole number and do not reflect precise percentages.

Also, for the other programs listed in the anticipated resources (Action Plan 15) that could be used to leverage funds (including 4% HTC, 9% HTC, HHSP, State Housing Trust Fund, TX MCC, My First Texas Home Program, NSP PI, Section 8 HCV programs, and Section 811 PRA), goals are tailored to each program in the planning documents governing those programs. These documents can be found at https://www.tdhca.texas.gov/. In addition to meeting the priority needs, the CPD Programs work to serve special needs populations as described in this section. HOME and ESG's special needs populations are discussed in the introduction, and HOPWA and CDBG's are included in the discussion below.

HOME Serves Special Needs
TDHCA has determined that TDHCA may have and TDHCA administrators may request to establish a preference to serve the following special needs populations: persons with disabilities, persons with substance use disorders, persons living with HIV/AIDS (PLWH), persons with Violence Against Woman Act (VAWA) protections, colonia residents, farmworkers, homeless populations, veterans, (including wounded warriors as defined by the Caring for Wounded Warriors Act of 2008), public housing residents, persons transitioning out of incarceration, persons impacted by a state or federally declared disaster, and persons transitioning out of foster care and nursing facilities.

For administrators with programs that are designed to limit assistance to certain populations, TDHCA will only approve program designs that limit assistance to households that include a member within the following populations if necessary to provide as effective housing, aid, benefit, or services as those provided to others in accordance with 24 CFR §8.4(b)(1)(iv): PLWH, mental illness, substance use disorders, or households that would qualify under the TDHCA's Project Access program as defined in 10 TAC §5.801. Otherwise, administrators may only request a preference for populations described in the special needs section. TDHCA may limit assistance of directly administered HOME funds for TBRA for security and utility deposits to persons that have been issued vouchers through its PHA, so long as the assistance is not duplicative.

For HOME or NHTF rental housing, TDHCA will allow development of housing that meets requirements under the Housing for Older Persons Act. TDHCA may also consider permitting rental housing owners to give a preference or limitation as indicated in this section and may allow a preference or limitation that is not described in this section to encourage leveraging of federal or state funding, provided that another federal or state funding source for the rental housing requires a limitation or preference. TDHCA may put further guidelines on development of specific types of rental housing by rule or NOFA. In order to have consistent requirements for Developments with 100% Single Room Occupancy Units, the Department will utilize the HOME definition in 24 CFR §92.2 for HOME and NHTF, in addition to the Department's definition of Single Room Occupancy at 10 TAC §11.1(d)(120) and the definition of Unit at 10 TAC §11.1(d)(136).

Funding Allocation Priorities

	Homeless Goals (%)	Acquisition &Construction of Single Family Housing (%)	Reconstruction of Single Family Housing (%)	Tenant Based Rental Assistance with HOME Funding (%)	Households in New/Rehabilitated Multifamily Units (%)	NHTF Households in New/Rehabbed Multifamily Units	HOPWA Tenant-Based Rental Assistance (%)	HOPWA Short-Term Rent, Mortgage & Utilities Asst. (%)	HOPWA Facility-Based Housing Subsidy Assistance (%)	HOPWA Permanent Housing Placement Assistance (%)	HOPWA Funded Supportive Services (%)	HOPWA Housing Information Services (%)	HOPWA Resource Identification (%)	CDBG Public Improvements and Facilities (%)	CDBG Economic Development (%)	CDBG Urgent Need (%)	CDBG Colonia Set-Aside (%)	CDBG Colonia Self-Help Centers (%)	CDBG Administration (%)	HOME Administration (%)	NHTF Administration (%)	HOPWA Project Sponsor Administration (%)	HOPWA Grantee Administration (%)	Colonias Set-Aside (%)	Total (%)
CDBG	0	0	0	0	0	0	0	0	0	0	0	0	0	79	15	0		3	3	0	0	0	0	0	**100**
CDBG Colonias Set-aside	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	**100**
HOME	0	0	45	30	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0	0	0	0	**100**
HOPWA	0	0	0	0	0	0	56	11	2	3	19	0	1	0	0	0	0	0	0	0	0	5	3	0	**100**
ESG	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**100**
Housing Trust Fund	0	0	0	0	0	90	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0	0	0	**100**

Table 7 – Funding Allocation Priorities

OMB Control No: 2506-0117 (exp. 09/30/2021)

Reason for Allocation Priorities

Disaster Recovery

With the block grants and the layering resources listed above, there are also CDBG Disaster Recovery (DR) funds for disasters that have affected that State of Texas. More details and action plans for the various disasters CDBG-DR have been awarded for can be found at https://www.glo.texas.gov/disaster-recovery/action-plans

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

ESG Serves Special Needs
ESG does not have funding allocation priorities for special needs populations, but the Department's subrecipient selection criteria include prioritization for homeless subpopulations as defined in the most recent Point in Time data collection guidance.

TDHCA requires ESG subrecipients to comply with the Violence Against Women Reauthorization Act of 2022 (VAWA). Forms and information are required to be distributed to applicants and program participants for short- and medium-term rental assistance in accordance with 24 CFR §5.2005(e). Also pursuant to 24 CFR §5.2005(e), ESG Subrecipients are required to develop and follow an Emergency Transfer Plan.

HOPWA Serves Special Needs

HOPWA serves as the only federal program dedicated to addressing the housing needs of low-income PLWH and their households. It helps them establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to HIV treatment and achieve viral suppression. The proposed distribution of funds by HOPWA activity category reflects local needs with historical expenditure outputs. The program reallocates funding within and between HIV Service Delivery Areas (HSDAs) throughout the program year to meet changing needs

CDBG Serves Special Needs
CDBG provides over 90% of available funds for projects that primarily benefit low-to moderate-income persons through basic infrastructure, housing, job creation and other activities as identified at the local level. Among those projects, CDBG sets aside 12.5% of funds to benefit colonia residents through planning activities, infrastructure and housing construction, self-help center services, construction activities, and public services. Funding for community development projects in colonias and other LMI communities is a critical element in the well-being of these communities.

The Office of Colonia Initiative (OCI) at TDHCA is charged with the responsibility of administering the

Colonia Self-Help Center (CSHC) Program, with the goal of improving the living conditions and lives of border and colonia residents. As part of its plan to improve the living conditions in colonias, OCI assigns specific employees to focus on supporting and providing technical assistance to border counties which maintain Colonia Self-Help Centers funded under the CSHC Program.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

Given that Texas is the second largest state in the nation by total area, the method of distribution of its funds takes into account a very large area. To serve this large area it is necessary for the State to use subrecipients to administer the programs funded under CPD. The selection processes for these entities are generally described below.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	**State Program Name:**	Colonia Economically Distressed Areas Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	Colonia Economically Distressed Areas Program (CEDAP) Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The TDA will evaluate the following factors prior to awarding CEDAP funds: • The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program; • The ability of the applicant to utilize the grant funds in a timely manner; • The availability of funds to the applicant for project financing from other sources; • The applicant's past performance on previously awarded CDBG contracts; • Cost per beneficiary; and • Proximity of project site to entitlement cities or metropolitan statistical areas (MSAs).

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	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation are available upon request once mainline construction has been confirmed.
	Describe how resources will be allocated among funding categories.	The Texas Legislature has set aside 3.5% of the State CDBG allocation for the CEDAP program. The allocation is distributed on an as-needed basis. In order to fully obligate the annual Colonia Funds to benefit colonia residents, funds not requested for the CEDAP activities may be transferred to other Colonia Fund programs.
	Describe threshold factors and grant size limits.	Maximum $1,000,000/Minimum $250,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons
2	**State Program Name:**	Colonia Fund and Construction Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	The goal of the Colonia Fund: Construction (CFC) program is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons residing within a community or area that meets the definition of a colonia. An eligible county applicant may submit an application for eligible construction activities, prioritizing access to public utilities and other basic human needs for colonia residents.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	While the Colona Planning and Needs Assessment is underway, the selection criteria for the Colonia Fund: Construction will focus upon the following factors: number of colonia communities identified in the county, and previous funding.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	Of the State CDBG allocation 6.5% (approximately) is allocated to the Colonia Fund Construction Program. Subsequent to awarding funds, any portion of the CFC allocation that is unable to be awarded may be used to fund additional eligible applications under any other Colonia Fund Set-aside program.
	Describe threshold factors and grant size limits.	Maximum $1,000,000/Minimum $250,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
3	**State Program Name:**	Colonia Fund Planning & Needs Assessment Program
	Funding Sources:	CDBG CDBG Colonias Set-aside

	Describe the state program addressed by the Method of Distribution.	The Colonia Fund Planning Program is designed to provide needs assessments for colonia communities on a county-by county basis.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The Colonia Fund Planning Program funds assess the conditions and current needs of colonia communities in to each county within 150 miles of the Texas-Mexico border on a rotating basis. All counties eligible to participate in the colonia set-aside have been offered an opportunity to receive planning and needs assessment services coordinated through a CFP grant to a designated Planning Zone.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	As planning activities are currently funded for all eligible counties, no funds are allocated to the Colonia Fund Planning Program for this Program Year.
	Describe threshold factors and grant size limits.	Not applicable for Program Year 2025
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
4	**State Program Name:**	Colonia SHC Legislative Set-Aside (administered by TDHCA)
	Funding Sources:	CDBG

	Describe the state program addressed by the Method of Distribution.	Administered by TDHCA and funded through CDBG, the Colonia Self-Help Center (CSHC) Program serves colonias along the Texas-Mexico border. Colonia Self-Help Centers (Centers) provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education. Key services include: housing rehabilitation; reconstruction; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; infrastructure construction and access; contract-for-deed conversions; and capital access for mortgages.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Approximately 35,979 residents live in the targeted colonias served by the CSHC Program. The Centers process applications from income eligible households using a selection criteria established by each Center. Eligible households must reside in a targeted colonia, which has been preselected by each county and approved by C-RAC. Households must earn less than 80% of AMI.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	The CSHC Program is statutorily required to be provided in Cameron/Willacy, El Paso, Hidalgo, Nueces, Starr, and Webb counties. Statute allows for additional Centers to be established in any other county if TDHCA deems it necessary and appropriate and if the county is designated an economically distressed area under statute. TDHCA established additional Centers in Maverick, and Val Verde counties. Each Center must serve five targeted colonias within the county it serves. The Centers conduct outreach activities throughout the contract period to inform colonia residents of program benefits and eligibility criteria and to provide application assistance.

	Describe how resources will be allocated among funding categories.	The Texas Legislature has set aside 2.5% of the State CDBG allocation for the CSHC program. Resources are allocated after analysis and input from each community. Counties that are statutorily designated to participate in the CSHC Program conduct a needs assessment before proposing which target colonias should receive concentrated attention and the scope of program activities and funding. Each county designs a proposal unique to the needs of a specific community. After the C-RAC, composed of colonia residents, reviews and discusses the proposals from the counties, the proposals are then reviewed and approved by the TDHCA Governing Board for implementation. Funds deobligated from prior CSHC Program grant years and any program income recovered from CSHC funds shall be used by TDHCA for the CSHC Program.
	Describe threshold factors and grant size limits.	Maximum $1,000,000/Minimum $500,000 If there are insufficient funds available to fully fund an application, the Administrator may accept the amount available and wait for remaining funds to be committed the next program year. Each program activity, such as new construction, rehabilitation, and tool library operation, for example, are limited to specific dollar amounts. TDHCA, at its discretion and in coordination with the county, may amend a contract to increase the budget amount based on performance and other factors.
	What are the outcome measures expected as a result of the method of distribution?	Outcomes include the number of colonia residents assisted and housing units assisted or created. In general, these are Activities Benefiting LMI Persons.
5	**State Program Name:**	Colonias to Cities Initiative Program
	Funding Sources:	CDBG CDBG Colonias Set-aside

	Describe the state program addressed by the Method of Distribution.	The Colonia to Cities Initiative (CCIP) provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding. The city's application must include documentation that annexation procedures have begun and a firm commitment from the city to annex the colonia upon completion of the project. Failure to annex the colonia may result in a requirement to repay the CDBG funding to TDA.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The TDA will evaluate the following factors prior to awarding CCIP funds: • the proposed use of the TxCDBG funds including the eligibility of the proposed activities; • the ability of the community to utilize the grant funds in a timely manner; • the availability of funds to the community for project financing from other sources; • The support of colonia residents for the proposed annexation; • the applicant’s past performance on previously awarded TxCDBG contracts, if applicable; • cost per beneficiary; and • commitment by the city to annex the colonia area within one year of project completion. If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation are available upon request.

	Describe how resources will be allocated among funding categories.	If there are an insufficient number of projects ready for CEDAP or CFC funding, the available Colonia funds may be transferred to the Colonias to Cities Initiative.
	Describe threshold factors and grant size limits.	Maximum $1,000,000/Minimum $250,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting Low and Moderate Income (LMI) Persons
6	**State Program Name:**	Community Development Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Community Development (CD) Fund is available on a biennial basis through a competition based on of the State's 24 planning regions. The goal of the CD Fund is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons of low to moderate income. Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for LMI persons. When considering and designing projects, applicants must continue to consider project activities that will affirmatively further fair housing, which includes project activities that provide basic infrastructure (such as water, sewer, and roads) that will benefit residential housing and other housing activities. Planning activities, fire protection and emergency response activities, and all other eligible CDBG activities are available under this program.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	CD applicants are scored using a shared system with 25% of the final score determined by regional project priorities; 65% of the final score determined scoring factors identified by the Unified Scoring Committee, and 10% of the final score determined by state scoring factors. The USC is made up of one representative from each of the 24 geographic regions. The USC is responsible for determining objective scoring criteria for all regions for the CD Fund in accordance with the requirements in this Action Plan, including the numerical value of the points assigned to each scoring factor, during a public meeting. The USC may not adopt scoring factors that directly negate or offset the State's scoring factors. The state scoring will be based on past performance– including timely submission of closeout reports, timeliness of environmental clearance, maximum utilization of funds, and timeliness of completing projects
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	72.35% (approximately) of the State CDBG allocation is allocated to this fund. In addition, deobligated funds may be allocated to the CD Fund according to the procedures described in the Additional Detail on Method of Distribution section following this table.
	Describe threshold factors and grant size limits.	Maximum $750,000/Minimum $350,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons

7		
	State Program Name:	Downtown Revitalization Programs
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Downtown Revitalization awards grant funds for public infrastructure to foster and stimulate economic development in rural downtown areas. This program is considered one of the Rural Economic Development (RED) programs.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The selection criteria for the Downtown will focus upon the following factors: a. Applicant Need criteria, including median income, , previous funding, and benefit to LMI persons. b. Project criteria, including match ratio, , consistency with Main Street program or other community strategic plan (if applicable), and other HUD or TDA programmatic priorities; and c. Past performance on previously awarded TxCDBG contracts, if applicable. The department may set aside funds within this Downtown Revitalization Program specifically for Main Street communities.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	Approximately 12% of the State CDBG allocation is allocated to the Downtown Revitalization Program,; in addition, deobligated funds, program income funds, and other RED program funds may be allocated for the DRP programs if such funds have not been utilized by other RED programs (if available).
	Describe threshold factors and grant size limits.	Maximum $1,000,000/Minimum $350,000

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	What are the outcome measures expected as a result of the method of distribution?	Eliminate or prevent slum and blight conditions.
8	**State Program Name:**	Fire, Ambulance, & Services Truck (FAST) Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Fire, Ambulance, & Services Truck (FAST) Fund provides funds for eligible vehicles to provide emergency response and special services to rural communities.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Funding for the FAST Fund is dependent on availability of deobligated funds that can be awarded and expended prior to the grant origin year expiration date. TDA may announce limited funding opportunities developed in coordination with the State Office of Rural Health as funds allow. Selection criteria will be based on the limited purpose identified in the application guide for each funding opportunity.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	Funding for the FAST Fund is dependent on availability of deobligated funds that can be awarded and expended prior to the grant origin year expiration date. No funds will be made available for the FAST Fund on the first day of the program year; if additional funds are deobligated during the program year, funds may be made available according to the procedures described in the Additional Detail on Method of Distribution section following this table.

	Describe threshold factors and grant size limits.	Maximum $750,000/Minimum $100,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
9	**State Program Name:**	General HOME Funds for Single-Family Activities
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	TDHCA awards single-family activity funds as grants and loans through a network of local administrators for Homeowner Reconstruction (HRA), Tenant Based Rental Assistance (TBRA), and Homebuyer Assistance with New Construction (HANC). Assistance length and term depends on the type of activity. Non set-aside funds are initially made available on a regional basis in accordance with state statute (unless waived by the Governor in response to a state of federally declared disaster). Remaining funds are made available statewide through a first-come, first-served Reservation System, a contract-based system or some combination of these two methods. The method will be described in NOFAs and is informed by needs analysis, oversubscription for the activities, and public input.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Applicants must comply with requirements stated in NOFAs, the Single-Family Programs Umbrella Rule, and State HOME Program Rules in effect at the time they receive their award. Review of Applications: All programs will be operated through direct administration by TDHCA, reallocation of deobligated funding and program income, or through the release of a NOFA with an emphasis on geographic dispersion of funds, particularly in rural areas of the state, using a Regional Allocation Formula (RAF) which uses objective measures to determine rural housing needs such as poverty and substandard housing. For NOFAs, applicants must submit a complete application to be considered for funding or eligibility to access the Reservation System. Applications received by TDHCA will be reviewed for applicable threshold, eligibility and/or scoring criteria in accordance with the Department's rules and application review procedures published in the NOFA and/or application materials. Information related to NOFAs, application requirements and fees, and application review procedures and materials is available at https://www.tdhca.texas.gov/home-application-materialsSelection Process: Qualifying applications for funding are recommended to TDHCA's Board based on the Department's rules and any additional requirements established in the NOFA. Applications for participation in the Reservation System are not submitted to the TDHCA Board for approval but are subject to all other review requirements. Should TDHCA reprogram unutilized HOME funds for development activities, applications submitted for development activities will also receive a review for financial feasibility, underwriting, and compliance under the HOME Final Rule as well as the Department's existing previous participation review process. The state may select subrecipients or state recipients as described in program rules and NOFAs, or may conduct a portion of HOME activities directly in accordance with §92.201. When administrators have not successfully expended the HOME funds within their contract period, TDHCA de-obligates the funds and pools the dollars for redistribution according to TDHCA's Reallocation of Financial Assistance rule at 10 TAC §1.19, and consistent with the reservation system and any open NOFAs. TDHCA may also reallocate these funds through a competitive NOFA process resulting in an award of funds.

	Describe how resources will be allocated among funding categories.	TDHCA announces the annual allocation of HOME Single-Family funds through a NOFA and specifies that the funds will initially be made available using a Regional Allocation Formula (RAF) which divides funds among 26 sub-regions as required by state statute. The allocation method is developed based on a formula which considers need and funding availability. After a period of time established in the NOFA, regional allocations collapse. Following the release of the annual allocation through the RAF, TDHCA periodically adds HOME program income and de-obligated funds to the funds available via the Reservation System and either allocates a specific amount of funds per activity based on funding priorities or may allow HOME administrator's requests for funding through the system to determine how the funds are finally allocated among fund categories. TDHCA may specify the maximum amount of funds that will be released for each activity type and may allocate funds via a first come, first served Reservation System or alternate method based on public comment. All NOFAs can be found on TDHCAs NOFA page on the website at https://www.tdhca.texas.gov/notices-funding-availability-nofas.
	Describe threshold factors and grant size limits.	Applicants must comply with requirements stated in the HOME NOFA and State HOME Program Rules in effect the year they receive their award. These sources provide threshold limits and grant size limits per activity type.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to LMI households.
10	**State Program Name:**	HOME Multifamily Development
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	The Multifamily Direct Loan Program awards HOME loans to for-profit and nonprofit multifamily developers to construct and rehabilitate affordable rental housing. These loans typically carry a 2% interest rate (or higher/lower if reflected in the NOFA) and have terms ranging from 15 years to 40 years. The vast majority of the loans are made to developments that also have awards of 4% or 9% HTCs.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	TDHCA's Texas Administrative Code Chapters 10, 11, and 13 set forth the minimum requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, appropriate zoning for the site, and a market and environmental study. Additionally, the development must also meet financial feasibility and subsidy layering requirements. After a period of Regional Allocation, HOME funds are typically awarded on a first-come, first-served basis, as long as the criteria above are met, although the NOFA may specify other priorities used to rank applications, such as giving priority to requests for larger amounts of funding. After a certain date, for HOME Multifamily Development applications layered with 9% HTCs, the highest scoring applications in the 9% cycle that also request HOME funds are prioritized according to 9% criteria.
	Describe how resources will be allocated among funding categories.	A maximum of 85% of HOME Multifamily Funds, are available for general activities and at least 15% for Community Housing Development Organizations (CHDOs). The HOME Multifamily Direct Loan Program may make funds available annually or through a special purpose NOFA under the General, Supportive Housing/Soft Repayment, or CHDO Set-Asides, or specifically to previously-awarded developments that have experienced cost increases since initial award.
	Describe threshold factors and grant size limits.	TDHCA's Qualified Allocation Plan set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. The development must also meet financial feasibility and subsidy layering requirements. Awards of HOME Multifamily Direct Loan Program funds range from approximately \$4,000,000 to \$10,000,000 per application typically in the form of a loan, but these amounts may change, and the caps may be lower or higher if so reflected in a published NOFA.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to LMI households.

11		
	State Program Name:	Local Revolving Loan Funds
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	TxCDBG allows communities that received Texas Capital Fund awards to support job creation or retention, and that created a local revolving loan fund, prior to implementation of the interim rule published November 12, 2015, to retain the program income generated by the economic development activities and to reinvest the funds to support job creation/retention activities.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Criteria are established by local subrecipients, with guidance from the TxCDBG Revolving Loan Fund Information Guide provided by TDA.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	The TxCDBG Revolving Loan Fund Information Guide is provided directly to subrecipients that have established revolving loan funds.
	Describe how resources will be allocated among funding categories.	Program Income generated by a local RLF is retained by that community or returned to TDA for distribution according to the Action Plan. See "Grantee Unique Appendices" for table of local revolving loan funds.
	Describe threshold factors and grant size limits.	Parameters for minimum or maximum loan amounts may be established by the subrecipient.

	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons Activities Benefitting LMI Persons through Job Creation/Retention
12	**State Program Name:**	National Housing Trust Fund
	Funding Sources:	Housing Trust Fund
	Describe the state program addressed by the Method of Distribution.	The NHTF Program awards loans to for-profit and nonprofit multifamily developers to construct/rehabilitate multifamily affordable housing. Because the NHTF is required to benefit ELI households at or below the greater of 30% of AMI or the poverty rate, the units will likely not be able to service a debt payment. The constraints on NHTF dictate that the funds typically be available as construction only loans, 2% interest rate permanent loans with fixed monthly payments, deferred payment, deferred forgivable permanent loans, partially amortizing loans (with the amount not in a fixed payment due at sale, refinance, or at the end of the loan term), or 75% cash flow loans (FHA only) if required, to leverage with tax credits or other financing mechanisms. Loan types may be further limited by NOFA.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	TDHCA's Texas Administrative Code Chapters 11 and 13 set forth a minimum set of requirements that document a project owner's readiness to proceed with the development. The Development must also meet financial feasibility requirements. After an applied period of regional distribution, the funds are awarded on a first-come, first-served basis, as long as the criteria above are met, although the NOFA may specify other priorities used to rank applications, such as giving priority to requests for larger amounts of funding. In the event that multiple qualifying applications are submitted on the same date and insufficient funding exists to award all of them, applications will be scored according to the criteria specified in the NOFA. 10 TAC §13.6 establishes criteria that may be used for scoring; however, staff may identify within a given NOFA that additional scoring criteria are necessary to meet current needs. Remaining NHTF may then be made available statewide in the annual NOFA in other set-asides, or transferred to a special purpose NOFA.

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	Describe how resources will be allocated among funding categories.	NHTF will not be allocated among funding categories. The NHTF funds are provided for multiple uses, to meet the requirement to serve ELI households.
	Describe threshold factors and grant size limits.	TDHCA's Texas Administrative Code Chapters 10, 11, and 13 set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. Additionally, the development must have certain unit amenities and common development amenities. Developments must also meet financial feasibility requirements. Award funds typically range up to $10,000,000 per application in the form of a loan for this program, but which may be capped at a lower or higher amount in the NOFA.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to ELI households.
13	**State Program Name:**	Rural Economic Development Program – Stage 2
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Rural Economic Development Program – Stage 2 (RED2) provides financial assistance to implement eligible projects identified in previously adopted economic development plans. Eligible economic development projects include, but are not limited to, projects that create and retain businesses owned by community members, address slum and blighted conditions, and create LMI jobs. Projects must meet a national objective (see 24 CFR 570.483) and identify an eligible activity.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The RED2 program will be offered first-come-first-served to communities that have completed the RED1 pilot program. The competitive RED 2 opportunity - where RED2 grant applications will be received annually for communities with completed economic development plans that are comparable to RED1 products but not prepared through the CDBG program – is not yet available pending the outcome of the pilot program.
	Describe how resources will be allocated among funding categories.	$3 million in program funds have been set aside for RED 2 for Program Year 2024 to complete the pilot program.
	Describe threshold factors and grant size limits.	Maximum $1,000,000 / Minimum $350,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons Activities to Eliminate Slum and Blighted Areas
15	**State Program Name:**	State Mandated Contract for Deed Set-Aside
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	Rider 6 of the TDHCA bill pattern within the General Appropriations Act for Fiscal Years 2024-2025 requires TDHCA to identify funding sources and estimated funding levels for contract for deed conversions and other activities for families that reside in a colonia and earn 60 percent or less of the applicable area median family income (AMFI) and the home converted must be their primary residence. Funds are set-aside for households at or below 60 percent AMFI and who reside in a colonia for a period of not less than 60 days before being made available statewide, excluding Participating Jurisdictions, to those at or below 80% AMFI.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Administrators must meet HOME Program threshold requirements to access funding. Funding is made available to contract for deed administrators on a first-come, first-served basis, in addition to threshold requirements outlined in the State HOME Program Rule, through the Reservation System.
	Describe how resources will be allocated among funding categories.	TDHCA will set aside $1,000,000 for Contract for Deed activities annually and will release the funds through the reservation system as a method of distribution.
	Describe threshold factors and grant size limits.	Applicants must meet the thresholds provided in the NOFA and State HOME Program Rules in effect the year in which they receive their award. Administrators are not awarded a grant following a successful application. Rather funds are awarded on a household by household basis.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to households with incomes at or below 60% AMFI.
16	**State Program Name:**	State Revolving Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	TxCDBG retains the program income generated by economic development activities and reinvests the funds to continue supporting economic development activities. In accordance with 24 CFR 570.479(e)(ii), the State has determined that program income generated by TCF beginning PY 2017 must be returned to the State for redistribution to new economic development activities. TCF awards are made for a specific project, based on the minimum necessary work to support the creation or retention of specific jobs, which must be completed prior to close out of the TCF contract. Therefore the community is unlikely to continue funding the same activity in the near future as described in the regulation.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Application Guides for the Rural Economic Development programs can be found on the TDA website.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Application Guides for the Rural Economic Development programs can be found on the TDA website.
	Describe how resources will be allocated among funding categories.	Program Income generated by the State Revolving Fund in prior Program Years will be allocated to the Rural Economic Development programs. Program Income collected during the current Program Year will be made available through the State Revolving Fund in subsequent Program Year(s).
	Describe threshold factors and grant size limits.	The amount of program income generated will determine the amount of funds available.
	What are the outcome measures expected as a result of the method of distribution?	Activities benefitting LMI Persons and the elimination of slum and blight conditions.
17	**State Program Name:**	State Urgent Need Fund
	Funding Sources:	CDBG

	Describe the state program addressed by the Method of Distribution.	The State Urgent Need Fund is available following natural disasters and events that are not eligible for federal disaster assistance. The SUN program provides financial assistance to address disaster-related damage to public infrastructure and utilities, including repair, replacement, and mitigation measures.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The State Urgent Need Fund is available as needed following events that receive a proclamation or other formal request for state agency assistance from the Governor (or designee), for which the Governor has not requested federal assistance. • Priority will be given to projects that address safe drinking water, clearance of debris creating unsafe conditions, and other priorities as announced by the Commissioner of Agriculture. • The situation addressed by the applicant must be both unanticipated and beyond the control of the local government. • The problem being addressed must be of recent origin. For SUN assistance, this means that the application for assistance must be submitted no later than twelve months from the date of the state disaster declaration. • The applicant must demonstrate that adequate local funds are not available. For SUN assistance, this generally means the applicant has less than six months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, and funds from other state or federal sources are not available to completely address the problem. TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	Of the State CDBG allocation, $0 is allocated initially. However, a maximum $3 million may be transferred from other fund categories for either State Urgent Need Fund or Water Crisis Assistance Fund projects as needed.
	Describe threshold factors and grant size limits.	Maximum: $500,000 for projects benefitting a single jurisdiction. For projects benefitting multiple counties, up to $500,000 per county with a maximum total award of $2 million per project. Minimum: $100,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons Activities Addressing an Urgent Need
18	**State Program Name:**	Texas ESG Program
	Funding Sources:	ESG

	Describe the state program addressed by the Method of Distribution.	The ESG Program awarded contracts in PY2024, by making a portion of the funds available to prior subrecipients who have demonstrated effective performance under their prior award, with the remainder of funds offered under a competitive funding application. This process will carry over to the PY2025 funds, and some portion of the allocation may be set aside for direct awards to Subrecipients receiving funds for development of non-congregate shelter under HOME-ARP or awarded to nonprofit legal services providers who will accept referrals from subrecipients of ESG funds. ESG funds are awarded to private nonprofit organizations, cities, and counties in the State of Texas to provide the services necessary to help persons who are experiencing or at-risk of homelessness quickly regain stability in permanent housing. To prioritize geographic dispersion of funds, funding is allocated to each CoC based on an allocation formula that includes population and other data as described in the State ESG rules. Award authority for all ESG funds remains with TDHCA's Board, and TDHCA contracts directly with all subrecipients. Any funds returned to the Department from prior year ESG allocations will be redistributed in accordance with the 10 TAC §7.41, or as otherwise approved by the TDHCA Board or as required by HUD.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	TDHCA will review the performance of existing subrecipients to determine whether they meet criteria, including timely expenditure of funds and acceptable monitoring history, prior to making a determination about the suitability of the subrecipient to be offered a new award of funding. In a competitive process with TDHCA, applications will be selected for an award based on requirements stated in the ESG NOFA and State ESG Program Rules in effect the year they receive their award. These sources provide threshold requirements, which must be met prior to an application being considered for an award, and selection criteria, which are utilized to rank applications and determine the order in which applications may be funded. ESG Subrecipients that are awarded ESG funds will be required to maintain the terms of the contract under which they were competitively awarded, including the performance targets that were a condition of the award. Threshold requirements: information necessary to conduct a previous participation review (including review of single audit compliance), and documentation sufficient to determine that the subrecipient has adequate capacity to administer the ESG funds, including but not limited to timely reporting. Selection criteria include items related to program design, including the type and quality of services offered and performance outcomes.

	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	TDHCA may retain some portion of the allocation of funds and offer this portion for direct awards to certain subrecipients that have either successfully administered a prior ESG award or have an existing HOME-ARP funded non-congregate shelter, or will provide legal services to clients referred by other ESG subrecipients. For a competitive process, TDHCA will release a NOFA prior to receipt of ESG funding. The NOFA will include both threshold and selection criteria, and awards will be made to eligible applicants based on the application rank within their CoC region. Eligible applicant organizations are Units of General-Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may be eligible and should seek guidance from TDHCA to determine if they may apply. Governmental organizations such as Public Housing Authorities (PHAs) and housing finance agencies are not eligible and cannot apply directly for ESG funds. Eligible applicants also include private nonprofit organizations that are secular or religious organizations described in section 501(c) of the Internal Revenue Code of 1986, are exempt from taxation under subtitle A of the Code, have an acceptable accounting system and a voluntary board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.
	Describe how resources will be allocated among funding categories.	ESG funds may be used for four service components: street outreach, emergency shelter, homelessness prevention, and rapid re-housing assistance. Funds may also be utilized for HMIS/HMIS comparable database and administration in proportion to funding utilized for service components. In order for TDHCA to meet the requirement of no more than 60% of funds expended in street outreach and emergency shelter per 24 CFR §576.100(b), TDHCA reserves the right to remove applications proposing street outreach and emergency shelter from competition when 60% of ESG funds have been awarded to higher raking applications proposing these activities.

	Describe threshold factors and grant size limits.	While applications for TDHCA ESG funds may request funds for multiple service components, each service type proposed in an application is individually considered for an award of funds. Applicants will be awarded an amount not to exceed an amount set forth in the program rules or NOFA for street outreach activities, rapid re-housing, homeless prevention, and emergency shelter activities. Funds for HMIS are limited to 12% of the amount awarded for Street Outreach, Emergency Shelter, Rapid Rehousing, and Homeless Prevention, and funds for administration are limited to 3% of these amounts. Threshold requirements: information necessary to conduct a previous participation review (inclusive of single audit requirements), and documentation sufficient to determine that the subrecipient has adequate capacity to administer the ESG funds, including but not limited to timely reporting.
	What are the outcome measures expected as a result of the method of distribution?	The expected outcome is that funds will be awarded to organizations that have the administrative and performance capacity to provide the services needed in their communities, with a broad distribution of funding to reach as many areas of the state with quality services as possible.
19	**State Program Name:**	Texas HOPWA Program
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	The DSHS HIV Care and Medications Unit administers the State of Texas HOPWA formula grant from HUD. The DSHS HOPWA Program serves all 254 counties in Texas, prioritizing those outside the six HOPWA-funded Metropolitan Statistical Areas: Austin, Dallas, El Paso, Fort Worth, Houston, and San Antonio. Therefore, the program targets less urbanized areas of Texas.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Visit the DSHS website for information on grant applications, available funding opportunities, application criteria, etc. http://www.dshs.texas.gov/fic/default.shtm. The Texas Health and Human Services Procurement and Contracting Services (PCS) Division oversees procurement and contracting services for DSHS. This division handles solicitations, contract development, contract execution, and serves as the office of record for DSHS' contracting needs.

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	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	DSHS contracts with AAs in six Ryan White Part B HIV planning areas encompassing 26 HSDAs. AAs subcontract with Project Sponsors in each HSDA for statewide service delivery. DSHS selects AAs through a combination of competitive requests for applications (RFAs) and intergovernmental contracts. AAs act as an administrative arm for DSHS, with DSHS oversight, by administering the HOPWA program locally for a five-year project period. A Project Sponsor is a nonprofit organization or governmental housing agency that receives funds under a contract with the AA to provide eligible housing and other support services or administrative services. Historically, many of the nonprofit Project Sponsors that provide HOPWA services have met the definitions of grassroots, faith-based, or community-based organizations
	Describe how resources will be allocated among funding categories.	Project Sponsors propose funding allocations and submit them to their respective AA and DSHS for approval. Project Sponsors base allocations on many factors, including but not limited to, number of households projected to continue into the next year, local unmet need, housing costs, prior number of households served, average expenditures per household, changes in the number of PLWH in poverty, etc. During the program year, DSHS reallocates funds within and between HSDAs throughout each planning region as needed. DSHS will reserve $500,00 from the latest allocation for use in the next annual plan and include this amount under Prior Year Resources. DSHS will only use $8,577,259during this annual plan.
	Describe threshold factors and grant size limits.	DSHS uses a formula to determine allocations by HSDA. The formula uses the number of PLWH by county with adjustments for overlapping HOPWA formula jurisdictions, poverty rates, and housing costs DSHS reserves the right to adjust formula allocations when accounting for local factors, including unmet need, prior performance and expenditures, and any other relevant metrics. The formula does not provide a minimum or maximum grant size limit.
	What are the outcome measures expected as a result of the method of distribution?	PLWH and their households will establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to HIV treatment and achieve viral suppression.
20	**State Program Name:**	Utility U Job Training Program
	Funding Sources:	CDBG

	Describe the state program addressed by the Method of Distribution.	Utility U provides funds to cities and counties, in coordination with water and wastewater utilities, to provide job training opportunities in the utility field. Both classroom and on-site training methods provided by a community based development organization (CBDO) or similar organization shall provide critical utility industry skills to current and newly hired employees to create or enhance job opportunity.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The Utility U Program will be available to cities and counties only upon recommendation by two or more state or federal regulatory or funding agencies. These agencies are expected to evaluate the need for job training for a specific utility or group of utilities prior to making a recommendation to TDA. The utility must agree to employ the trainee for a minimum of two years following completion of the training.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation are available upon request.
	Describe how resources will be allocated among funding categories.	$0 of allocation is made available for the Utility U Program on the first day of the program year. If an eligible project is recommended for funding, up to $200,000 may be transferred from other fund categories as needed.
	Describe threshold factors and grant size limits.	Maximum $100,000/Minimum $30,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons

21		
	State Program Name:	Water Crisis Assistance Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Water Crisis Assistance Fund is available to assist communities where the utility system has been placed under alternative management by state regulators. The WCA Fund provides financial assistance following a appointment of a Receiver and/or temporary Manager, and may be used to address system deficiencies needed to return the system to regular operations.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The Water Crisis Assistance Fund is available as needed following state appointment of a utility district or other political subdivision to serve as a Receiver or Temporary Manager, pursuant to Texas Water Code §13.412. Projects must address critical system deficiencies, such as those identified in a Notice of Violation issued by the Texas Commission on Environmental Quality (TCEQ). Once a utility receives a Water Crisis Assistance Fund project, that utility is no longer eligible to apply for future WCA funding.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	Of the State CDBG allocation, $0 is allocated initially. However, a maximum $3 million may be transferred from other fund categories for either State Urgent Need Fund or Water Crisis Assistance Fund projects as needed.
	Describe threshold factors and grant size limits.	Maximum $500,000/Minimum $50,000

	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons

Discussion:

The distribution process for 4% HTC Program, 9% HTC Program, HHSP, State Housing Trust Fund Program, MCC Program, My First Texas Home Program, NSP PI Program, Section 8 HCV Program, Section 811 PRA Program, and TCAP RF can be found in the documents that govern these programs, all available at https://www.tdhca.texas.gov The CDBG Colonia Set-Aside Methods of Distribution will be included in Action Plan Section 48, which is specifically about colonias.

Along with selecting appropriate entities to administer funding, the State must ensure that these entities appropriately expend their funds. For example, in addition to tracking of the number of households supported by HOPWA, AAs routinely monitor Project Sponsors for compliance and performance. DSHS annually compiles program progress reports, reviewing household and expenditure outputs as well as housing stability outcomes. More information on CPD Programs monitoring efforts are described in Strategic Plan Section 80, Monitoring.

Additional information for Allocation of CDBG program income and deobligated funds has been provided as an attachment.

Discussion:

AP-35 Projects – (Optional)

Introduction:

Per the IDIS Desk Guide, Project-level detail is not required for a state grantee's Annual Action Plan. Once a state grantee has allocated funding via its Method of Distribution, the state grantee will use the Projects sub-menu in IDIS Online to add its projects for the program year.

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Because no projects have been entered to date in this section, this section is not applicable. Allocation priorities are discussed in Action Plan Section 25, which also includes meeting special needs. Actions to meeting underserved needs are found in Action Plan Section 85. CDBG-DR allocation priorities can be found in the CDBG-DR Action Plans at: https://www.glo.texas.gov/disaster-recovery/action-plans

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

Not applicable

Acceptance process of applications

Not applicable

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

Yes

State's Process and Criteria for approving local government revitalization strategies

TDA's CDBG program operates with a principle of "local control" – supporting locally identified projects that primarily benefit LMI persons, prevent/eliminate slum and blight conditions, and support community planning efforts.

The Community Development Fund provides funds to meet needs identified at both the local and regional level, including utility infrastructure, road reconstruction, community facilities, fire protection, and community or utility planning activities.

The Downtown Revitalization Program is intended to stimulate economic growth through the funding of pedestrian-center public infrastructure improvements to aid in the elimination of slum and blight conditions in the historic downtown areas of rural communities; the Main Street set aside is available to communities designated as an official Texas Main Street City by the Texas Historical Commission. Awarded cities receive funds to make public infrastructure improvements in the designated historic, downtown business district. TDA consistently receives more applications than can be funded through this popular program.

The Colonia Fund offers housing and utility infrastructure improvements to disadvantaged communities near the Texas-Mexico border that have been identified by the county as colonia communities.

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AP-48 Method of Distribution for Colonias Set-aside – 91.320(d)&(k)

Introduction:

Distribution Methods

1		
	State Program Name:	Colonia Economically Distressed Areas Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	Colonia Economically Distressed Areas Program (CEDAP) Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The TDA will evaluate the following factors prior to awarding CEDAP funds: • The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program; • The ability of the applicant to utilize the grant funds in a timely manner; • The availability of funds to the applicant for project financing from other sources; • The applicant's past performance on previously awarded CDBG contracts; • Cost per beneficiary; and • Proximity of project site to entitlement cities or metropolitan statistical areas (MSAs).

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	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation are available upon request once mainline construction has been confirmed.
	Describe how resources will be allocated among funding categories.	The Texas Legislature has set aside 3.5% of the State CDBG allocation for the CEDAP program. The allocation is distributed on an as-needed basis. In order to fully obligate the annual Colonia Funds to benefit colonia residents, funds not requested for the CEDAP activities may be transferred to other Colonia Fund programs.
	Describe threshold factors and grant size limits.	Maximum $1,000,000/Minimum $75,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons
2	**State Program Name:**	Colonia Fund Construction Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	The goal of the Colonia Fund: Construction (CFC) program is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons residing within a community or area that meets the definition of a colonia. An eligible county applicant may submit an application for eligible construction activities, prioritizing access to public utilities and other basic human needs for colonia residents.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	While the Colona Planning and Needs Assessment is underway, the selection criteria for the Colonia Fund: Construction will focus upon the following factors: number of colonia communities identified in the county, and previous funding.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	Of the State CDBG allocation 6.5% (approximately) is allocated to the Colonia Fund Construction Program. Subsequent to awarding funds, any portion of the CFP allocation that is unable to be awarded may be used to fund additional eligible applications under any other Colonia Fund Set-aside program.
	Describe threshold factors and grant size limits.	Maximum $1,000,000/Minimum $150,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
3	**State Program Name:**	Colonia Fund Planning & Needs Assessment Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	The Colonia Fund Planning Program is designed to provide needs assessments for colonia communities on a county-by county basis.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The Colonia Fund Planning Program funds assess the conditions and current needs of colonia communities in each county within 150 miles of the Texas-Mexico border on a rotating basis. All counties eligible to participate in the colonia set-aside have been offered an opportunity to receive planning and needs assessment services coordinated through a CFP grant to a designated Planning Zone.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	As planning activities are currently funded for all eligible counties, no funds are allocated to the Colonia Fund Planning Program for this Program Year.
	Describe threshold factors and grant size limits.	Not applicable for Program year 2025.
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
.4	**State Program Name:**	Colonia Self-Help Center Legislative Set-Aside (administered by TDHCA)
	Funding Sources:	CDBG

	Describe the state program addressed by the Method of Distribution.	Administered by TDHCA and funded through CDBG, the Colonia Self-Help Center (CSHC) Program serves colonias along the Texas-Mexico border. Colonia Self-Help Centers (Centers) provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education. Key services include: housing rehabilitation; reconstruction; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; infrastructure construction and access; contract for deed conversions; and capital access for mortgages.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Approximately 35,979 residents live in the targeted colonias served by the CSHC Program. The Centers process applications from income eligible households using a selection criterion established by each Center. Eligible households must reside in a targeted colonia, which has been preselected by each county and approved by C-RAC. Households must earn less than 80% of AMI.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	The CSHC Program is statutorily required to be provided in Cameron/Willacy, El Paso, Hidalgo, Nueces, Starr, and Webb counties. Statute allows for additional Centers to be established in any other county if TDHCA deems it necessary and appropriate and if the county is designated an economically distressed area under statute. TDHCA established additional Centers in Maverick and Val Verde counties. Each Center must serve five targeted colonias within the county it serves. The Centers conduct outreach activities throughout the contract period to inform colonia residents of program benefits and eligibility criteria and to provide application assistance.

	Describe how resources will be allocated among funding categories.	The Texas Legislature has set aside 2.5% of the State CDBG allocation for the Colonia SHC program. Resources are allocated after analysis and input from each community. Counties that are statutorily designated to participate in the CSHC Program conduct a needs assessment before proposing which target colonias should receive concentrated attention and the scope of program activities and funding. Each county designs a proposal unique to the needs of a specific community. After the C-RAC, composed of colonia residents, review and discuss the proposals from the counties, the proposals are then reviewed and approved by the TDHCA Governing Board for implementation. Funds de-obligated from prior CSHC Program grant years and any program income recovered from CSHC Program funds shall be used by TDHCA for the CSHC Program.
	Describe threshold factors and grant size limits.	Maximum $1,000,000/Minimum $500,000 CSHC program rules limit the assistance to up to $1,000,000 per CSHC per contract period. If there are insufficient funds available to fully fund an application, the Administrator may accept the amount available and wait for remaining funds to be committed the next program year. Each program activity, such as new construction, rehabilitation, reconstruction, and tool library operation, for example, are limited to specific dollar amounts. TDHCA, at its discretion and in coordination with the county, may amend a contract to increase the budget amount, based on performance and other factors.
	What are the outcome measures expected as a result of the method of distribution?	Outcomes include: colonia residents assisted; housing units assisted or created; instances of technical assistance provided; and instances of information delivered. In general, these are Activities Benefiting LMI Persons.
5	**State Program Name:**	Colonias to Cities Initiative Program
	Funding Sources:	CDBG CDBG Colonias Set-aside

	Describe the state program addressed by the Method of Distribution.	The Colonia to Cities Initiative (CCIP) provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding The city's application must include documentation that annexation procedures have begun and a firm commitment from the city to annex the colonia upon completion of the project. Failure to annex the colonia may result in a requirement to repay the CDBG funding to TDA.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The TDA will evaluate the following factors prior to awarding CCIP funds: • the proposed use of the TxCDBG funds including the eligibility of the proposed activities; • the ability of the community to utilize the grant funds in a timely manner; • the availability of funds to the community for project financing from other sources; • The support of colonia residents for the proposed annexation; • The applicant's past performance on previously awarded TxCDBG contracts, if applicable; • cost per beneficiary; and • commitment by the city to annex the colonia area within one year of project completion. If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation are available upon request.
	Describe how resources will be allocated among funding categories.	If there are an insufficient number of projects ready for CEDAP or CFC funding, the available Colonia funds may be transferred to the Colonias to Cities Initiative.

	Describe threshold factors and grant size limits.	Minimum $100,000/Maximum $1,000,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting Low and Moderate Income (LMI) Persons

Table 9 - Distribution Methods by State Program for Colonias Set-aside

Outcome Measures expected as results of Distribution Method

Activities Benefiting LMI Persons

Discussion

Texas has the largest number of colonias and the largest colonia population of all the Border States. The method of distribution for funds set aside to serve colonias relies on subgrantees along the Texas-Mexico border as well as interagency cooperation between TDHCA, TDA, TWDB, the Office of the Attorney General, and others. The majority of the funding that assists colonias is through infrastructure development, but funds are also available to address housing, community planning, economic revitalization and disaster relief. TDA administers the 10% CDBG colonia set-aside. TDHCA's role in administering colonia funding is limited to the Colonia Self-Help Center (CSHC) Program (2.5% set-aside of all Texas' CDBG funds, in addition to the 10% federal set aside) and HOME Contract for Deed set-aside. TDHCA focuses efforts of the OCI to counties along the Texas-Mexico Border that include a Colonia Self-Help Center (Center) funded by the Colonia SHC Program and support Center staff and counties with problem solving and training.

The majority of the funding that assists colonias is through the CDBG Program. However, HOME and ESG have a scoring prioritization for colonias. In addition, HOPWA may also provide funding in that area, as described in Action Plan Section 30.

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

HOME/NHTF Addresses Geographic Areas for Assistance
TDHCA does not provide priorities for allocation of investment geographically to areas of minority concentration. TDHCA is statutorily required by the Texas Government Code to provide a comprehensive statement of its activities through the State of Texas Low Income Housing Plan and Annual Report. Part of this document describes the ethnic and racial composition of families and individuals receiving assistance from each housing program.

HOME/NHTF funds used for multifamily development are typically paired with tax-exempt bond and/or HTC. TDHCA rules that govern the HTC Program include incentives for developments utilizing the competitive 9% HTC in high opportunity areas, which are defined as high-income and low-poverty areas, with multiple community amenities in close proximity to the development. It also provides competitive incentive to develop in colonias or economically distressed areas. Developments using tax-exempt bond financing and 4% HTCs are more frequently located in qualified census tracts due to federal guidelines that cause these to be more financially viable.

ESG Addresses Geographic Areas for Assistance
Assistance provided by ESG funds will be directed statewide, according to the 12 HUD-designated CoC regions. TDHCA does not provide priorities for allocating investment geographically to areas of minority concentration, as described in 24 CFR §91.320(f).

HOPWA Addresses Geographic Areas for Assistance
The DSHS HOPWA Program serves all 254 counties in Texas, prioritizing those outside the six HOPWA-funded Metropolitan Statistical Areas: Austin, Dallas, El Paso, Fort Worth, Houston, and San Antonio. Therefore, the program targets less urbanized areas of Texas. DSHS contracts with AAs in six Ryan White Part B HIV planning areas encompassing 26 HSDAs. AAs subcontract with Project Sponsors in each HSDA for statewide service delivery.

CDBG Addresses Geographic Areas for Assistance

TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f). CDBG funds are allocated across the state in three ways.

1. The CD Fund assigns a percentage of the annual allocation to each of the 24 Regional COGs, ensuring that each region of the state receives a portion of the funds. The allocation formula is found in the

Texas Administrative Code, Title 4 Section 30.3.

2. The Colonia Fund directs funding to communities within 150 miles of the Texas-Mexico border. All remaining funds are distributed through state-wide competitions without geographic priorities.

3. The Colonia Self-Help Center (CSHC) Program is offered along the Texas-Mexico border in Cameron/Willacy, El Paso, Hidalgo, Maverick, Nueces, Starr, Val Verde, and Webb counties. The CSHC Program serves approximately 40 colonias in seven border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

NHTF Geographic Priorities description is added to Discussion section text below.

Geographic Distribution

Target Area	Percentage of Funds
State of Texas	**100**

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

HOME Addresses Geographic Investments
HOME funds are allocated geographically using a regional allocation formula (RAF), as described in Strategic Plan Section 10, of the 2025-2029 State of Texas Consolidated Plan. This process directs funds to areas of the State that demonstrate high need. Unless waived by the Governor in the event of a disaster, at least 95% of TDHCA-administered HOME funds are used in areas that are not Participating Jurisdictions (PJs) per statute. This results in more HOME funds in smaller communities than in larger Metropolitan Statistical Areas (MSAs) that receive HOME funds directly from HUD. The current RAF is online at https://www.tdhca.texas.gov/housing-resource-center-annual-or-biennial-plans-and-reports

ESG Addresses Geographic Investments
ESG allocates ESG funds to each CoC region based on an allocation formula. This formula includes factors such as homeless population, people living in poverty, cost burden of renters, point in time counts and ESG funds available from federal and state sources.

HOPWA Addresses Geographic Investments
DSHS uses a formula to determine allocations by HSDA. The formula uses the number of PLWH by county with adjustments for overlapping HOPWA formula jurisdictions, poverty rates, and housing costs. DSHS reserves the right to adjust formula allocations when accounting for local factors, including unmet need, prior performance and expenditures, and any other relevant metrics.

CDBG Addresses Geographic Investments

Texas CDBG Funds for projects under the CD Fund are allocated by formula to 24 regions based on the methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs (, along with a state formula based on poverty and unemployment ((see attachment for distribution formula details). 12.5% of the annual allocation is allocated to projects under the Colonia Fund categories, which must be expended within 150 miles of the Texas-Mexico border.

State statute mandates designation of six Colonia Self-Help Centers (Centers) along the Texas-Mexico border in Cameron/Willacy, El Paso, Hidalgo, Nueces, Starr, and Webb counties to address the long history of poverty and lack of institutional resources. In 2001, TDHCA added two additional Centers in Maverick and Val Verde counties. These eight counties collectively have approximately 35,979 colonia residents who may qualify to access Center services.

NHTF Geographic Investments description is added to Discussion section text below.

Discussion

Many of the Target Areas available in the Integrated Disbursement and Information System (IDIS), HUD's electronic system in which this Plan has been entered, were too detailed for use at the macro-level; therefore, the State entered the "State of Texas" as a Target Area in Strategic Plan Section 10. Within Texas, each program relies on a formula to distribute funds geographically.

NHTF Geographic Priorities
The Texas NHTF will distribute NHTF funds through a competitive NOFA process. The funds will initially be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within each region prior to collapse into a statewide competition.

NHTF Addresses Geographic Investments
NHTF funds are allocated geographically using a Regional Allocation Formula, as described in Strategic Plan Section 10. Acknowledging that all regions of the State have a need to create housing for ELI households, the formula provides opportunity for access to NHTF. This process directs funds to areas of the State that demonstrate high need. Regions may be grouped together for application and funding purposes. Any such grouping will be specified in the NOFA, but in no circumstance will fewer than four groups of regions be created.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

Affordable Housing goals for PY 2024 are indicated in the table below for the number of homeless, non-homeless, and special needs households, and for the number of affordable housing units that will be provided by program type, including rental assistance, production of new units, reconstruction of existing units, or acquisition of existing units. Note that goals entered for ESG are only for Rapid Re-housing. The HOME goals include multifamily and single-family activities.

One Year Goals for the Number of Households to be Supported	
Homeless	730
Non-Homeless	1648
Special-Needs	575
Total	2,953

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	2706
The Production of New Units	127
Rehab of Existing Units	120
Acquisition of Existing Units	0
Total	2,953

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

The one-year goals for TDHCA's HOME Program include TBRA, homeowner reconstruction assistance, and rehabilitation and construction of single-family and multifamily units.

The one-year goals for TDHCA’s NHTF program include construction of new/rehabilitated multifamily units.

TDHCA's ESG Program provides Rapid Re-housing assistance to help homeless individuals and households quickly regain stability in housing. Homelessness Prevention and Emergency Shelter outcome indicators are counted as persons, not households, so is not added into the chart above. ESG also provides street outreach, but as this does not directly equate to affordable housing, it is not counted above.

DSHS' HOPWA Program provides TBRA, STRMU, FBHA, PHP, HCM, and HIS to assist eligible PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to HIV treatment and achieve viral suppression.

Currently, Texas CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides a cost savings for housing when used to install water and sewer yard lines and pay impact and connection fees for qualifying residents. Housing rehabilitation projects are prioritized in several fund categories. CDBG funds also help communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. CDBG provides approximately 100 to 200 utility connections per year, which are not reflected in the chart above, but could prove essential to obtaining or maintaining housing.

Colonia residents are considered “Special Needs” households who are supported through the production, rehab or acquisition of units. The Colonia Self-Help Center (CSHC) Program continues to address affordable housing needs in border counties by assisting qualifying colonia residents in improvement or maintenance a safe home in suitable areas, with the contribution of the residents’ self-help construction. In addition, the CSHC Program provides other development opportunities that support the creation of affordable housing for beneficiaries, such as tool lending and training in home construction and repair, financial literacy, and homeownership skills.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

TDHCA believes that the future success of PHAs will center on ingenuity in program design, emphasis on resident participation towards economic self-sufficiency, and partnerships with other organizations to address the needs of this population. While TDHCA does not have any direct or indirect jurisdiction over the management or operations of PHAs, it is important to maintain a relationship with these service providers.

Actions planned during the next year to address the needs to public housing

TDHCA, acting as a small PHA itself, works with other PHAs around the State to port vouchers when necessary. This is especially true for Project Access (PA), a TDHCA program that uses Section 8 HCV vouchers to serve people with disabilities living in certain institutions by transitioning them into residences in the community, described fully in Action Plan Section 65. For the PA Program, an applicant is issued a voucher from TDHCA. In most cases, TDHCA works with the Receiving Public Housing Authority (RPHA) to transfer the documents and the voucher. The voucher holder is briefed and given an introduction on the RPHAs program rules. The RPHA can decide to absorb the voucher or bill the Initial PHA (IPHA). If the RPHA absorbs the voucher, the RPHA will send notice to the IPHA for documentation. This allows TDHCA to use another HCV for another applicant on the PA waiting list. If the RPHA bills the IPHA, the RPHA is required to submit a billing notice within an allotted time to the IPHA so payment can be received. In this way, TDHCA and local PHAs work closely together. TDHCA is also an administrator of Emergency Housing Vouchers and is coordinating, as needed, with local PHAs and CoCs for service delivery and referrals.

HOME/NHTF Addresses PHA Needs
TDHCA provides NOFAs under the HOME Program to interested parties around the State, including PHAs. TDHCA may utilize HOME funds through Tenant-Based Rental Assistance to pay security and utility deposits for Section 8 voucher holders, when other sources are not available. Furthermore, staff of PHAs, especially those receiving HOME funds and those with Section 8 Homeownership programs, are targeted by TDHCA’s Texas Statewide Homebuyer Education Program for training to provide homebuyer education opportunities and self-sufficiency tools for PHA residents. PHAs may also administer HOME TBRA funds, for either on-going rental assistance or as a stand-alone program which provides security deposits with TBRA funds, enabling them to provide households with rental assistance and services to increase self-sufficiency.

Regarding HOME/NHTF Multifamily Developments that are financed with the HTC Program, PHAs are incentivized in the QAP to use HTCs for Rental Housing Assistance conversion of PHA properties.

ESG Addresses PHA Needs
PHA residents are eligible to receive assistance and services from ESG Subrecipients, as long as the

assistance does not violate 24 CFR §576.105(d) of HUD's ESG rules regarding use of funds with other subsidies. Fostering public housing resident initiatives is not an initiative for which TDHCA provides funding or that TDHCA tracks for the ESG Program.

HOPWA Addresses PHA Needs
The DSHS HOPWA Program does not provide public housing assistance. However, Project Sponsors interface with local public housing agencies to coordinate housing assistance and supportive services efforts. Project Sponsors share HOPWA program information and eligibility criteria with local housing authorities and other affordable housing programs in their HSDA. While households that participate in HCV or public housing programs do not qualify for HOPWA-funded housing assistance services, Project Sponsors may provide PHP services to secure a subsidized unit. Additionally, Project Sponsors may provide Housing Case Management services to public housing residents and they may receive core medical and support services through the Ryan White HIV/AIDS Program.

CDBG Addresses PHA Needs
The Texas CDBG Program serves public housing areas through various funding categories as residents of PHAs qualify as low- to moderate-income beneficiaries for CDBG projects.

CDBG grant recipients must also comply with local Section 3 policies, including outreach to public housing residents and other qualified Section 3 persons in any new employment, training, or contracting opportunities created during the expenditure of CDBG funding.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

HOME, ESG, HOPWA, NHTF, and CDBG are subject to 24 CFR Part 75 which requires that HUD funds invested in housing and community development construction contribute to employment opportunities for low-income persons living in or near the HUD-funded project. These requirements, called Section 3 requirements, are covered at trainings for Subrecipients; persons who may benefit from employment opportunities include PHA residents.

HOME Addresses Public Housing Resident Initiatives
PHAs are eligible to apply to administer HOME funds to provide homebuyer assistance with new construction in their areas. PHAs also provide services to increase self-sufficiency, which may include homebuyer education services. In addition, TDHCA targets its Texas Statewide Homebuyer Education Program to PHAs, among other groups, which provide homebuyer education training opportunities and self-sufficiency tools for PHA residents.

ESG Addresses Public Housing Resident Initiatives
PHA residents are eligible to receive assistance and services from ESG Subrecipients, as long as the assistance does not violate Section 576.105(d) of the ESG rules regarding use of funds with other

subsidies.

HOPWA Addresses Public Housing Resident Initiatives
The DSHS HOPWA Program does not provide public housing assistance. However, Project Sponsors interface with local public housing agencies to coordinate housing assistance and supportive services efforts.

CDBG Addresses Public Housing Resident Initiatives
The CDBG Program serves public housing areas through various funding categories as residents of PHAs qualify as low- to moderate-income beneficiaries for CDBG projects.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

TDHCA has worked to promote programs that will rehabilitate and bring substandard housing into compliant condition and will develop additional affordable housing units. For example, most of the PHA applications for HTCs are for rehabilitation and the applications for new construction usually include a demolition of the existing units. TDHCA also offers a variety of funding sources for assistance. Most PHAs that apply are usually from larger Metropolitan Statistical Areas, which are usually PJs and, as such, are limited by state law in the HOME funding they may receive through TDHCA. Consistent with fair housing objectives, TDHCA seeks ways to accomplish these activities in a manner that disperses the placement of PHA units including dispersion into areas of greater opportunity and not into areas that involve unacceptable site and area features.

TDHCA has a history of assisting troubled housing authorities and has absorbed vouchers from several PHAs that have had difficulties. HUD identified, in two separate instances, public housing authorities that it thought might be well advised to have its voucher programs absorbed by TDHCA. The Navasota Housing Authority and the Alamo Area Council of Governments (which was operating as a PHA) each contacted TDHCA to discuss the possibility of absorbing their housing choice voucher programs. During a series of meetings with HUD staff and the PHAs, discussion resulted in multiple on-site visits. Ultimately, the Navasota Housing Authority and the Alamo Area Council of Governments transferred their voucher programs to TDHCA and HUD reassigned the files' PHA codes.

To expand its work with PHAs, TDHCA has developed a relationship with the Texas Housing Association and the Texas chapter of the National Association of Housing and Redevelopment Officials (NAHRO), which serve the PHAs of Texas. Whenever possible, the State will communicate to PHAs the importance of serving special needs populations.

Discussion:

To address PHA needs, TDHCA has designated PHAs as eligible participants in some of its programs, such as the HTC Program and HOME Program. PHAs have successfully administered HTC funds to rehabilitate or develop affordable rental housing. The PHA needs to submit an application and be awarded in order to access funding.

There are also federal sources available for PHAs that can be paired with HOME/NHTF. Also, through HUDs Rental Assistance Demonstration (RAD) Program, PHAs can use public housing operating subsidies along with the HTC Program once the older PHA units are demolished and replaced with new housing.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

TDHCA will address requirements in 24 CFR §91.320 by using funds to reduce and end homelessness. Each ESG Applicant is required to coordinate with the lead agency of the CoC, which provides services and follows a centralized or coordinated assessment process; has written policies and procedures in place as described by 24 CFR §578.7(a)(8) and (9); and follows a written standard to provide street outreach, emergency shelter, rapid re-housing, and homelessness prevention assistance. To assist low-income individuals and families to avoid becoming homeless, TDHCA requires each ESG Subrecipient to set performance targets that are part of its scoring criteria for the NOFA, and these targets will be maintained for any offer of a direct award in the future. A Subrecipient must address the housing and supportive service needs of individuals assisted with ESG funds in a plan to move the client toward housing stability.

ESG is one of several programs that work to help transition persons out of institutions, such as the HOPWA Program, Section 811 PRA Program, Project Access Program, Money Follows the Person Program, and the Mainstream Voucher Program. The HHSCC also works to enhance coordination between housing and service agencies to assist persons transitioning from institutions into community-based settings.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Texas ESG Program provides funds to service providers for outreach to unsheltered homeless persons in order to connect them to emergency shelter, housing, or critical services; and to provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or other appropriate facilities. Of critical importance is assisting the unsheltered homeless with emergency shelter or other placement. Subrecipients serving clients through street outreach will be measured against their targets to help persons experiencing homelessness move into temporary, transitional or permanent housing. Subrecipients conducting street outreach may provide: case management, such as assessing housing and service needs; arranging, coordinating, and monitoring the delivery of services; and planning a path to permanent housing stability.

ESG Subrecipients are required to describe how they provide outreach to sheltered and unsheltered homeless persons in their ESG application.

For clients receiving emergency shelter, rapid re-housing, or homelessness prevention, clients will be required to receive case management services with exceptions pursuant to the VAWA and the Family Violence Prevention and Services Act (FVPSA). Subrecipients are required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

Addressing the emergency shelter and transitional housing needs of homeless persons

The Texas ESG Program provides funds to service providers for outreach to unsheltered homeless persons in order to connect them to emergency shelter, housing, or critical services; and to provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or other appropriate facilities. Of critical importance is assisting the unsheltered homeless with emergency shelter or other placement. Subrecipients serving clients through street outreach will be measured against their targets to help persons experiencing homelessness move into temporary, transitional or permanent housing. Subrecipients conducting street outreach may provide case management, such as assessing housing and service needs; arranging, coordinating, and monitoring the delivery of services; and planning a path to permanent housing stability.

ESG Subrecipients are required to describe how they provide outreach to sheltered and unsheltered homeless persons in the ESG application.

For clients receiving emergency shelter, rapid re-housing, or homelessness prevention, clients will be required to receive case management services with exceptions pursuant to the VAWA and the Family Violence Prevention and Services Act (FVPSA). Subrecipients are required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

ESG funds may be utilized for short-term and medium-term rental assistance (24 CFR §576.106, unless otherwise waived) and for a variety of housing relocation and stabilization services such as rental application fees, security deposits, utility deposits, utility payments, and moving costs for homeless individuals or persons at risk of homelessness (24 CFR §576.106). Funds may also be utilized for housing service costs related to housing search and placement, housing stability case management, mediation, legal services, and credit repair. ESG funds can also be used to pay for essential service costs including case management, childcare, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and costs related to serving special populations. It should be noted that, while the assistance listed above are eligible under ESG, an ESG Subrecipient may choose to not provide all the assistance listed. Applicants for ESG funds are incentivized thought the application scoring process to provide a wide array of services. ESG Subrecipients specify in their written standards which services they will provide.

Subrecipients that request an award of funds must set targets within their application for funding intended to reduce the length of time from program intake to placement in permanent housing and positive housing destination for persons experiencing homelessness, as well as targets for the percentage of persons served that maintain housing for three or more months after existing the program. These targets will be evaluated and will be a factor in funding decisions.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

ESG funds promote coordination with community providers and integration with mainstream services to gather available resources. One possible performance measure for Subrecipients is their ability to help increase non-cash benefits for program participants; the Subrecipients help program participants obtain non-ESG resources, such as veterans benefits or food stamps.

Individuals eligible for the State's HOPWA Program who are exiting from an institution receive a comprehensive housing plan and linkage and referrals to health professionals from a case manager. The State HOPWA Program provides TBRA, which can be used to transition persons from institutions into stable housing. Some project sponsors also provide rental deposits and application fees. Other programs included in this Plan also provide Facility-Based Housing Subsidy Assistance to address the temporary housing assistance needs of persons transitioning from institutions.

TDHCA has contracts for more than $31 million for the Section 811 PRA Program, which is providing approximately 500 integrated supportive housing units in eight areas of the state for extremely low-income individuals with disabilities and their families. The target population includes individuals transitioning out of institutions, people with serious mental illness, and youth and young adults with disabilities transitioning out of the state's foster care system. Individuals in the Section 811 PRA Target Population are eligible for assistance from Texas Health and Human Services or the Department of Family and Protective Services, are Medicaid-eligible, and are between the ages of 18 and 62.

TDHCA has received a preliminary award letter from HUD providing notification that TDHCA has been selected for an award of $6,982,087 that could create an additional 140-assisted Section 811 PRA Program units.

Coordination between housing and the Health and Human Services (HHS) agencies is exemplified by the Project Access and Money Follows the Person programs. Project Access uses Section 8 Housing Choice

Vouchers administered by TDHCA to assist low-income persons with disabilities transitioning from nursing homes and Intermediate Care Facilities (ICFs) to the community while using the Money Follows the Person Program to provide services by HHS agencies. The TDHCA Governing Board has approved changes to Project Access since it began in 2002 based on input from advocates and the HHS agencies including incremental increases to vouchers from 35 to 140 and creation of a pilot program with DSHS for persons with disabilities transitioning out of State Psychiatric Hospitals. In September 2018, TDHCA received an additional 50 vouchers, awarded by HUD through the Mainstream Voucher Program (MVP), for the Project Access program. An additional 15 MVP vouchers were awarded to TDHCA through the CARES Act also directed toward Project Access recipients.

TDHCA offers TBRA to individuals on the Project Access Wait List, allowing them to live in the community until they can utilize a Project Access voucher. TDHCA conducted outreach and technical assistance to Texas Health and Human Services (HHS) Relocation Specialists and HOME TBRA administrators to help them serve individuals on the Project Access waitlist.

To further address the needs of individuals transitioning from institutions, HHSCC seeks to increase coordination of housing and health services by supporting agencies to pursue funding, such as Relocation Contractor services for people with behavioral health challenges and Intellectual and Developmental Disabilities; Medicaid waiver programs; vouchers from PHAs for people with disabilities and aging Texans; housing resources from the Texas Department of Criminal Justice for people with criminal histories transitioning to the community; and DSHS' rental assistance program.

Discussion

The Texas ESG Program is designed to assist, assess and, where possible, shelter the unsheltered homeless; to quickly re-house persons who have become homeless and provide support to help them maintain housing; and to provide support that helps persons at risk of becoming homeless maintain their current housing. Other special needs populations are described in Action Plan Section 25.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	456
Tenant-based rental assistance	713
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	56
Total	1,225

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

The Analysis of Impediments to Fair Housing Choice (AI) identifies impediments to fair housing choice in the State of Texas and action steps that the State intends to take to address identified impediments. The State of Texas is currently operating under the 2024 AI. The 2024 AI describes state and local regulatory and land use barriers in detail and may be accessed at https://www.tdhca.texas.gov/state-texas-analysis-impediments-ai-fair-housing-choice.

TDHCA staff track goals, efforts, and progress made under the AI. The Fair Housing tracking database provides the State with an ability to pull basic metrics and provide reports by impediments and, recommendations. This assists the state in identifying areas of improvement and success under its HUD related obligation to affirmatively further fair housing choice. The content of the database is maintained on an ongoing basis with periodic reports shared with TDHCA's governing board.

TDHCA and the Texas Workforce Commission Civil Rights Division (TWC CRD) annually collaborate on a Fair Housing webinar series. The series includes training sessions providing general fair housing information and specific sessions on HUD's guidance, how to respond to reasonable accommodation requests, and best practices in fair housing. The webinars are available for free 24/7 on TDHCA's website at: https://www.tdhca.texas.gov/fair-housing-training-presentations, a GoToStage channel, and the Department's YouTube channel.

In May 2020, TDHCA was awarded a 1-year grant under HUD's Fair Housing Initiatives Program – Education and Outreach Initiative and has created a library of training presentations, designed a Fair Housing rights brochure distributed statewide to community organizations, and created short form webinar videos, based on the longer presentations, to provide training, education, and outreach on Fair Housing related issues. In March 2023, HRC was notified that TDHCA was awarded another Fair Housing Initiatives Program – Education and Outreach Initiative grant for $124,913 to produce and distribute professional short form videos to provide education on fair housing issues and direct viewers to more detailed information sources.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

TDHCA reviews all guiding documents, rules, and practices internally to determine if known barriers or impediments to fair housing choice can be addressed through actions within TDHCA's authority. TDHCA's Fair Housing Team collaborates with TDHCA Division Directors to develop and improve tools, rules, and other initiatives to address possible barriers to housing choice. TDHCA has been making and will continue to make a concerted effort to increase staff and subrecipient education to ensure that all programs are providing best practices guidance to recipients and the general public. In January of 2025, TDHCA's Fair Housing Team released a new, modernized multifamily affirmative marketing tool to make it easier for TDHCA program participants to complete the affirmative marketing planning process. This tool provided a safe harbor process for participants to identify least likely to apply populations for additional marketing outreach.

Discussion:

For its Single-Family programs, TDHCA has promulgated a rule relating to Fair Housing, Requirements, Waitlist Policies, Affirmative Marketing Plans, Homebuyer Counseling, Reasonable Accommodations, and Limited English Proficiency. This rule exists under TDHCA's Single-Family programs umbrella rule. The rule , which reflects federal requirements, requires administrators of federal funds to have an affirmative marketing plan, which identifies the least likely to apply populations and methods of affirmative marketing. Further, the rule requires all TDHCA Single-Family administrators to accept applications for a 21-day calendar period and select applications via a neutral, random selection process, unless the administrator is providing TBRA to assist in the event of a declared disaster. This selection process helps to level the playing field and provide equal access for all households, regardless of disability status or language proficiency. Also included in the rule are specific provisions related to Limited English Proficiency to provide meaningful access and an equal opportunity to participate in services, activities, programs, and other benefits.

For its Multifamily programs, TDHCA consolidated rules for Affirmative Fair Housing Marketing Plans (AFHMP) and Tenant Selection Criteria (TSC), also known as Written Policies and Procedures, and placed them under the purview of Fair Housing staff. When Fair Housing staff provides a review of the AFHMP and TSC of a Multifamily property, additional training and technical assistance is provided to owners, property staff, and management company on Fair Housing issues and policies in order to provide meaningful access for applicants and residents to enjoy Multifamily housing opportunities.

TDHCA maintains and regularly updates a memorandum of understanding with the Texas Workforce Commission's Civil Rights Division that increases communication and information sharing, while also providing a mechanism for TDHCA to refer complaints directly to TWC if they contain suspected fair housing violations.

Finally, the State has a Fair Housing website available at https://www.tdhca.texas.gov/fair-housingthat includes fair housing information for a variety of audiences (renters and homebuyers, owners and administrators, real estate agents, and local governments and elected officials) and includes fair housing toolkits and resources, updated multifamily affirmative marketing tool and links to the Fair Housing email list and community events calendar. Through this education and outreach, the State is hoping to make its best practices guidance widely known and to integrate such guidance with other state resource information.

AP-80 Colonias Actions – 91.320(j)

Introduction:

Based on a 2014 assessment by the Texas Office of the Secretary of State's Colonia Initiatives Program, an estimated 500,000 people live in 2,294 colonias in Texas. Seven Texas counties (El Paso, Maverick, Webb, Starr, Hidalgo, Nueces, and Cameron) have the largest population of colonias and are home to an estimated 369,500 people. Texas' colonias lie outside of city limits in the rural areas of their respective counties, where few to no local building codes exist to protect the households that seek affordable and sanitary housing solutions. Egregious housing conditions persist while residents also endure substandard infrastructure, inadequate potable water and wastewater systems, and a host of public health, environmental and employment risks. TDA's redesigned Colonia Fund Planning and Needs Assessment Program is intended to provide updated needs assessments across the colonia-eligible area of the state.

As discussed in Action Plan Section 48, the majority of the funding that assists colonias is through the CDBG Program, which funds both state agencies working to develop infrastructure and water services, as well as subgrantees at the local government level who work in concert with nonprofit service providers for housing, community affairs, and economic development. TDHCA's Office of Colonia Initiatives offer technical assistance in applying for and administering the Colonia Self-Help Center (CSHC) Program. The HOME Program also has a specific Contract for Deed set-to improve the housing affordability and quality of housing for colonia residents.

Actions planned to address obstacles to meeting underserved needs

The State dedicates 12.5% of CDBG funds annually for colonia areas– 10% through the Colonia set-aside and an additional 2.5% set-aside by the State legislature. Additional funds are also awarded for colonia projects through other competitive fund categories. Basic human needs, including water and sewer infrastructure and housing rehabilitation, are prioritized for colonia set-aside funding, with a particular emphasis on connecting colonia households to public utilities. Colonia set-aside funds are not able to effectively address other local priorities for colonia communities, including road reconstruction and drainage improvements that are also important for daily activities. Colonia planning funds are available to research and document characteristics and needs for colonia communities.

The Colonia Self-Help Centers (Centers) experience the obstacle of wavering capacity to meet the needs of extremely under resourced colonia residents. The typical challenges that nonprofits face, such as high turnover, lack of succession planning, lack of long-term funding opportunities, limited access to high quality training, and limited access to continuing education resources, are all exacerbated for subgrantees serving border colonias. In response, TDHCA has an Office of Colonia Initiatives (OCI), with designated employees that are focused on the needs of Centers along the border. The OCI is tasked with providing support to Center staff with problem solving and training.

Colonia residents may also receive benefit through the HOME Program, which provides rental assistance, reconstruction of owner-occupied units with or without refinancing acquisition and new construction of affordable single-family housing, single-family and multifamily development, and rental housing preservation of existing affordable or subsidized developments.

Actions the state plans to take to reduce the number of poverty-level families

Colonia set-aside funding is intended to improve the living conditions of low and moderate income families in colonias, including basic human needs. As with all CPD funds, Section 3 goals encourage job, contracting, and training opportunities for qualifying residents when such opportunities become available as a result of grant funding.

The CSHC Program provides 40 targeted colonias in eight border counties with a multitude of opportunities to create a one-stop shop for low-income colonia families to gain a foothold out of poverty. The Centers prioritize housing services in the form of new construction, reconstruction, rehabilitation, tool lending, construction skills training, and utility connections. CSHC Program community development activities include homeownership education, access to and training in computers/technology, consumer rights education and financial literacy, and solid waste disposal assistance. While the above listed services are limited only to residents of pre-identified colonias in the CSHC Program, the Centers themselves are open to all who wish to use the meeting space for activities beneficial to the community or simply to seek information on locating other services. By creating an accessible and consistent manner for which services and information are disseminated among colonias, more households can become beneficiaries of multiple kinds of assistance that build their self-sufficiency over time.

Actions the state plans to take to develop the institutional structure

TDHCA and TDA are committed to working with other state and federal regulatory and funding agencies. Agency coordination continues through the Texas Water Infrastructure Coordinating Committee (TWICC), which addresses concerns in colonias and other areas throughout the state. The information sharing within the group facilitates delivery for multiple programs besides affordable housing, and proactively addresses potential obstacles that could affect large areas of the state, including the Texas–Mexico border.

The state legislature has also set aside a portion of the CDBG administration funding for technical assistance and administrative support provided by the regional Councils of Government (COGs). This funding can provide institutional structure and assistance to small communities without administrative resources.

Specific actions the state plans to take to enhance coordination between public and private

house and social service agencies

In addition to the cooperation among various state agencies that help to support and develop colonias, TDHCA focuses efforts of the OCI on counties administering the CSHC Program. The OCI supports administrators, disseminates funding information, and problem solves with administrators and the Colonia Resident Advisory Committee (C-RAC), which is comprised of colonia residents appointed by the counties with a Center. This requires facilitating communication related to administration of the CSHC Program with other service providers, the private sector (such as colonia landowners, title companies, lenders), and other government agencies. The OCI increases the efficiency with which TDHCA can apply solutions and build institutional knowledge in the community.

TDA has an ongoing working relationship with each of the state planning regions, many of which provide services such as workforce development, aging and disability resources, and emergency management services. In addition, TDA field representatives are available to provide general information on potential resources to communities and residents.

AP-85 Other Actions – 91.320(j)

Introduction:

The actions listed below are Other Actions taken by TDHCA, TDA, and DSHS to meet the requirements of §91.320(j). Other Actions include Meeting Underserved Needs, Fostering and Maintaining Affordable Housing, Lead-Based Paint Hazard Mitigation, Reducing Poverty-Level Households, Developing Institutional Structure, and Coordination of Housing and Services. The HOME, ESG, HOPWA, and CDBG programs address the other actions in concert with other federal, state, and local sources.

Actions planned to address obstacles to meeting underserved needs

HOME Addresses Underserved Needs
Obstacles to meeting underserved needs with HOME funds, particularly multifamily activities, include NIMBYism and a lack of understanding of federal requirements surrounding the use of HOME funds. TDHCA works to overcome these obstacles by educating developers and the communities where affordable housing is being proposed.

ESG Addresses Underserved Needs
Lack of facilities and services for homeless persons in rural areas is ESG's greatest underserved need. To help meet this need, TDHCA has used Community Services Block Grant discretionary funds to provide training and technical support to organizations in the Balance of State CoC. Shelters in the Balance of State CoC have limited funds for operations and maintenance, with little access to federal funds which often require substantial organizational capacity less common in smaller organizations. ESG and TDHCAs HHSP, which is state funded only in some urban areas, may supplement federal funds in operational support.

HOPWA Addresses Underserved Needs
Some PLWH face significant obstacles to obtaining and maintaining medical insurance, income, and employment. Rising costs of living (rent, deposits, utilities, food, transportation, etc.) and limited available affordable housing contribute to hardships for many PLWH.

DSHS's HOPWA program addresses the needs of this underserved population by integrating with the administrative structure of the Texas Ryan White Part B HIV/AIDS Program and the larger, multi-sectoral system for delivering treatment and care to PLWH in Texas. This helps PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. The program reallocates funding within and between HSDAs throughout the program year to meet changing needs.

CDBG Addresses Underserved Needs
TDA encourages projects addressing underserved community development needs. In PY 2023 CDBG funds will be available through multiple grant categories to provide water or sewer services on private

property for low- and moderate-income households by installing yard lines and paying connection fees. Regional priorities for funding allow each area of the state to determine its highest priority needs, which may vary from first-time water service to drought relief to drainage projects.

Since the first legislative reforms in the 1990s, service providers in colonias have made gains in their capacity to address colonia issues, but unmet needs still exist, and the Texas-Mexico border population growth is still increasing. OCI's main obstacle in addressing colonia housing needs is the varying capacities of subrecipients to administer assistance. The OCI staff provides technical assistance and on-going training to organizations and local governments that use the CSHC Program to serve colonia residents.

Actions planned to foster and maintain affordable housing

HOME Addresses Affordable Housing
The HOME Program provides grant funds, deferred forgivable loans, and repayable loans to households or developments assisted by or through entities including units of local government, public organizations, nonprofit and for-profit organizations, CHDOs, and PHAs. These funds are primarily used to foster and maintain affordable housing by providing rental assistance, reconstruction of owner-occupied housing units with or without refinancing, acquisition and new construction of affordable single-family housing, single-family development and funding for rental housing preservation of existing affordable or subsidized developments. HOME funds may also be used in conjunction with the HTC Program or Bond Program to construct or rehabilitate affordable rental housing.

In addition, tax credits awarded through the HTC program can be layered with awarded funds from the HOME Multifamily Development program. When more than one source of funds is used in an affordable housing project, the State is able to provide more units of affordable housing than with one funding source alone.

ESG Addresses Affordable Housing
While TDHCA encourages the use of ESG funds to provide affordable transitional housing, the majority of funds are utilized to provide emergency shelter. Fostering affordable housing is not an initiative for which TDHCA provides ESG funding or that TDHCA monitors in relation to the ESG Program.

HOPWA Addresses Affordable Housing
The shortage of available affordable housing persists. Rising housing costs price eligible households out of the market while household incomes remain the same or decrease. Rent-to-income-ratio requirements prevent households from accessing housing. Many households have poor credit, rental, and criminal histories that affect housing access. Corporate owners regularly exclude applicants with minor infractions. In response to these market characteristics, the DSHS HOPWA Program provides TBRA, an ongoing and portable rental subsidy that helps households obtain or maintain permanent housing, including assistance for shared housing arrangements, in the private rental housing market until they can enroll in the Housing Choice Voucher Program (HCVP) or other affordable housing

programs.

CDBG Addresses Affordable Housing

Currently, CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides a cost savings for housing when used to install water and sewer yard lines and pay connection fees for qualifying residents. Housing rehabilitation projects are also prioritized in colonia areas.

CDBG funds can help communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. The Colonia SHCs continue to address affordable housing needs in border counties by assisting qualifying colonia residents to improve or maintain a safe, suitable home in suitable areas.

The OCI provides training and technical assistance to the Centers to assist with carrying out activities, such as housing rehabilitation, new construction, reconstruction, low-interest mortgages, grants for self-help programs, revolving loan funds for septic tanks, and tool lending.

Actions planned to reduce lead-based paint hazards

HOME Addresses Lead-based Paint
The HOME Program requires lead screening in housing built before 1978 for all HOME eligible activities in accordance with 24 CFR §92.355 and 24 CFR Part 35, subparts A, B, J, K, M, and R. Furthermore, single-family and multifamily development activities in HOME increase the access to lead-based-paint-free housing through the construction of new housing or reconstruction of an existing housing unit. There is significant training, technical assistance, and oversight of this requirement on each activity funded under the HOME Program.

ESG Addresses Lead-based Paint
For ESG, TDHCA requires Subrecipients to evaluate and reduce lead-based paint hazards as part of its habitability review. During the annual contract implementation training, TDHCA will provide ESG Subrecipients with information related to lead-based paint regulations and TDHCA’s requirements related to such. TDHCA will require ESG-funded Subrecipients to determine if a housing unit was built prior to 1978, for households seeking ESG funded rent or rent deposit assistance whose household has a family member(s) six years of age or younger. If the housing unit is built prior to 1978, the ESG Subrecipient will notify the household of the hazards of lead-based paint.

While currently not offered under administrative rule, if TDHCA were to program funds for ESG to be used for renovation, rehabilitation, or conversion Subrecipients must comply with the Lead-Based Paint Poisoning and Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Through renovation, rehabilitation or conversion, ESG increases access to shelter without lead-based paint hazards. TDHCA evaluates, tracks, and reduces lead-based hazards for conversion, renovation, leasing or rehabilitation projects.

NHTF Addresses Lead-Based Paint
The Multifamily Direct Loan Program evaluates the potential for the presence of lead-based paint for NHTF assisted activities and takes appropriate steps in accordance with 24 CFR §93.351 and the applicable provisions in 24 CFR Part 35, as provided in TDHCA's NHTF Minimum Rehabilitation Standards. The aforementioned include notification of potential lead-based paint hazards to households residing in housing units that pre-date 1978. Furthermore, multifamily development and reconstruction activities with NHTF increase the access to lead-based-paint-free housing because they create new housing.

HOPWA Addresses Lead-Based Paint
Per 24 CFR §574.310(b), §574.635, §35, and HUD CPD Notices 94-05 and 22-15, assisted housing, including shared housing arrangements, must meet safety and sanitation standards and comply with applicable state and local housing codes, licensing provisions, and any other structural or operational requirements. Assisted housing must also meet all Habitability Standards, Lead Safe Housing Rules, Fire Safety Requirements, and Carbon Monoxide Safety Requirements. While the DSHS HOPWA Program does not undertake lead-based paint abatement activities, Project Sponsors perform Housing Quality Standards certifications for each assisted unit to assess for lead-based paint health risks.

CDBG Addresses Lead-Based Paint
Lead-based paint mitigation is an activity eligible under housing rehabilitation that is funded under the Colonia Fund and Community Development Funds. Each contract awarded requires the sub-grantee to conform to Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)) and procedures established by TDA's CDBG in response to the Act.

Actions planned to reduce the number of poverty-level families

HOME Addresses Poverty-Level Households
Through the HOME TBRA Program, TDHCA assists households with rental subsidy, and security and utility deposit assistance for an initial term not to exceed 24 months. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training, General Education Development (GED) classes, or drug dependency classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment options and increase their economic independence and self-sufficiency. Additionally, TDHCA allocates funding toward the construction of affordable housing, incentivizing units to assist very low-income households, and assists very low-income households along the international border of Texas and Mexico by promoting the conversion of contract for deed arrangements to traditional mortgages.

ESG Addresses Poverty-Level Households
The ESG Program funds activities that provide shelter and essential services for homeless persons, as well as intervention services for persons threatened with homelessness. Essential services for homeless

persons include medical and psychological counseling, employment counseling, substance abuse treatment, transportation, and other services. While TDHCA supports the use of ESG funds to help ESG clients lift themselves above the poverty line, it is not a specific initiative for which TDHCA earmarks ESG funding or that TDHCA monitors for the ESG Program.

For individuals threatened with homelessness, homelessness prevention funds may be utilized for short-term subsidies to defray rent and utility arrearages for households receiving late notices, and security deposits.

HOPWA Addresses Poverty-Level Households
The DSHS HOPWA Program helps eligible PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to HIV treatment and achieve viral suppression. HOPWA activities benefit low-income PLWH and their households. The DSHS HOPWA Program does not specifically target households with incomes at or below the Federal poverty level. Nevertheless, over 80 percent of assisted households consistently fall within 0 to 30 percent of the AMI each year. CDBG Addresses Poverty-Level Households

A substantial majority of TDA's CDBG funds, over 90% in Program Year 2024, are awarded to principally benefit low- and moderate-income persons. In addition, the formula used to distribute CD funds among regions includes a variable for poverty/income to target funding to the greatest need, scoring criteria in the CD Fund, DRP Program, and Colonia Fund also direct funding toward communities with the greatest need. Economic development activities improve local opportunities for jobs and entrepreneurship.

Actions planned to develop institutional structure

HOME Addresses Institutional Structure
The HOME Program encourages partnerships in order to improve the provision of affordable housing. Organizations administering programs that require a federal affordability period resulting in a mortgage loan are required to ensure that participating household receive HUD approved housing counseling prior to loan closing. In addition, organizations receiving TBRA funds must provide self-sufficiency services directly, or coordinate with a local organization that will provide the services. Finally, partnerships with CHDOs and nonprofit and private-sector organizations facilitate the development of quality rental housing developments and assist in the reconstruction of owner-occupied housing.

ESG Addresses Institutional Structure
TDHCA encourages ESG subrecipients to coordinate services with housing and other service agencies. Likewise, the CoCs funded with ESG funds are required to coordinate services and their local funded organizations to provide services as part of the local CoC. TDHCA reviews ESG subrecipients' coordination efforts during on-site and desk monitoring. A map of local CoCs can be found online at:

https://www.thn.org/texas-balance-state-continuum-care/.

HOPWA Addresses Institutional Structure

DSHS contracts with AAs in six Ryan White Part B HIV planning areas encompassing 26 HSDAs. AAs subcontract with Project Sponsors in each HSDA for statewide service delivery. AAs act as an administrative arm for DSHS, with DSHS oversight, by administering the HOPWA program locally for a five-year project period. AAs also administer funding for other HIV medical and support, including the Ryan White HIV/AIDS Program funds. This structure ensures the coordination of all agencies serving PLWH, avoids duplication, saves dollars, and provides comprehensive core medical and support services for PLWH in each local community.

CDBG Addresses Institutional Structure

Each CDBG applicant must invite local housing organizations to provide input into the project selection process. TDA coordinates with state and federal agencies, regional Councils of Governments, and other partners to further its mission in community and economic development.

TDA also uses conference calls and webinars to provide training and technical assistance throughout the state. On-site project reviews may be conducted based on risk and other factors.

Actions planned to enhance coordination between public and private housing and social service agencies

TDHCA has staff members that participate in several State advisory workgroups and committees. The workgroups and committees which TDHCA leads are listed in Action Plan Section 15. The groups in which TDHCA participates include, but are not limited to, the Community Resource Coordination Groups, led by the Health and Human Services Commission (HHSC); the Council for Advising and Planning for the Prevention and Treatment of Mental and Substance Use Disorders, led by DSHS; Reentry Task Force, led by Texas Department of Criminal Justice; Interagency Workgroup on Border Issues, led by Secretary of State; Texas Foreclosure Prevention Task Force, led by Texas State Affordable Housing Corporation; Money Follows the Person Demonstration Project, led by HHSC; and Texas State Independent Living Council, led by the HHSC.

TDHCA's participation in HUD's Section 811 PRA Program requires linkages between housing and services through a partnership with TDHCA, the State Medicaid Agency (i.e., HHSC), and the Texas Department of Family and Protective Services (DFPS). Because the program is designed so that an individual can access both affordable housing and services in the community, TDHCA staff and HHSC/DFPS staff work closely to ensure both housing and services are coordinated for the program. TDHCA and HHSC/DFPS have responsibilities to execute the program. TDHCA uses units in multifamily housing financed by TDHCA and a network of local service providers coordinated by the HHSC enterprise agencies provides the services.

HHSCC, established by Texas Government Code §2306.1091, seeks to improve interagency understanding and increase the number of staff in state housing and health services agencies that are conversant in both housing and services.

Other coordination efforts for HHSCC involving people leaving institutions are in Action Plan Section 65.

Senate Bill 7 passed during the 83rd Legislative session directed further cooperation. Texas Government Code §533.03551 directs the commissioner of HHSC to work in cooperation with TDHCA, TDA, Texas State Affordable Housing Corporation (TSAHC), and other federal, state, and local housing entities to develop housing supports for people with disabilities, including individuals with intellectual and developmental disabilities.

Finally, HHSC provides Money Follows the Person Demonstration funds to TDHCA to support two full-time employees to increase affordable housing options for individuals with disabilities who currently reside in institutions and choose to relocate into the community and to support a unit damages fund and a barrier busting fund. These enhanced coordination efforts further the implementation of many programs included in the Consolidated Plan, including the Section 811 PRA Program, Section 8 Project Access, and HOME Single-family activities.

Discussion:

In addition to the program actions mentioned above, TDHCA strives to meet underserved needs by closely monitoring affordable housing trends and issues as well as conducting its own research. TDHCA also makes adjustments to address community input gathered through roundtable discussions, webinars and public hearings held throughout the State.

To foster and maintain affordable housing, TDHCA, TDA, and DSHS provide funds for nonprofit and for-profit organizations and public organizations to develop and maintain affordable housing. Funding sources include grants, low-interest loans, housing tax credits, and mortgage loans.

For lead-based paint hazard mitigation, DSHS has been charged with oversight of the Texas Environmental Lead Reduction Rules (TELRR). TELRR cover areas of lead-based paint activities in target housing (housing constructed prior to 1978) and child-occupied facilities, including the training and certification of persons conducting lead inspections, risk assessments, abatements, and project design. For all projects receiving over $25,000 in federal assistance, contractors need to follow inspections and abatements standards overseen by DSHS. By following these standards, the State is increasing the access to housing without lead-based paint hazards. The adherence to inspection and abatement standards is related to the extent of lead-based paint in that a majority of the housing in need of rehabilitation is likely housing built before 1978.

Furthermore, TDHCA, DSHS, and TDA's programs are aimed at reducing the number of Texans living in poverty, thereby providing a better quality of life for all Texans. The departments provide long-term

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solutions to the problems facing people in poverty and focus resources to those with the greatest need.

Regarding institutional structure, TDHCA, DSHS, and TDA are primarily pass-through funding agencies and distribute federal funds to local entities that in turn provide assistance to households. Because of this, the agencies provide housing and social services through work with many partners, including consumer groups, community based organizations, neighborhood associations, community development corporations, councils of governments, community housing development organizations, community action agencies, real estate developers, social service providers, local lenders, investor-owned electric utilities, local government, nonprofits, faith-based organizations, property managers, state and local elected officials, and other state and federal agencies. Because the agencies typically do not fund individuals directly, coordination with outside entities is essential to the success of their programs. By structuring its operations this way, the State allows local providers to focus on local needs.

AP-90 Program Specific Requirements

Introduction:

Program specific requirements as referenced in 24 CFR §91.320 (k)(1,2,3) are described below for the CDBG, HOME, and ESG programs.

For the CDBG Program, it is expected that the total amount of program income collected in PY 2024 and made available for programming in PY 2025 will be approximately. $663,000, including program income collected by the state and program income retained by local subgrantees. The amount of CDBG urgent need activities is not expected to exceed $3,000,000. The 85% of CDBG funds anticipated to benefit persons of low to moderate income includes PY 2024-2026.

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	1,100,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5. The amount of income from float-funded activities	0
Total Program Income	**1,100,000**

Other CDBG Requirements

1. The amount of urgent need activities	3,000,000
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	85.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section

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92.205 is as follows:

The State is not proposing to use any form of investment in its HOME Program that is not already listed as eligible for investment in 24 CFR §92.205(b).

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

TDHCA has elected to utilize the recapture provision under 24 CFR §92.254(a)(5)(ii) as its primary method of recapturing HOME funds under any program the State administers that is subject to this provision. The following methods of recapture would be acceptable to TDHCA and will be identified in the note prior to closing.

A. Recapture the amount of the HOME investment reduced on a pro rata share based on the time the homeowner has owned and occupied the unit measured against the required affordability period. The amount subject to recapture will be calculated by determining number of complete years that the affordability requirements were met regardless of any additional months and deducting that number from the number of years in the affordability period. The total HOME subsidy will be divided by the number of years of the affordability period; the result will then be multiplied by the number of years resulting from the calculation above. The calculation would appear as follows:

(Number of years in affordability period-Number of complete years affordability was met) X (Total HOME subsidy/Number of years in affordability period) = Amount subject to recapture

B. The recapture amount is subject to available net proceeds in the event of sale or foreclosure of the housing unit. In the event of sale or foreclosure of the housing unit, if the net proceeds (i.e., the sales price minus closing costs; any other necessary transaction costs; and loan repayment, other than HOME funds) are less than the HOME investment that is subject to recapture, then the Department will recapture the available amount of net proceeds. If there are no net proceeds from the sale, no repayment will be required of the homebuyer and the balance of the loan shall be forgiven. TDHCA will not recapture more than the amount available through net proceeds.

C. The household can sell the unit to any willing buyer at any price.

D. In the event that the ownership of assisted property is not transferred, and the assisted property is rented or leased, or otherwise ceases to be the principal residence of the initial household prior to the end of the affordability period, the entire HOME investment is subject to recapture.

E. In the event of sale to a subsequent low-income purchaser of a HOME-assisted homeownership unit, the low-income purchaser may assume the existing HOME loan and recapture obligation entered into by the original buyer if no additional HOME assistance is provided to the subsequent homebuyer. In cases in which the subsequent homebuyer needs HOME assistance in excess of the balance of the original HOME loan, the HOME subsidy (the direct subsidy as described in §92.254) to the original homebuyer must be recaptured. A separate HOME subsidy must be provided to the new homebuyer, and a new affordability period must be established based on that assistance to the buyer.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds are as follows:

In certain limited instances, TDHCA may choose to utilize the resale provision at 24 CFR §92.254(a)(5)(i) under any activity the State administers that is otherwise subject to this provision. The following method of resale would be acceptable to TDHCA and will be identified in the note prior to closing:

A. Resale is defined as the continuation of the affordability period upon the sale or transfer, rental or lease, refinancing, or if the initial Household is no longer occupying the property as their Principal Residence.

B. Resale requirements must ensure that, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the housing is made available for subsequent purchase at an affordable price to a reasonable range of low- or very low-income homebuyers that will use the property as their principal residence. Affordable to a reasonable range of low-income buyers is defined as targeting Households that have income between 70 and 80 percent of the area median family income and meet all program requirements.

C. The resale requirement must ensure that the price at resale provides the original HOME-assisted owner a fair return on investment. Fair return on investment is defined as the sum of down payment and closing costs paid from the initial seller's cash at purchase, closing costs paid by the seller at sale, the principal payments only made by the initial homebuyer in excess of the amount required by the loan, and any documented capital improvements in excess of $500. Fair return on investment is paid to the seller at sale once mortgage lien debt with priority to the HOME funds is paid and all other conditions of the initial written agreement are met. In the event there are no funds for fair return, then fair return does not exist. In the event there are partial funds for fair return, then fair return shall remain in force.

D. The initial homebuyer's investment of down payment and closing costs divided by TDHCA's HOME investment equals the percentage of appreciated value that shall be paid to the initial homebuyer. The balance of appreciated value shall be paid to TDHCA. If appreciated value is zero, or less than zero, then no appreciated value exists. The HOME loan balance will be transferred to the subsequent buyer and the affordability period will remain in effect. The period of affordability is based on the total amount of HOME funds invested in the housing.

E. In the event that a federal affordability period is required, and the assisted property is rented or leased, or no member of the Household has it as the Principal Residence, the HOME investment must be repaid. In the event that a federal affordability period is required, and the assisted property is sold or transferred in lieu of foreclosure to a qualified low income buyer at an affordable price, the HOME loan balance shall be transferred to the subsequent qualified buyer and the affordability period shall remain in force to the extent allowed by law.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds as described in 24 CFR §92.206(b)(2). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 TAC, Chapter 11 and 13, for refinanced properties in accordance with its administrative rules. TDHCA may allow for lower per-unit rehabilitation costs than those required in 10 TAC §11.101(b)(3), potentially allowing rehabilitation costs as low as $1,000 per unit provided (1) those minimal rehabilitation costs can be supported in a Scope and Cost Review, (2) the request is in accordance with this plan, TDHCA's rules, and the applicable NOFA, and (3) TDHCA's Board agrees to waive the minimum rehabilitation costs in 10 TAC §11.101(b)(3). At a minimum, this requires the following:

1. That rehabilitation is the primary eligible activity for developments involving refinancing of existing debt by requiring that the HOME eligible rehabilitation costs – whether funded entirely or partially by TDHCA's HOME funds – are greater than the refinancing costs (i.e. payoff amount plus closing and title costs);
2. That a minimum funding level – minimal rehabilitation costs as described above, or the applicable per unit costs in 10 TAC §11.101(b)(3) – is set for rehabilitation on a per unit basis;
3. That a review of management practices is required to demonstrate that disinvestments in the property has not occurred;
4. That long-term needs of the project can be met;
5. That the financial feasibility of the development will be maintained over an extended affordability period;
6. That whether new investment is being made to maintain current affordable units and/or creates additional affordable units is stated;
7. That the required period of affordability is specified;
8. That the HOME funds may be used throughout the entire jurisdiction (except as TDHCA may be limited by the Texas Government Code) is specified; and
9. That HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG, is stated.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

   HOME TBRA is a planned activity for Texas, but TDHCA does not generally administer this program directly. TBRA is primarily offered through a network of Administrators, who may select to utilize a preference in administration of the TBRA locally. These preferences are limited to those special populations listed in AP-25, and establishment of a preference by an Administrator must be included on their application for funding, which is reviewed by TDHCA. The available preferences include: persons with disabilities, persons with substance use disorders, persons living with HIV/AIDS (PLWH), persons with Violence Against Woman Act (VAWA) protections, colonia residents, farmworkers, homeless populations, veterans, (including wounded warriors as defined by the Caring for Wounded Warriors Act of 2008), public housing residents, persons transitioning out of incarceration, persons impacted by a state or federally declared disaster, and persons transitioning out of foster care and nursing facilities.

   Additionally, for administrators with programs that are designed to limit assistance to certain populations, TDHCA will only approve program designs that limit assistance to households that include a member within the following populations if necessary to provide as effective housing, aid, benefit, or services as those provided to others in accordance with 24 CFR §8.4(b)(1)(iv): PLWH, mental illness, substance use disorders, or households that would qualify under the TDHCA's Project Access program as defined in 10 TAC §5.801. Otherwise, administrators may only request a preference for populations described in the special needs section.

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

   The allowable preferences established that may be selected by administrators in their local TBRA Programs are necessary to increase affordability and accessibility to meaningful housing subsidy. These populations are shown to be at increased risk of being cost burdened or at risk of homelessness as shown in the Needs Assessment in the Consolidated Plan. TBRA typically has a shorter waiting list for subsidy that other tenant-based voucher program, and reduces their rent to 30% of their income, assuming that they select a unit that is at or below the Fair Market Rent for their area.

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)).
   Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

Not applicable

Emergency Solutions Grant (ESG)
Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

   ESG Written Standards are evaluated based on questions that are Included as an attachment.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

   Each of the 11 CoCs in Texas has a different centralized or coordinated assessment system. TDHCA ensures that its Subrecipients participate in the local CoC's coordinated assessment. Applicants for ESG funding are required to certify their participation in the CoC centralized or coordinated assessment system. ESG Subrecipients are required to use this process per 24 CFR §576.400(d), with an exception for victim service providers. ESG Subrecipients are also required to certify that they have written standards that are consistent with the CoC's screening, assessment and referral of ESG program participants, or to certify that the Subrecipient is a victim services provider and not required to participate in coordinated assessment/entry.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

   ESG funds may be offered to eligible prior subrecipients who have demonstrated effective performance under their prior award or may be offered under a competitive funding application. Some portion of the allocation may be set aside for direct awards to Subrecipients receiving funds for development of non-congregate shelter under HOME-ARP. The allocation amounts available in each CoC region are established by formula.

   Eligible applicant organizations include Units of General Purpose Local Government, including cities, counties and metropolitan cities; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may have been eligible and were advised to seek guidance from TDHCA to determine their eligibility for application. Governmental organizations such as Public Housing Authorities (PHAs) and housing finance agencies are not eligible subrecipients and applications from such agencies would not be awarded ESG funds.

   Eligible applicants also include private nonprofit organizations that are secular or religious organizations exempt from taxation under Section 501(c) of the Internal Revenue Code of 1986, have an acceptable accounting system and a voluntary board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

   As a State recipient, TDHCA is not required to provide for the participation of a homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity. However, TDHCA may prioritize funding for Subrecipients by allocating points if they have participation of homeless or formerly homeless individuals in their programs.

5. Describe performance standards for evaluating ESG.

   TDHCA has transitioned from evaluating performance based on whole numbers of persons or households served to percentages of persons or households served who achieve particular outcomes.

   Subrecipients providing street outreach will be required to meet contractual performance targets for the percentage of assisted persons placed in temporary or transitional housing. Subrecipients providing emergency shelter and transitional shelter will be required to meet contractual performance targets for the provision of essential services and the percentage of assisted persons who will exit to temporary, transitional, positive, or permanent housing destinations.

   Subrecipients providing homelessness prevention and rapid re-housing assistance will be required to meet contractual performance targets for the percentage of assisted persons receiving higher income at exit than at entry, the percentage of persons who will exit to permanent or positive housing destinations and, the percentage of persons who will maintain housing three months or more as a result of receiving ESG assistance.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

☑ Applications submitted by eligible recipients
☐ Subgrantees that are HUD-CPD entitlement grantees

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. **If distributing HTF funds by selecting applications submitted by eligible recipients,**

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Selection criteria typically only apply when funds are oversubscribed; in cases where the application is layered concurrently with 9% Housing Tax Credits and submitted during the competitive HTC cycle, for instance, scoring in 10 TAC §11.9 would be applicable. To the extent that two or more applications for NHTF have the same received by date and the funds are oversubscribed, the criteria listed in the Multifamily Direct Loan Rule (10 TAC Chapter 13), found in the attachments, will apply, unless alternative scoring or prioritization criteria has been specified in the NOFA. If applications for NHTF are not combined with 9% HTC or do not need to be prioritized in a regional allocation formula, they will be prioritized based on the Application Acceptance Date and reviewed according to the priorities established in the NOFA to ensure they meet the Department's threshold criteria, which takes into account all of the selection criteria in 24 CFR §91.320(k)(5)(i).

The Texas Department of Housing and Community Affairs' Multifamily Division awards or allocates more than $1 billion annually of debt and equity in an efficient and compliant manner. Processes for Application selection are comprehensive and assure that the resulting Developments satisfy strong standards for financial feasibility and long-term stability. TDHCA's Compliance Monitoring Division assures that all properties meet these standards for the duration of their affordability period and is frequently cited as one of the best Compliance divisions nationally.

Program requirements are outlined in the Texas Administrative Code the Qualified Allocation Plan and Multifamily Direct Loan Rule are updated annually through an open and transparent public input process. Additionally, the QAP is approved annually by the Governor. All of the selection criteria described in 24 CFR §91.320(k)(5)(i) are addressed by the rules, although not necessarily contained in one rule dedicated solely to NHTF. TDHCA holds all Applications for multifamily funds to the same standards through the application of consistent requirements across all fund sources.

All Applications for NHTF funds must meet threshold criteria in 10 TAC Chapter 11, Subchapters A through D, and the Multifamily Direct Loan Rule, which address Definitions, Site and Development requirements, Applicant and Application requirements, and loan structure and underwriting requirements.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Texas' application requirements can be found in 10 TAC Chapter 11, Subchapter C: Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules; as well as 10 TAC Chapter 13 (Multifamily Direct Loan Rule). See link in attachments to rules.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Selection criteria typically only apply when funds are oversubscribed; in cases where the application is layered concurrently with 9% Housing Tax Credits and submitted during the competitive HTC cycle, for instance, scoring in 10 TAC §11.9 would be applicable. To the extent that two or more applications for NHTF have the same received by date and the funds are oversubscribed, the scoring criteria listed in the linked Multifamily Direct Loan Rule (10 TAC Chapter 13) in the attachments, will apply, unless alternative priorities or scoring criteria are established in the applicable NOFA.

If applications for NHTF are not combined with 9% HTC or do not need to be prioritized in a regional allocation formula, they will be prioritized based on the Application Acceptance Date and reviewed to ensure they meet the Department's threshold criteria, which takes into account all of the selection criteria in 24 CFR §91.320(k)(5)(i).

Please see response to 3a for additional detail on selection criteria.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

As described in SP-10 Geographic Priorities the Texas NHTF will distribute NHTF funds through a competitive NOFA process. As reflected in 10 TAC §13.4(b) the funds will initially be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen and made available competitively within each region for at least the first 30 days after a NOFA is published prior to being collapsed into a statewide competition. Regions may be combined within the NOFA, but in no case will there be fewer than four geographic groups for distribution unless the state's annual allocation is $4 million or less, in which case there may be fewer regions to allow each region to have at least $1 million in its initial allocation.

Thereafter, consideration of geographic diversity will not be a factor in evaluating applications. Please see attached Multifamily Direct Loan Rule for text of 10 TAC §13.4(b).

e. Describe the grantee’s required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Applicants must provide evidence of their experience in developing and managing multifamily developments as required under 10 TAC §11.204(6) if layered with other fund sources, or 10 TAC §13.5(h)(1) if MFDL only. Both 10 TAC §11.204(6) or 10 TAC §13.5(d)(1) are mentioned in the table HTF Funding Priorities Question 3a.

Application criteria including readiness to proceed as evidenced by site control, appropriate zoning, architectural plans, and evidence of financing will be considered.

Furthermore, 10 TAC §13.11(c)(3) through (4) states:

“(3) After a Development receives environmental clearance (if applicable), the Department will draft a Contract to be emailed to the Direct Loan awardee. Direct Loan awardees must execute and return a Contract to the Department within 30 calendar days after receipt of the Contract.

(4) Loan closing must occur and construction must begin on or before the date described in the Contract. If construction has not commenced within 12 months of the Contract Effective Date, the award may be terminated.”

Execution of a Contract fulfills the Commitment definition in 24 CFR §93.2 in that the Contract is the “legally binding written agreement (that includes the date of the signature of each person signing the agreement) with an eligible recipient for a project that meets the definition of ‘commit to a specific local project.’” Additionally, 10 TAC §13.11(c)(13) states: “Termination of the Direct Loan award and repayment of all disbursed funds will be required for any Development that is not completed within four years of the effective date of a Direct Loan Contract.” Finally, the Department may impose a two-year ban on applying for MFDL for any applicant that fails to meet commitment and/or expenditure requirements in accordance with 10 TAC §13.11(a) and (b), which states: “Direct Loan awardees must satisfactorily complete the following Post-Award Requirements after the Board approval date. If a Direct Loan award is declined by the Direct Loan awardee and returned after Board approval, or if the Direct Loan awardee or affiliates fail to timely enter into the Contract, close the loan, begin and complete construction, or leave a portion of the Direct Loan award unexpended, penalties may apply under 10 TAC §11.9(f)(relating to Competitive HTC Selection Criteria), and/or the Department may prohibit the Applicant and all Affiliates from applying for MFDL funds for a period of two years.” See attachments for full text of referenced TDHCA 10 TAC rules.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

While the availability of project-based rental assistance will be considered, only applications that demonstrate the ability to meet Underwriting requirements will be funded.

The State of Texas will consider project based rental assistance to the extent that the existence of it allows or the lack of it does not allow an application to meet TDHCA's underwriting requirements. A development that would otherwise be characterized as infeasible may be deemed feasible if the criteria, as described in 10 TAC §11.302(i)(6)(B) are applicable. See link in the attachments for 10 TAC Chapter 11. For Applications layered with 9% credits, leveraging is a scoring item under 10 TAC §11.9(e)(4). See link in the attachments for 10 TAC Chapter 11. If an application is not layered with 9% credits, it must have other sources of funding, such as project based vouchers, in order to be viable over the affordability period.

10 TAC §13.8 from the Multifamily Direct Loan Rule and 10 TAC §§11.301 through .306 of the Uniform Multifamily Rule will comprise TDHCA's underwriting requirements.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

No priority for funding based on the feasibility of the project beyond the required 30-year period will be given except in instances where a first-lien loan ahead of an NHTF loan or grant has a term greater than 30 years that would result in the NHTF loan or grant having a term greater than 30 years. Texas Government Code §2306.185(c) further limits the length of the affordability period that the State can impose, stating: "The department shall require that a recipient of funding maintains the affordability of the multifamily housing development for households of extremely low, very low, low, and moderate incomes for the greater of a 30-year period from the date the recipient takes legal possession of the housing or the remaining term of the existing federal government assistance. In addition, the agreement between the department and the recipient shall require the renewal of rental subsidies if available and if the subsidies are sufficient to maintain the economic viability of the multifamily development." In other words, absent scoring considerations, unless an FHA-insured loan or similar type of federal government-insured loan with a term greater than 30 years is part of the financing, the longest NHTF affordability period that the State will impose is 30 years. Additionally, for bond layered transactions the NHTF state affordability period will match the length of the affordability period required for the bonds.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Threshold requirements for all multifamily projects are found in 10 TAC Chapter 11 Subchapter B, which include criteria such as Mandatory Development Amenities, Common Amenities, Unit Requirements, Tenant Supportive Services requirements, and Development Accessibility Requirements. 10 TAC Chapter 11 Subchapter B also includes threshold requirements such as Undesirable Site Features and Undesirable Neighborhood Characteristics. Additionally, Applications layered with 9% Tax Credits are scored on proximity to desirable community features, as are Direct Loan Applications if the fund source or set-aside is over-subscribed.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

It is anticipated that Applications for NHTF will require multiple funding sources in order to meet threshold feasibility requirements.

Without other fund sources, this range of subsidy level will not be possible, so other funding sources – whether owner equity if NHTF is the only source of Department funding or, more likely, Housing Tax Credits since NHTF works best as gap financing – are required. Finally, although not federally required, 10 TAC §11.204(7)(E) discusses documentation requirements for HOME Match funds of requested Direct Loan funds. See link in attachments for text of 10 TAC Chapter 11.

Applications layered with 9% Housing Tax Credits will be subject to scoring in 10 TAC §11.9(e)(4) - Leveraging of Private, State, and Federal Resources - which states:

(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: (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% 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 seven 9% of the Total Housing Development Cost (3 points); or

(iii) If the Housing Tax Credit funding request is less than eight 10% of the Total Housing Development

Cost (2 points); or

(iv) If the Housing Tax Credit funding request is less than nine 11% 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.

4. **Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".**

Yes

5. **Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".**

Yes

6. **Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. **Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.**

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

TDHCA adopted the Section 234 Condominium Housing Basic Mortgage Limits (Section 234 Condo Limits) published by HUD, subject to the High Cost Adjustment as allowed for all jurisdictions in Fort Worth HUB, for 2021, 2022 and 2023 PY awards made through the Multifamily 2021, 2022, and 2023 NOFAs. It plans to do the same with 2024 awards. While TDHCA does not make any FHA-insured loans, the Department has adopted the per unit limits for substantial rehab for our Direct Loans (HOME, NHTF, TCAP RF, NSP1 PI) for 2024. The attached limits do not vary based on geographic location in Texas since the limits were approved by HUD for use throughout the state. They will be used statewide for ease of use both for applicants and TDHCA staff.

Additional limits may apply if the NHTF funds are used in conjunction with other affordable housing programs. Also, these subsidy limits may be subject to stricter limits in NOFAs.

Funds from the HOME-American Rescue Plan Program will not be included when evaluating subsidy layering.

See the attached justification as to why the State will not establish separate maximum limitations on the total amount of NHTF.

8. **Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.**

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; National Standards for the Physical Inspection of Real Estate; Scope and Cost Review; and Capital Needs Assessments (if applicable).

Rehabilitation Standards are attached.

9. **Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. **HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

☑ The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

N/A

11. **Grantee Limited Beneficiaries or Preferences.** Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A."

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The State will limit beneficiaries and/or give preferences to the segments of the extremely low-income population in accordance with AP-25 of the 2024 One-Year Action Plan.

12. **Refinancing of Existing Debt.** Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

TDHCA may use NHTF funds to refinance existing debt secured by multifamily housing that is being rehabilitated with NHTF funds as described in 24 CFR §93.201(b). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 TAC Chapters 11 and 13, for refinanced properties in accordance with its administrative rules.   The NOFA may allow for lower per unit rehabilitation costs than those described at 10 TAC §13.7(c), and the Board may waive the rehabilitation minimums at 10 TAC §11.101(b)(3). At a minimum:

- Rehabilitation costs must be the primary eligible activity for developments involving refinancing of existing debt so the NHTF eligible rehabilitation costs – whether funded entirely or partially by TDHCA's NHTF funds – are greater than the total refinancing costs (i.e. payoff amount plus closing and title costs);
- The proportional rehabilitation cost per NHTF unit must be greater than the proportional amount of debt per NHTF unit that is being refinanced; and
- The proposed NHTF rent on a unit at application must be less than the greater of actual rent being collected from tenants at application or the tenant's portion of the rent payment, as restricted by any entity through a project-based contract, operating subsidy, or by a use agreement.

Discussion:

The State is not proposing to use any form of investment in its NHTF Program that is not already listed as eligible for investment in 24 CFR §93.201(b). As described above, TDHCA may use NHTF funds to refinance existing debt secured by multifamily housing that is being rehabilitated as described in 24 CFR §93.201. TDHCA will use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 Texas Administrative Code, Chapters 11 and 13, for refinanced properties in accordance with its administrative rules.

For HOME, the State is not proposing to use any form of investment in its HOME Program that is not already listed as eligible for investment in 24 CFR §92.205(b). As described above, TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated as described in 24 CFR §92.206(b). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 Texas Administrative Code, Chapters 1, 10, 11, and 13, for refinanced properties in accordance with its administrative rules. For any HOME funds utilized for homebuyer assistance or for rehabilitation of owner-occupied single family housing TDHCA utilizes HUDs homeownership limits for the area provided by HUD.

Attachments

General OYAP Attachments:

- CDBG Allocation of CDBG program income and deobligated funds
- ESG Written Standards

AP-90 NHTF Attachments:

- 2025 Multifamily Rules
  - 10 TAC Chapter 1, Administration (Link)
  - 10 TAC Chapter 11, Qualified Allocation Plan (Link)
  - 10 TAC Chapter 13, Multifamily Direct Loan Rule (Link)

- 2025 Multifamily Direct Loan Certification

- AP-90 Question 3a – Table of Corresponding Requirements in 24 CFR §93.2 and State Rules

- AP-90 Question 3d –Estimated Allocation Amounts and Map of the State Service Regions

- NHTF Rehabilitation Maximum Subsidy Limits

- NHTF Rehabilitation Standards

General Consolidated Plan Attachments

- Bibliography
- Summary of Public Comment - No Public Comment was received

2025 One Year Action Plan

CDBG Method of Distribution Attachment

Attachment: Allocation of CDBG program income and deobligated funds

Deobligated Funds: Deobligated funds may be used to fully fund pending applications in any fund category for which only partial funding is available, or to fund additional grants in categories experiencing high demand. At the discretion of the Department, TDA may open an application cycle for the FAST Fund, SUN Fund, or other appropriate fund category in order to effectively utilize deobligated funds available.

Program Income:

Program income is defined as gross income received by a state, a unit of general local government, or a subrecipient of a unit of general local government that was generated from the use of CDBG funds. When program income is generated by an activity that is only partially funded with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. Any remaining program income must be returned to the State.

The State may use up to the maximum allowable percentage of the amount recaptured and reportable to HUD each year for administrative expenses under the CDBG Program. This amount will be matched by the State on a dollar-for-dollar basis.

TCF, RED Programs and Revolving Loan Fund ("RLF") Program Income
Funds retained in any existing local RLF must be committed within three years of the original CDBG contract programmatic close date. At least one eligible loan/award from the local RLF must be made every three years. Every award from the RLF must be used to fund the same type of activity from which such income was derived. A local RLF may retain a cash balance not greater than 33% of its total cash and outstanding loan balance. All activities funded with RLF funds must comply with CDBG regulations and rules and guidelines. If a local government does not comply with the RLF requirements, all program income retained in the local RLF and any future program income received from the proceeds of the RLF must be returned to the State.

To the extent there are eligible applications, program income derived from the Texas Capital Fund real estate and/or infrastructure projects (from prior Program Years) will be used to fund awards under the Rural Economic Development Programs. Other available program income shall be allocated based on the methodology used to allocate Deobligated Funds.

Additional detail for Geographic Allocation:

Funds for projects under the CD Fund are allocated among the 24 State planning regions based on the following: The original CD formula is used to allocate 45% of the annual State CDBG allocation.

1) Original CD formula (45%) factors:

   a. Non-Entitlement Population 30%
   b. Number of Persons in Poverty 25%
   c. Percentage of Poverty Persons 25%
   d. Number of Unemployed Persons 10%
   e. Percentage of Unemployed Persons 10%

To the extent possible, the information used to calculate the regional allocations through these factors will be based on the eligible non-entitlement applicants within each region. The population and poverty information used is from the current available decennial census data. The unemployment information used is the current available annual average information. TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f).

2) The HUD formula is used to allocate 27.35% of the annual State CDBG allocation.

The formula is the same methodology that HUD uses to allocate CDBG funds among the States for use in non-entitlement areas. The HUD factors, percentages, and methodology are specified in 42 USC. §5306(d). TDA will use available data to calculate the allocations to each region.

Using the HUD methodology, the allocation for each region shall be the greater of an amount that bears the same ratio to the allocation for all 24 regions available as either:

(A) the average of the ratios between:

- the population of the non-entitlement counties in that region and the population of the nonentitlement counties of all 24 regions (counted one time - 25% weight);
- the extent of poverty in the non-entitlement counties in that region and the extent of poverty in the non- entitlement counties of all 24 regions (counted two times - 50% weight); and
- the extent of housing overcrowding in the non-entitlement counties in that region and the extent of housing overcrowding in the non-entitlement counties of all 24 regions (counted one time - 25% weight);

OR

(B) the average of the ratios between:

o the age of housing in the non-entitlement counties in that region and the age of housing in the nonentitlement counties in all 24 regions (counted two and one half times - 50% weight);

o the extent of poverty in the non-entitlement counties in that region and the extent of poverty in the non- entitlement counties of all 24 regions (counted one and one half times - 30% weight); and

o the population of the non-entitlement counties in that region and the population of the nonentitlement counties of all 24 regions (counted one time - 20% weight).

Once allocations have been calculated and applications selected within the funding range based on the published application funding amount, any funds remaining not assigned to a fully funded application are considered Marginal Funds and may be allocated among regions with eligible, unfunded applications. The next eligible applicant in each region not fully funded through the regional allocation is considered the Marginal Applicant.

Marginal Funds from all regions are pooled and the regions ordered by the total Marginal Funds contributed to the pool from greatest to least. The Marginal Applicant from each region is ordered and selected for funding based on 1) any region with less than two fully funded applications, and 2) the regional order for the Marginal Pool.

If funding remains after all Marginal Applicants are funded, the remaining funds are considered a Reallocation Pool. The regions are ordered based on the total regional allocation amount, from smallest to largest. The next eligible applicant not fully funded in each region shall be selected for funding based on this ranking until all Reallocation Pool funds are exhausted.

At the Department's discretion, an award less than the requested amount of funding may be offered to the next highest ranked applicant as long as the amount of funds still available exceeds the minimum CD Fund grant amount.

	Summary of CD Fund Regional Allocation Funding Process		
Process	**Funding Available**	**Applications Considered**	**Methodology**
Regional Allocation	All funds assigned to the CD Fund in this One Year Action Plan	All applications submitted to the CD Fund	Formulae 1 and 2
Marginal Pool	Marginal Funds remaining from each region after fully funding applications	One application per region, for which the regional allocation would provide less than full funding	Ensure minimum of two applications per region, regions ordered by total Marginal Funds contributed to the pool
Reallocation Pool	Funds remaining after all Marginal Applicants are fully funded	Remaining unfunded applications by region	Regions ordered by total regional allocation amount; continue rotation until all funds exhausted

Unobligated Funds

For an application that is invited to the full Project Application phase and is subsequently withdrawn with sufficient time for another applicant to complete the Project Application phase prior to the grant award date, the following procedures will apply based on the fund category:

1. The CD Fund – funds from the withdrawal of an application shall be offered to the next highest ranked applicant from that region that was not recommended to receive an award due to depletion of the region's allocation.

2. RED Programs – funds from the withdrawal of a Downtown Revitalization/ Main Street Program shall be offered to the next highest ranked application that was not recommended to receive an award due to depletion the program's allocation. Any unallocated RED funds are then subject to the procedures used to allocate Deobligated Funds.

3. The Colonia Funds – funds from the withdrawal of any Colonia Fund award remain available to potential Colonia Fund applicants during that program year. If unallocated within the Colonia Fund, funds then may be used for other CDBG fund categories to fund eligible projects or activities that assist colonia residents. Remaining unallocated funds are then subject to the procedures used to allocate Deobligated Funds.

4. SUN Funds - funds from the withdrawal of a SUN award shall be returned to the fund category from which the funds were previously transferred, consistent with the procedures used to allocate Deobligated Funds.

Procedures used to allocate Deobligated Funds will apply to:

1) a grant agreement that is executed and subsequently terminated;

2) an award that is announced and subsequently declined or withdrawn from an applicant prior to execution of a grant agreement; or

3) an application that is invited to the full Project Application phase and subsequently withdraws from competition on or after a date determined by the Department to not allow sufficient time for invitation to another applicant prior to the grant award date.

ESG Written Standards

TDHCA requires that its Subrecipients establish and implement written standards for providing ESG assistance. TDHCA reviews the standards to ensure they answer the following questions.

1. **Evaluation (24 CFR §576.400(e)(3)(i))**
   a) Are the definitions of homeless or at-risk of homelessness included in the evaluation?
   b) Are there standard policies and procedures for evaluating individual and household eligibility for ESG?
   c) Are priority populations listed?
   d) Are the priority populations listed the same as the Continuum of Care priority populations?

2. **Targeting - 24 CFR §576.400(e)(3)(ii),(iv)**
   a) Are there standards for targeting and providing essential services related to street outreach?
   b) Are there standards determining how providers will assess, prioritize, and reassess participant's needs for essential services related to emergency shelter?

3. **Evaluation for Emergency Shelter - 24 CFR §576.400(e)(3)(iii)**
   a) Is there a description of:
      i. Clients that will be admitted?
      ii. Clients that will be diverted?
      iii. Clients that will be referred?
      iv. Clients will be discharged?
   a) Are there safeguards to secure safety (if applicable)?
   b) Are reasonable accommodations for persons with disabilities included?

4. **Coordination - 24 CFR §576.400(e)(3)(v)**
   a) Are there policies and procedures for coordination among:
      i. Emergency shelter providers?
      ii. Essential service providers?
      iii. Homelessness prevention providers?
      iv. Rapid re-housing assistance providers?
      v. Other homeless assistance providers?
      vi. Mainstream services and housing providers?

5. **Assistance Levels - 24 CFR §576.400(e)(3)(vi)**

a) Is there a description of:
   i. Which clients will receive rapid re-housing or homelessness prevention?
   ii. Whether a percentage or amount of rent will be paid by client?
   iii. Whether a percentage or amount of utilities will be paid by client?
   iv. How long will client receive rental assistance?
   v. How or if rental assistance be adjusted over time?
   vi. What is amount of assistance will be provided?
   vii. How will the duration of assistance be determined?
   viii. What happens after a break in service (i.e., Program participant stops receiving assistance one month)?
   ix. What unit sizes are appropriate for rapid re-housing?
   x. What data sources/formats are used for rent reasonableness?

6. Housing Stability Case Management/Relocation Services – 24 CFR §576.400(e)(3)(ix)

a) Is there a description of:
   i. What types of services offered and not offered?
   ii. What amounts are offered for the services?
   iii. How long will case management/relocation services last?

b) Does case management include monthly meetings to assist with housing stability? (n/a for Domestic Violence providers)

c) Does case management include development for participant to retain permanent housing once ESG assistance ends? (n/a for Domestic Violence providers)

d) Does case management include assistance for program participants' access supportive services for which they may be eligible? (n/a for Domestic Violence providers)

7. Relocation Services: Financial – 24 CFR §576.105(a)

a) Do the written standards specify when the following financial assistance is offered or not offered:
   i. Rental application fees
   ii. Security deposits/Last month's rent
   iii. Utility deposits/payments
   iv. Moving costs
   v. Storage fees (3 months maximum)

8. Service Costs (Include if services are offered and which community organizations can act as a referral source, if applicable) – 24 CFR §576.105(b)(3)-(5)

a) Do the written standards specify when the following services are offered or not offered, and which community resources can be used?
   i. Mediation
   ii. Legal Services
   iii. Credit Repair

9. Denials 24 CFR §576.402

a) Are there policies and procedures for terminating assistance?
b) Does the appeal process include notification of denial?
c) Does the appeal process include the household's process to appeal the decision?
d) Does the appeal process include recordkeeping process for denial requests?

Multifamily Direct Loan Certification

I (We) hereby make application to the Texas Department of Housing and Community Affairs (the "Department") for an award of Multifamily Direct Loan funds, which may be composed of HOME Investment Partnerships Program ("HOME"), HOME American Rescue Plan ("HOME-ARP"), Emergency Rental Funds ("ERA"), Tax Credit Assistance Program Repayment Funds ("TCAP RF"), and/or national Housing Trust Fund ("NHTF"). The undersigned hereby acknowledges that an award by the Department does not warrant that the Development is deemed qualified to receive such award. I (We) agree that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the Multifamily Direct Loan; therefore, I (We) assume the risk of all damages, losses, costs, and expenses related thereto and agree to indemnify and save harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decision concerning this application for Multifamily Direct Loan funds or the use of information concerning the Multifamily Direct Loan.

On behalf of the Applicant and all affiliates of the Applicant (hereinafter "Applicant"), I (We) hereby certify that the Applicant is familiar with the state Rules, as published in 10 TAC Chapters 1, 2, 10, 11, and 13, as well as Chapter 12 as applicable. I (We) hereby acknowledge that this Application is subject to disclosure under Tex. Gov't Code Chapter 552, the Texas Public Information Act, unless a valid exception exists.

I (We) hereby assert that the information contained in this Application as required or deemed necessary by the materials governing the Multifamily Direct Loan program are true and correct and that I (We) have undergone sufficient investigation to affirm the validity of the statements made and the Department may rely on any such statements.

Further, I (We) hereby assert that I (We) have read and understand all the information contained in the application. By signing this document, I (We) affirm that all statements made in this government document are true and correct under penalty of Tex. Penal Code Chapter 37 titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.

I (We) understand and agree that if false information is provided in this Application which has the effect of increasing the Applicant's competitive advantage, the Department will disqualify the Applicant and may hold the Applicant ineligible to apply for Multifamily Direct Loan funds or until any issue of restitution is resolved. If false information is discovered after the award of Multifamily Direct Loan funds, the Department may terminate the Applicant's written agreement and recapture all Multifamily Direct Loan funds expended.

I (We) shall not, in the provision of services, or in any other manner discriminate against any person on the basis of age, race, color, religion, sex, national origin, familial status, or disability. Verification of any of the information contained in this application may be obtained from any source named herein.

I (We) have written below the name of the individual authorized to execute the Multifamily Direct Loan agreement and any and all future Multifamily Direct Loan commitments and contracts related to this application. This individual is named in the Application as able to exercise Control over the Application and proposed Development. If this individual is replaced by the organization, I (We) must inform the Department within 30 days of the person authorized to execute agreements, commitment and/or contracts on behalf of the Applicant.

I (We) certify that no person or entity that would benefit from the award of Multifamily Direct Loan funds has committed to providing a source of match.

I (We) certify that I (We) will meet, Texas Minimum Construction Standards, 2010 ADA Standards for Accessible Design, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973, as further detailed in 10 TAC Chapter 1, Subchapter B. I (We) certify that the Development will meet all local building codes or standards that may apply as well as the Uniform Physical Conditions Standards in 24 CFR §5.705

I (We) certify that if refinancing is a component of the proposed development the Applicant must confirm that Multifamily Direct Loan funds will not be used to replace loans, grants or other financing provided or insured by any other Federal program, or in violation of the provisions of 10 TAC Chapter 13.

I (We) certify that if federal, governmental, or any other assistance is used in the financing of this development I (We) will notify the Texas Department of Housing and Community Affairs.

I (We) certify that I (We) do not 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.

If, after receiving a public subsidy, I (We), am convicted of a violation under 8 U.S.C Section 1324a (f), I (We) shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Tex. Gov't Code Section 2264.053, not later than the 120th day after the date TDHCA notifies Applicant of the violation.

If applying for HOME, HOME-ARP, or TCAP-RF funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the federal HOME Final Rule, as published in 24 CFR Part 92, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the HOME Investment Partnerships Program and all Developments eligible to receive these funds will comply with such rules during the application process and, in the event of award of these funds, for the duration of the proposed Development. HOME-ARP Applicants also certify familiarity with CPD Notice 21-10.

If applying for NHTF funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the interim Housing Trust Fund rule, as published in 24 CFR Part 93, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the NHTF and all Developments eligible to receive NHTF funds will comply with such rules during the application process and, in the event of award of NHTF funds, for the duration of the proposed Development.

If applying for ERA funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of Section 3201(a) of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021), U.S. Department of the Treasury Emergency Rental Assistance Frequently Asked Questions, and other related administrative rules, regulations, and guidance (and related court rulings) issued by the Federal government or the State of Texas with respect to the ERA; and all Developments eligible to receive ERA funds with comply with such rules during the application process and, in the event of award of ERA funds, for the duration of the proposed Development.

Threshold Certification

On behalf of the Applicant and all affiliates of the Applicant (hereinafter "Applicant"), I (We) hereby certify that the Applicant is familiar with the provisions and requirements of the applicable Multifamily Direct Loan Notice of Funding Availability (NOFA) approved by the Department's Governing Board for which I (We) am applying.

I (We) understand that housing units subsidized by Multifamily Direct Loan funds must be affordable to low, very low or extremely low-income persons. I (We) understand that mixed income rental developments may only receive funds for units that meet the Multifamily Direct Loan affordability standards. I (We) understand that all Applications intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.

I (We) understand that, all contractors, consulting firms, Borrowers, Development Owners and Contract Administrators must sign and submit the appropriate documentation with each draw to attest that each request for payment of Multifamily Direct Loan funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions in the

Texas Grant Management Standards, 2 CFR Part 200, 24 CFR Part 92, or 24 CFR Part 93, as applicable.

I (We) certify that I (We) am eligible to apply for funds or any other assistance from the Department. I (We) certify that all audits are current at the time of application. I (We) certify that any Audit Certification Forms have been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance pursuant to 10 TAC §1.403.

I (We) certify that, the Development will meet the broadband infrastructure requirements of 81 FR 92626, and that these costs are included in the Application.

Applications for Developments Previously Awarded Department Funds

This Development proposed in this Application has ______ /has not ________ previously received Department funds. (check one)

If the Development proposed in this Application has previously received Department funds and construction has already started or been completed, and acquisition and rehabilitation is not being proposed, a letter from the Applicant that seeks to explain why this Application should be found eligible is provided behind this tab, except if applying in the COVID-Impacted Set-Aside or HOME-ARP. I (we) understand that such funding from federal sources may not be eligible, and depending on the fund sources available in the applicable NOFA, the proposed Development may not be eligible for assistance.

All applicants applying under a Multifamily Direct Loan Notice of Funding Availability (NOFA) must read and initial after each of the following sections regarding federal cross cutting requirements in the boxes below.

HUD Section 3

I (We) hereby agree that the work to be performed in connection with any award of HOME or NHTF funds is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. These regulations were updated in 2021.

I (We) agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. I (We) agree to put the Department's Section 3 clause in all applicable construction contracts. For more information about HUD Section 3, please reference the TDHCA website dedicated to Section 3 at: http://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm

(initial)

Environmental

I (We) understand that the environmental effects of each activity carried out with an award of HOME or HOME-ARP funds must be assessed in accordance with the applicable provisions of National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. §4321 et seq.) and the related activities listed in HUD's implementing regulations at 24 CFR Parts 50, 51, 55, and 58 (NEPA regulations). Each such activity must have an environmental review completed and support documentation prepared complying with the NEPA and NEPA regulations. **No loan may close or funds be committed to an activity before the completion of the environmental review process, including the requirements of 24 CFR Part 58, and the Department has provided written clearance.**

The Department as the Responsible Entity must ensure that environmental effects of the property are assessed in accordance with the provisions of the National Environmental Policy Act of 1969 and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58.

I (We) certify that all parties involved in any aspect of the development process began the project with no intention of using Federal assistance.

I (We) certify that as of the date of the Multifamily Direct Loan application all project work, other than as allowed in 24 CFR Part 58, has ceased.

I (We) understand that the environmental effects of each activity carried out with an award of NHTF funds must be assessed in accordance with the provisions of CPD Notice 16-14.

I (We) certify that I (we) have read and understand the requirements in 24 CFR §58.22 or CPD Notice 16-14, and I (we) understand that **acquisition of the site, even with non-HUD funds, prior to completion of the environmental review process will jeopardize any federal funding.**

I (We) certify that we will not engage in any choice limiting actions until the site has achieved Environmental Clearance as required in CPD Notice 16-14 or 24 CFR Part 58, as applicable.

Choice-limiting activities include but are not limited to these examples:

- Acquisition of land, except through the use of an option agreement, regardless of funding source;
- Closing on loans including loans for interim financing;
- Signing a construction contract.

(initial)

Relocation and Anti-Displacement

The property proposed for this Application is ______ /is not ________ occupied. (check one)

If occupied, the occupant(s) are owners __________/ tenants (residential) ________/ tenants (commercial inclusive of businesses, nonprofit organizations, and farms) ____ (check all that apply).

The property will have a transfer of federal assistance from an existing multifamily development ______ yes/ ________ no.

Displacement of Existing Tenants

I (We) certify that that the work to be performed in connection with any award of federal funds is subject to Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), as amended, and implementing regulations at 49 CFR Part 24. HOME and HOME ARP also subject to the relocation requirements of 24 CFR Part 42. Consistent with the goals and objectives of activities assisted under the Act and HUD Handbook 1378, if the Development is eligible for federal funds the Applicant must prepare and submit the following to TDHCA with the Multifamily Uniform Application, in accordance with the TDHCA Relocation Handbook https://www.tdhca.texas.gov/sites/default/files/program-services/docs/ura/docs/TDHCA-RelocationHandbook_0.pdf:

1) A detailed explanation of the reasons for displacement relocation;
2) A detailed plan of the relocation, including evidence of comparable replacement housing or commercial space;
3) Copies of the General Information Notices (signed by the tenant or sent Certified Mail, return recipient requested) sent to all residential and commercial tenants on the Rent Roll listed with the Multifamily Direct Loan Application, and
4) Estimated costs and funding sources available to complete the permanent relocation.

(initial)

Demolition and Conversion

I (We) certify that when the work is to be performed in connection with any award of federal funds that are subject to 24 CFR Part 42 (CDBG, HOME, and as revised for HOME ARP), then Development Owner will replace all occupied and vacant occupiable low-income housing that is demolished or converted to a use other than low-income housing as a direct result of the project. All replacement housing will be provided within three (3) years after the commencement of the demolition or conversion. Before receiving a commitment of federal funds for a project that will directly result in demolition or conversion, the project owner will make the information public in accordance with 24 CFR Part 42 and submit the information to TDHCA along with the following information in writing at application:

1) The location map, address, and number of commercial or dwelling units by bedroom size of lower income housing that will be demolished or converted to use other than as lower income housing as a direct result of the project;
2) A time schedule for the commencement and completion of the demolition and conversion;
3) To the extent known, the location, map, address, and number of dwelling units by bedroom size of the replacement housing or commercial space that has been or will be provided;
4) The amount and source of funding and a time schedule for the provision of the replacement housing;
5) The basis for concluding that the replacement housing will remain lower income housing beyond the date of initial occupancy;

   6) Information demonstrating that any proposed replacement of housing units with similar dwelling units (e.g. a 2-bedroom unit with two 1-bedroom units) or any proposed replacement of efficiency or SRO units with units of a different size is appropriate and consistent with the housing needs of the community; and

7) The name and title of the person or persons responsible for tracking the replacement of lower income housing and the name and title of the person responsible for providing relocation payments and other relocation assistance to any lower-income person displaced by the demolition of any housing or the conversion of lower-income housing to another use.

(initial)

Lead Based Paint

I (We) certify that documentation of compliance with the Texas Environmental Lead Reduction Rules in 25 TAC Chapter 295, Subchapter I and 24 CFR Part 35 (Lead Safe Housing Rule), as applicable, will be maintained in project files. I (We) understand that for Developments subject to 24 CFR Part 35, standard forms are available in the Federal Register, as indicated by the sources noted below.

1) Applicability 24 CFR §35.115 – A copy of a statement indicating that the property is covered by or exempt from Lead Safe Housing Rule.
   a) If the property is exempt, the file should include the reason for the exemption and no further documentation is required.
   b) if the property is covered by the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below:
      i) Summary Paint Testing Report or Presumption Notice 24 CFR §35.930(a) – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to $5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces;
      ii) Notice of Evaluation 24 CFR §35.125(a) – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based-paint inspection, risk assessment or paint testing;
      iii) Clearance Report 24 CFR §35.930(b)(3)– A report indicating a “clearance examination” was performed of the work site upon completion; and
      iv) Notice of Hazard Reduction Completion 24 CFR §35.125(b) – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents.

(initial)

Labor Standards

On behalf of the Applicant and all affiliates of the Applicant (hereinafter "Applicant"), I (We) hereby certify that the Applicant is familiar with the applicable provisions and requirements of the Davis-Bacon Act (40 U.S.C. §§3141-3144 and 3146-3148).

I (We) understand that a Development assisted by the Department under this Application containing more than twelve (12) HOME or HOME ARP-assisted Units, must use the appropriate rate as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. §§3141-3144 and 3146-3148).

I (We) understand that contracts involving such employment shall be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§3701-3708) as supplemented by the Department of Labor regulations ("Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction" at 29 CFR Part 5), Copeland (Anti-Kickback) Act (40 U.S.C. Sec. §3145 et seq.) and 24 CFR Part 70 (with regards to volunteers).

I (We) understand that construction contractors and subcontractors must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to labor standards and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs, as applicable.

I (We) agree to put the Department's Davis-Bacon clause in all applicable contracts.

(initial)

Application number: ____

Requested Multifamily Direct Loan Funding Source: _____________________

By:

____
Authorized Representative

____
Title

____
Date

THE STATE OF ______________________ §
§
COUNTY OF __________________________§

Before me, a notary public, on this day personally appeared _________________________________, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____day of _______________, _____

(Seal)

____
Notary Public Signature

<u>Question 3a:</u> *Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR §93.2).*

The State of Texas will distribute FY 2025 Housing Trust Fund ("HTF") Program funds by selecting applications submitted by eligible recipients as defined in §93.2 (definition of recipient) through the Application Submission Requirements, Ineligibility Criteria, Board Decisions, and Waiver of Rules for Applications provisions found in Chapter 11 of the Texas Administrative Code (TAC), Subchapter C (10 TAC §§11.201 through 11.207). The State of Texas will not limit recipients to a specific category such as nonprofits. Please see the table below for the requirements in §93.2 and the corresponding requirements found in state rules at 10 TAC Chapter 11 and 10 TAC Chapter 13.

Recipient requirements in §93.2	State Rules
(1) Make acceptable assurances to the grantee that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities (2) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs;	10 TAC §11.204 establishes the required documentation for application submission, including a required certification that the applicant understands and will comply with all applicable requirements. Please see the full text of the rule for further information.
(3) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity; (4) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to: (i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or	10 TAC §13.5(g) establishes minimum experience requirements that are required to be eligible for funding. Please see the full text of the rule for further information.

(ii) Design, construct, or rehabilitate, and market affordable housing for homeownership. (iii) Provide forms of assistance, such as down payments, closing costs, or interest rate buy downs for purchasers.	

PY 2025 NHTF Allocation

Table 1 - Raw Data

	Region	Individuals at or Below 200% Poverty	HH at or Below 200% Poverty	Cost-Burdened Renters	Overcrowded Renters	Vacant Units For Rent
MSA Counties with Urban Places	1	196,762	72,875	42,515	4,467	9,419
	2	95,791	35,478	18,168	1,330	3,179
	3	2,082,887	771,440	558,916	80,814	95,871
	4	188,459	69,800	29,108	3,447	8,049
	5	133,084	49,290	21,206	2,903	4,193
	6	2,190,033	811,123	496,301	94,989	94,360
	7	513,036	190,013	181,986	23,082	16,272
	8	339,567	125,766	79,943	7,100	10,075
	9	774,251	286,760	166,377	24,680	28,918
	10	190,772	70,656	35,232	4,038	8,827
	11	826,572	306,138	75,096	24,727	11,847
	12	134,696	49,887	26,881	4,304	4,409
	13	370,787	137,329	52,203	8,975	8,323
	Subtotal	8,036,697	2,976,554	1,783,932	284,856	303,742
Non-MSA Counties and Counties with Only Rural Places	1	111,046	41,128	9,727	1,931	2,751
	2	85,509	31,670	8,458	962	1,723
	3	86,881	32,178	12,212	1,606	1,695
	4	209,150	77,463	22,008	2,425	3,686
	5	147,450	54,611	17,671	2,723	2,749
	6	72,624	26,898	11,583	1,212	2,182
	7	33,989	12,589	4,473	501	491
	8	92,823	34,379	9,827	1,176	1,552
	9	68,233	25,271	8,090	1,589	1,506
	10	90,249	33,426	10,454	1,405	1,594
	11	110,459	40,911	7,374	2,603	1,188
	12	59,632	22,086	4,786	991	1,293
	13	9,924	3,676	886	56	209
	Subtotal	1,177,969	436,285	127,549	19,180	22,619
	Total	9,214,666	3,412,839	1,911,481	304,036	326,361

Texas Average HH Size: 2.7

Table 2 - Weights

	Region	Total Need Variables	% of Total Need Variables	Weighted	Total Availability Variable	% of Total Availability Variable	Weighted	Initial Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	119,857	2.1%	$ 303,003	9,419	2.9%	$ (136,884)	$ 166,119.61	1.75%
	2	54,976	1.0%	$ 138,982	3,179	1.0%	$ (46,199)	$ 92,782.59	0.98%
	3	1,411,170	25.1%	$ 3,567,497	95,871	29.4%	$ (1,393,265)	$ 2,174,232.32	22.92%
	4	102,355	1.8%	$ 258,757	8,049	2.5%	$ (116,974)	$ 141,783.14	1.49%
	5	73,399	1.3%	$ 185,557	4,193	1.3%	$ (60,936)	$ 124,621.12	1.31%
	6	1,402,413	24.9%	$ 3,545,361	94,360	28.9%	$ (1,371,306)	$ 2,174,054.95	22.92%
	7	395,081	7.0%	$ 998,783	16,272	5.0%	$ (236,476)	$ 762,306.38	8.04%
	8	212,809	3.8%	$ 537,989	10,075	3.1%	$ (146,417)	$ 391,572.15	4.13%
	9	477,817	8.5%	$ 1,207,941	28,918	8.9%	$ (420,257)	$ 787,684.15	8.30%
	10	109,926	2.0%	$ 277,898	8,827	2.7%	$ (128,280)	$ 149,618.20	1.58%
	11	405,961	7.2%	$ 1,026,286	11,847	3.6%	$ (172,169)	$ 854,117.32	9.00%
	12	81,072	1.4%	$ 204,955	4,409	1.4%	$ (64,075)	$ 140,879.83	1.49%
	13	198,507	3.5%	$ 501,833	8,323	2.6%	$ (120,956)	$ 380,877.29	4.02%
	Subtotal	5,045,342	89.6%	$ 12,754,843	303,742	93.1%	$ (4,414,194)	$ 8,340,649.06	87.93%
Non-MSA Counties and Counties with Only Rural Places	1	52,786	0.9%	$ 133,446	2,751	0.8%	$ (39,979)	$ 93,466.17	0.99%
	2	41,090	0.7%	$ 103,877	1,723	0.5%	$ (25,040)	$ 78,837.43	0.83%
	3	45,996	0.8%	$ 116,280	1,695	0.5%	$ (24,633)	$ 91,647.30	0.97%
	4	101,896	1.8%	$ 257,597	3,686	1.1%	$ (53,568)	$ 204,029.82	2.15%
	5	75,005	1.3%	$ 189,616	2,749	0.8%	$ (39,950)	$ 149,665.73	1.58%
	6	39,693	0.7%	$ 100,345	2,182	0.7%	$ (31,710)	$ 68,634.68	0.72%
	7	17,563	0.3%	$ 44,399	491	0.2%	$ (7,136)	$ 37,263.24	0.39%
	8	45,382	0.8%	$ 114,727	1,552	0.5%	$ (22,555)	$ 92,172.60	0.97%
	9	34,950	0.6%	$ 88,356	1,506	0.5%	$ (21,886)	$ 66,470.06	0.70%
	10	45,285	0.8%	$ 114,481	1,594	0.5%	$ (23,165)	$ 91,316.17	0.96%
	11	50,888	0.9%	$ 128,646	1,188	0.4%	$ (17,265)	$ 111,381.54	1.17%
	12	27,863	0.5%	$ 70,439	1,293	0.4%	$ (18,791)	$ 51,647.88	0.54%
	13	4,618	0.1%	$ 11,673	209	0.1%	$ (3,037)	$ 8,636.04	0.09%
	Subtotal	583,014	10.4%	$ 1,473,884	22,619	6.9%	$ (328,715)	$ 1,145,168.68	12.07%
	Total	5,628,356	100.0%	$ 14,228,727	326,361	100%	$ (4,742,909)	$ 9,485,817.74	100.00%

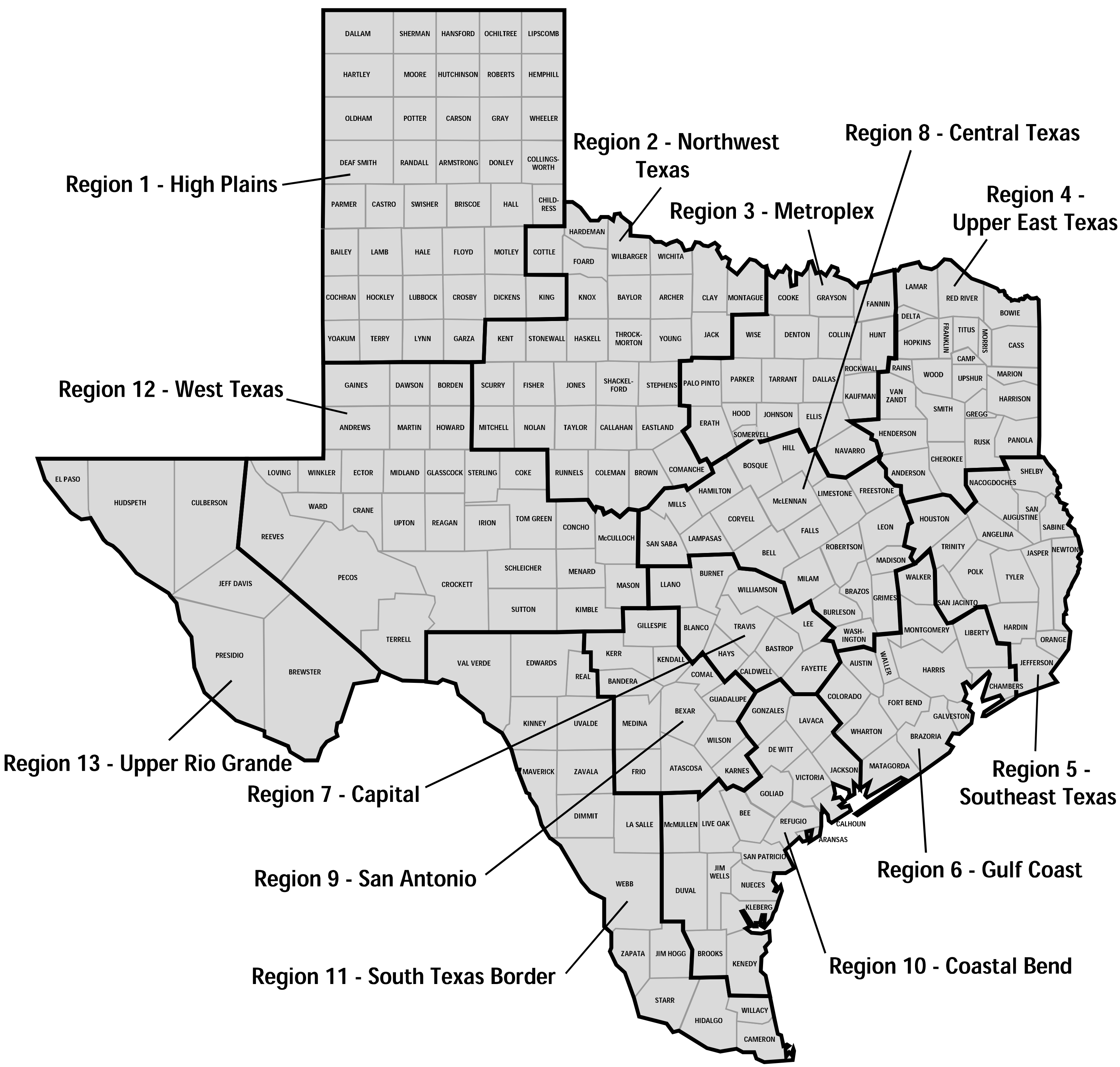
Total Allocation: **$9,485,818**
Weight of Need Variables: 150%
Weight of Availability Variables: -50%

PY 2025 NHTF Allocation

Table 3 - Regional Amounts

Region	Region Allocation	% of Total Award
1	$ 259,585.79	2.74%
2	$ 171,620.02	1.81%
3	$ 2,265,879.62	23.89%
4	$ 345,812.96	3.65%
5	$ 274,286.86	2.89%
6	$ 2,242,689.63	23.64%
7	$ 799,569.63	8.43%
8	$ 483,744.76	5.10%
9	$ 854,154.22	9.00%
10	$ 240,934.36	2.54%
11	$ 965,498.86	10.18%
12	$ 192,527.71	2.03%
13	$ 389,513.33	4.11%
Total	$ 9,485,817.74	100.00%

13 State Service Regions of Texas



Comments that include protected information such as trade secrets, confidential commercial or financial information, Chemical-terrorism Vulnerability Information (CVI),[1] Sensitive Security Information (SSI),[2] or Protected Critical Infrastructure Information (PCII) [3] should not be submitted to the public docket. Comments containing protected information should be appropriately marked and packaged in accordance with all applicable requirements and submission must be coordinated with the point of contact for this notice provided in the **FOR FURTHER INFORMATION CONTACT** section.

FOR FURTHER INFORMATION CONTACT: Annie Hunziker Boyer, 703–603–5000, *CISARegulations@mail.cisa.dhs.gov.*

SUPPLEMENTARY INFORMATION: Congress established the Cybersecurity and Infrastructure Security Agency (CISA) in the Cybersecurity and Infrastructure Security Act of 2018, Public Law 115–278 (2018). As part of CISA's responsibilities, Congress authorized CISA to provide analyses, expertise, and other assistance to critical infrastructure owners and operators upon request. 6 U.S.C. 652(c)(5).

CISA serves as Sector Risk Management Agency (SRMA) for the Chemical Sector. CISA has established ChemLock, which is voluntary program for facilities that possess dangerous chemicals. This ICR consolidates and clarifies CISA collection of information in support of ChemLock. While some ChemLock services are currently available leveraging other approved information collections, this ICR when approved, will allow for an additional ChemLock service.

CISA proposes three instruments within this information collection: (1) ChemLock Request for Services; (2) ChemLock Service Registration and Preparation; and (3) ChemLock Service Feedback.

ChemLock Program Request for Services

This instrument collects basic contact information from individuals requesting a ChemLock service such as: (a) security consultations; (b) technical consultations, (c) onsite assessments and assistance, (d) exercises and drills, (e) training courses, (f) access to other tailored resources, and (g) risk assessments. In addition, the instrument will collect facility identifying information, facility description information, and information about the chemicals present at the facility.

ChemLock Service Registration and Preparation

This instrument collected information to enable the ChemLock services which need additional information to be performed. The ChemLock services which need additional information to be performed are security consultations, onsite assessments and assistance, and risk assessments.

ChemLock Service Feedback Collection

This instrument will collect information related to feedback about ChemLock related services such as: which ChemLock service was provided and when, program outcomes, satisfaction, and performance of the staff involved in providing the ChemLock service.

ANALYSIS

Agency: Cybersecurity and Infrastructure Security Agency (CISA), Department of Homeland Security (DHS).

Title of Collection: ChemLock.

OMB Control Number: 1670–NEW.

Instrument: ChemLock Program Request for Services.

Frequency: ''On occasion'' and ''Other.''

Affected Public: State, local, Tribal, and Territorial governments and private sector individuals.

Number of Respondents: 450 respondents (estimate).

Estimated Time per Respondent: 0.25 hour.

Total Annual Burden Hours: 112.50 hours.

Total Annual Burden Cost: $10,838.06.

Total Annual Burden Cost (capital/startup): $0.

Total Recordkeeping Burden: $0.

Instrument: ChemLock Service Registration and Preparation.

Frequency: ''On occasion'' and ''Other.''

Affected Public: State, local, Tribal, and Territorial governments and private sector.

Number of Respondents: 300 (estimate).

Estimated Time per Respondent: 3.17 hours.

Total Annual Burden Hours: 952 hours.

Total Annual Burden Cost: $91,714.10.

Total Annual Burden Cost (capital/startup): $0.

Total Recordkeeping Burden: $0.

Instrument: ChemLock Service Feedback.

Frequency: ''On occasion'' and ''Other.''

Affected Public: State, local, Tribal, and Territorial governments and private sector.

Number of Respondents: 225 (estimate).

Estimated Time per Respondent: 0.25 hour.

Total Annual Burden Hours: 56.26 hours.

Total Annual Burden Cost: $5,419.03.

Total Annual Burden Cost (capital/startup): $0.

Total Recordkeeping Burden: $0.

Robert J. Costello,

Chief Information Officer, Department of Homeland Security, Cybersecurity and Infrastructure Security Agency.

[FR Doc. 2024–31370 Filed 12–30–24; 8:45 am]

BILLING CODE 9111–LF–P

[1] For more information about CVI see 6 CFR 27.400 and the CVI Procedural Manual at *www.dhs.gov/publication/safeguarding-cvi-manual.*

[2] For more information about SSI see 49 CFR part 1520 and the SSI Program web page at *www.tsa.gov/for-industry/sensitive-security-information.*

[3] For more information about PCII see 6 CFR part 29 and the PCII Program web page at *www.dhs.gov/pcii-program.*

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–6510–N–01]

Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

ACTION: Notice.

SUMMARY: In accordance with section 206A of the National Housing Act, HUD is providing notice of adjustment to the Basic Statutory Mortgage Limits for Multifamily Housing Programs for Calendar Year 2025.

DATES: Adjustment applicable January 1, 2025.

FOR FURTHER INFORMATION CONTACT: Margaret Lawrence, Deputy Director, Office of Multifamily Production, Department of Housing and Urban Development, 451 Seventh Street SW, Washington, DC 20410–8000, telephone (202) 431–7397 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit *https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.*

SUPPLEMENTARY INFORMATION: Section 206A of the National Housing Act (12 U.S.C. 1712a) provides authority for the annual adjustment for the following FHA multifamily statutory dollar limits:

I. Section 207(c)(3)(A) (12 U.S.C. 1713(c)(3)(A));
II. Section 213(b)(2)(A) (12 U.S.C. 1715e(b)(2)(A));
III. Section 220(d)(3)(B)(iii)(I) (12 U.S.C. 1715k(d)(3)(B)(iii)(I));
IV. Section 221(d)(3)(ii)(I) (12 U.S.C. 1715l(d)(3)(ii)(I));
V. Section 221(d)(4)(ii)(I) (12 U.S.C. 1715l(d)(4)(ii)(I));
VI. Section 231(c)(2)(A) (12 U.S.C. 1715v(c)(2)(A)); and
VII. Section 234(e)(3)(A) (12 U.S.C. 1715y(e)(3)(A)).

Section 206A goes on to state that the preceding

(a) ''Dollar Amounts'' shall be adjusted annually (commencing in 2004) on the effective date of the Federal Reserve Board's adjustment of the $400 figure in the Home Ownership and Equity Protection Act of 1994 (HOEPA). The adjustment of the Dollar Amounts shall be calculated using the percentage change in the Consumer Price Index for All Urban Consumers (CPI–U) as applied by the Federal Reserve Board for purposes of the above-described HOEPA adjustment.

(b) Notification. The Federal Reserve Board on a timely basis shall notify the Secretary, or his designee, in writing of the adjustment described in subsection (a) and of the effective date of such adjustment in order to permit the Secretary to undertake publication in the **Federal Register** of corresponding adjustments to the Dollar Amounts. The dollar amount of any adjustment shall be rounded to the next lower dollar.

Note that 206A has not been updated to reflect the fact that HOEPA has been revised to use $1,000 as the basis for the adjustment rather than $400, and the Consumer Finance Protection Bureau has replaced the Federal Reserve Board in administering the adjustment. These changes were made by the Dodd-Frank Wall Street Reform and Consumer Protection Act's amendments to the Truth in Lending Act, as further explained in the regulatory implementation of said changes found in 78 FR 6856, 6879 (Jan. 31, 2013).

The percentage change in the CPI–U used for the HOEPA adjustment is a 3.4 percent increase and the effective date of the HOEPA adjustment is January 1, 2025. The Dollar Amounts under Section 206A have been adjusted correspondingly and have an effective date of January 1, 2025. (see 89 FR 95080, Dec. 2, 2024).

These revised statutory limits may be applied to FHA multifamily mortgage insurance applications submitted or amended on or after January 1, 2025, so long as the loan has not been initially endorsed.

The adjusted Dollar Amounts for Calendar Year 2025 are shown below.

Basic Statutory Mortgage Limits for Calendar Year 2025 Multifamily Loan Program

Section 207—Multifamily Housing;
Section 207 pursuant to Section 223(f)—Purchase or Refinance Housing; and,
Section 220—Housing in Urban Renewal Areas

Bedrooms	Non-elevator	Elevator
0	$67,188	$78,368
1	74,427	86,835
2	88,903	106,477
3	109,580	133,357
4+	124,056	150,791

Section 213—Cooperatives

Bedrooms	Non-elevator	Elevator
0	$72,813	$77,531
1	83,956	87,840
2	101,254	106,814
3	129,607	138,184
4+	144,391	151,687

Section 234—Condominium Housing

Bedrooms	Non-elevator	Elevator
0	$74,299	$78,191
1	85,670	89,634
2	103,320	108,998
3	132,254	141,008
4+	147,337	154,782

Section 221(d)(4)—Moderate Income Housing

Bedrooms	Non-elevator	Elevator
0	$66,864	$72,228
1	75,904	82,802
2	91,749	100,689
3	115,160	130,257
4+	130,129	142,986

Section 231—Housing for the Elderly

Bedrooms	Non-elevator	Elevator
0	$63,570	$72,228
1	71,068	82,802
2	84,867	100,689
3	102,134	130,257
4+	120,077	142,986

Section 207—Manufactured Home Parks per Space—$30,844

Environmental Impact

This issuance establishes mortgage and cost limits that do not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Jeffrey D. Little,

General Deputy Assistant Secretary for Housing.

[FR Doc. 2024–31184 Filed 12–30–24; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[PO# 4820000251]

BLM Director's Response to the Montana Governor's Appeal of the BLM Montana/Dakotas State Director's Governor's Consistency Review Determination for the Miles City Field Office Proposed Resource Management Plan Amendment and Final Supplemental Environmental Impact Statement

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of response.

SUMMARY: The Bureau of Land Management (BLM) is publishing this notice of the reasons for the BLM Director's determination to reject the Governor of Montana's recommendations regarding the Miles City Field Office Proposed Resource Management Plan Amendment (RMPA) and Final Supplemental Environmental Impact Statement (Final SEIS).

ADDRESSES: A copy of the Record of Decision and Approved RMPA for the Miles City Field Office RMPA/Final SEIS is available on the BLM website at: *https://eplanning.blm.gov/eplanning-ui/project/2021155/570.*

FOR FURTHER INFORMATION CONTACT: Heather Bernier, Division Chief for Decision Support, Planning, and National Environmental Policy Act; telephone 303–239–3635; address P.O. Box 151029, Lakewood, CO 80215; email *hbernier@blm.gov.* Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services for contacting Ms. Bernier. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: On May 17, 2024, the BLM released the Proposed RMPA/Final SEIS for the Miles City Field Office planning effort (89 FR 43432). In accordance with the

2025 Program Year
TDHCA | Multifamily Finance Division
Multifamily Direct Loan Program

2025 National Housing Trust Fund (NHTF)

Multifamily Minimum Rehabilitation Standards

IMPORTANT NOTICE REGARDING THESE STANDARDS

TDHCA encourages the reproduction and distribution of this document to all relevant parties participating in Rehabilitation; including but not limited to, staff, general contractors, and subcontractors. If not distributed, at a minimum, all parties with the ability to exercise control over the Development must be informed and so acknowledge compliance with all applicable construction requirements, building codes, necessary materials, accessibility standards, installation methods, etc., regardless of whether expressly stated herein. As such, these Standards must be included in all construction and maintenance documents by reference. Moreover, specific sections may be expressly required in, or the Standards in their entirety, may be required to be attached to particular documents, as determined by the Department.

Moreover, it is important to remember these Standards serve as a starting point for eligible NHTF-assisted Multifamily Rehabilitation activities. Additional project requirements, rules, and regulations WILL APPLY and may be more detailed in Program Documents. IT IS THE RESPONSIBILITY OF THE DEVELOPMENT OWNER/BORROWER TO ENSURE COMPLIANCE WITH ANY AND ALL APPLICABLE PROGRAM REQUIREMENTS, RULES, AND REGULATIONS THAT MAY BE REQUIRED IN ADDITION TO THE MINIMUM CONDITIONS PROVIDED IN THESE STANDARDS.

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NHTF MINIMUM REHABILITATION STANDARDS
MULTIFAMILY DIRECT LOAN PROGRAM

2025 Program Year
(*ending* Aug. 31, 2026)

Introduction

These National Housing Trust Fund (NHTF) Minimum Rehabilitation Standards (hereinafter referred to as "Standards") are intended to provide the minimum acceptable standards for affordable multifamily rental housing developments Rehabilitated in whole or part using Multifamily Direct Loan Program (MFDL Program) NHTF funds in the State of Texas.

These Standards are designed to ensure clarity, efficiency, and feasibility in the successful completion of eligible rehabilitation projects. Accordingly, these Standards only provide the necessary descriptions of the minimum elements of rehabilitation, as required by the U.S. Department of Housing and Urban Affairs (HUD) and 24 CFR §93.301(b). Accordingly, these Standards only address those minimum standards for: (1) Health and Safety; (2) Major Systems; (3) Lead-Based Paint; (4) Accessibility; (5) Disaster Mitigation; (6) Uniform Physical Condition Standards (UPCS); and (5) Property Condition or Capital Needs Assessment (SCR/CNA).

Recommendations made in applicable Mandatory Assessments regarding health and safety or life expectancy of major systems must be implemented. Additionally, estimates (based on age and condition) of the remaining useful life of major system(s) are required to be conducted upon project completion of each major system, in accordance with 24 CFR §93.301(b)(1)(ix). If the remaining useful life of one or more major system is determined to be less than the applicable period of affordability, a replacement reserve shall provide adequate monthly payments to effectively repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ix).

Unless otherwise required, these Standards do not supersede or preempt State and local codes, ordinances, and requirements for developing and maintaining the Development. All applicable codes, ordinances, and zoning requirements must also be adhered. In the absence of State or local building codes, ordinances, or requirements for Rehabilitation, the International Existing Building Code (IEBC) or International Building Code (IBC) (as applicable) of the International Code Council (ICC), in the version adopted by the Multifamily Direct Loan Rule, 10 TAC Chapter 13, shall apply in addition to these minimum Standards.

Definitions

The following words and terms, when used in these Standards, shall have the meaning as provided herein, unless the context clearly indicates otherwise. Any capitalized terms or phrases not specifically mentioned in this section shall have the meaning as defined in Title 10, Part 1, Chapter 1 of the Texas Administrative Code (**Administration**), Title 10, Part 1, Chapter 2 of the Texas Administrative Code (**Enforcement**), Title 10, Part 1, Chapter 10 of the Texas Administrative Code (the **Uniform Multifamily Rules**), Title 10, Part 1, Chapter 11 of the Texas Administrative Code (the **Qualified Allocation Plan (QAP)**), Title 10, Part 1, Chapter 13 of the Texas Administrative Code (the **Multifamily Direct Loan Rule**)(collectively referred to as the **State Multifamily Rules**); or as otherwise defined in Tex. Gov't Code, Chapter 2306 (the **Governing Statute**), §141, 142, and 145 of the Internal Revenue Code (the **Code**), or 24 CFR Part 91, Part 92, Part 93, and 2 CFR Part 200.

1. **Accessible Route--**a continuous, unobstructed path connecting all accessible elements and spaces in a facility or building that complies with the space and reach requirements of the applicable accessibility standard(s).
2. **Plumbing Fixtures--**all relevant plumbing components, which include toilets, urinals, bidets, faucets, lavatories, sinks, showers, bathtubs, and floor drains. Plumbing appliances include washing machines, dishwashers, domestic water heaters, garbage disposals, and water softeners.
3. **Plumbing System**--all relevant plumbing components, which include but are not limited to: piping, fittings, devices, faucets, containers and receptacles that are used to supply, distribute, receive or transport potable water and wastewater.
4. **Substandard Conditions**--any condition that threatens the health and/or safety of the occupants. Substandard Conditions include any condition which threatens, defeats, or will lead to the lack of functional viability of a single feature of a structure. Hazardous conditions are a type of Substandard Conditions.

Minimum Standards for Major Systems
(24 CFR §93.301(b) and 24 CFR §93.301(b)(1)(ix))

Major Systems

These Standards provide the minimum rehabilitation requirements for Major Systems herein. In accordance with 24 CFR §93.301(b), the Major Systems with minimum standards provided herein are:

- foundation;
- structural support, roofing;
- cladding & weatherproofing;
- plumbing;
- electrical; and
- heating, ventilation, and air conditioning (HVAC).

General Requirements, Standard Conditions, and Substandard Conditions

The Minimum Standard Conditions and Substandard Conditions for each Major System are sufficiently detailed in method and material to provide the MINIMUM threshold for Rehabilitation activities that NHTF-assisted Multifamily Developments MUST MEET OR EXCEED.

It is important to remember any threshold requirements provided herein do not supersede or preempt State and local codes, ordinances, and requirements for building and maintenance with which NHTF-assisted housing must comply. Rather, compliance must be accomplished in addition to meeting or surpassing these Standards. In the absence of such State or local building codes, ordinances, or other requirements, the applicable version(s) of the International Existing Building Code (IEBC) or International Building Code (IBC) of the International Code Council (ICC), as adopted in 10 TAC Chapter 13, shall apply in addition to these Standards.

Determining the Scope of Work

This section shall guide the determination as to the minimum scope of work required. In conjunction with the mandatory property assessments required in these Standards, a determination must consider the requirements of the ICC Code Set, in the version adopted by 10 TAC Chapter 13 and as applied to these Standards. Accordingly, the determination will consider the ICC Principles of Safety, Capacity, and Convenience.

Each repair should be detailed as required through the use of plans, drawings, specifications (conforming to the MasterFormat) and work write-ups. At a minimum, each repair should be detailed in a work write up that accurately specifies the location, required demolition (if applicable), and the methods and materials for the project -- all with enough detail to determine the desired outcome or finished product. Work write ups may reference plans and specifications as needed but must be detailed enough to complete repairs.

1.0 Basic Site Work

a. Minimum Standard Conditions. The subject lot or defined site shall be free of debris, garbage or other accumulations of site stored items which create possibilities of infestations. The site should be generally level as allowed by natural topography, well drained, and accessible. Additional drainage features should be added if need is evidenced by existing erosion, standing water or evidence of water damage. In addition to any applicable requirements herein, any and all deficiencies noted in the Uniform Property Conditions Standards or the 2012 ICC Property Maintenance Code must also be addressed.

b. Substandard Conditions. Substandard conditions for Basic Site Work include but are not be limited to those conditions listed in **(1) – (14)**, for which adequate repair or replacement is required, as applicable and further detailed herein:

(1) Accumulated debris, waste, or garbage either in enclosed areas such as storage buildings or on the property;
(2) Deteriorated outbuildings, sheds, wells, privies, or other structures which are no longer in use or are made unusable by their condition;
(3) Holes, ditches, exposed water meter boxes or other condition which creates a tripping hazard, excluding drainage ditches which are part of a designed drainage system;
(4) Rodents, insects, or other infestations;
(5) Standing water or depressions which hold water during wet weather;
(6) Leaking water supply or leaking sewage system;
(7) Obsolete sanitary piping systems such as Orangeberg, clay or other non-standard pipe;
(8) Scaling, calcified or otherwise compromised water supply lines;
(9) Exposed pipes, railings or other installations creating tripping hazards;
(10) Damaged, missing or deteriorated walkways, steps and decks which create tripping hazards or are otherwise unsafe;
(11) Stairways or steps above 30” from the finished grade without a functioning guard rail;
(12) Except on an Accessible Route any change in level in a walkway shall not be greater than ¾”;
(13) On any Accessible Route any change in level shall not be greater than ½”. Any change in level between ¼” and ½” must be beveled 45 degrees; and
(14) Any walkway or driveway that exceeds 5% damage in the form of cracking, spalling, holes, heaving or other damage.

c. Other Conditions/Requirements.

(1) Debris and Brush Removal. The premises shall be free from accumulations of rubbish and garbage that present health and safety hazards. The premises shall be free from trees and shrubs that are damaging the dwelling or present a hazard. Tree limbs in danger of falling on roof areas shall be removed. No vegetation should touch existing buildings, utility service lines, fences, or extend over walkways or parking areas.

(2) Drainage. Surface drainage shall be diverted to a storm sewer or other approved point of collection that does not create a hazard. Lots need to be graded to drain surface water away from the foundation at a minimum slope of 6” within the first 10’. Where lot lines or other physical barriers prohibit this, drains, swales, and/or rain gardens shall be constructed to ensure drainage away from the structure. Use of alternative drainage methods must be approved by TDHCA. Rain gutters shall be installed if none exist. Gutters shall slope 1” for every 20 linear feet with downspouts installed at a minimum every 40’. Downspouts must empty into a splashblock or be diverted at least five feet from the building. Special care must be taken to not discharge water onto adjacent properties.

(3) Driveways, Sidewalks, and Patios. Paved surfaces shall be free from hazards which can cause tripping and falling. Paved surfaces adjacent to the foundation shall not slope towards the structure so that water can collect at the foundation. If tripping hazards and drainage problems exist, the paved surface shall be removed and rebuilt.

(A) Driveways. Following existing driveway demolition, all organic matter shall be removed. Subsoil shall be compacted uniformly and evenly. Forms shall be constructed to provide a minimum slope of 1/8" per foot away from the house and at a depth to provide 4" of concrete. Install either number 4 rebar on 12" centers or 6" x 6" number 10 welded reinforcing wire. Expansion joints shall be installed at all radius points, sidewalk intersections and house slab tie-ins. Concrete mix shall provide a minimum of 3,500 psi at 28 days. If reinforcing steel is not used, control joints shall be sawed in every 10' and be broom finished. Asphalt or gravel driveways may be installed if concrete is prohibitively expensive due to the length of a driveway, or if they are customary for the neighborhood.

(B) Sidewalks and Patios. Following existing sidewalk demolition, all organic matter shall be removed. Subsoil shall be compacted uniformly and evenly. Forms shall be constructed to provide a minimum slope of 1/8" per foot away from any building, at a depth to provide 3 ½" of concrete, and at least 3' wide. Accessible Route cross slope shall not exceed 2%. Expansion joints shall be installed at all radius points, sidewalk intersections and slab tie-ins. Control joints shall be sawed in every 5' and be room finished. If sidewalks and patios are installed and are connected to an entry door an accessible entry will be required.

(4) Ramps. On Accessible Routes, ramps shall meet the requirements of the 2010 ADA and the applicable Accessibility requirements provided in these Standards.

(5) Vermin and Insects. The premises shall be free from infestations of vermin and wood-boring insects. Inspections shall be performed by state licensed extermination contractors if evidence of infestation exists. Conditions which increase or cause infestation shall be removed (e.g. accumulation of rubbish garbage, unsanitary conditions, presence of consistent moisture, untreated wood in contact with soil, etc.). One or more of the following termite treatments shall be included in the Rehabilitation if infestation is observed; chemical termiticide treatment, termite baiting system installed and maintained according to the manufacturer's label, use of pressure-preservative treated wood, use of naturally durable termite-resistant wood, and/or termite shields.

(6) Landscaping for Additions. When an addition is built, underground utilities run, grade changes made, or the soil is otherwise disturbed, proper compaction and a fine finish grading shall be done and seed, sod or native plants shall be installed matching as closely as possible the existing surrounding yard.

2.0 Foundations

a. General Requirements and Standard Conditions. Foundation work shall be completed in its entirety prior to beginning work on other areas of the housing unit(s). Leveling shall be done in such a manner as to provide an acceptable degree of tolerance. When leveling takes place, doors, windows and other openings shall be reasonably plumb, level and easy to operate. Interior wall coverings shall be repaired and Plumbing Systems shall be inspected to insure the system functions as intended. Foundation leveling shall include grading of the soil to provide a slope away from the home of at least 6" for the first 10'. If the lot does not allow for this grade, a French drain shall be installed to drain water away from the house, or swales shall be designed and built to control rain water runoff. Refer to Section 6.3 (relating to Minimum Standards for Sanitary Drainage).

Foundation walls shall be a minimum of 6” above grade, or 4” above grade if masonry veneer is existing or will be installed. Underpinning shall be required when foundation leveling is a part of Rehabilitation. Any room additions shall comply with the 2015 IRC or later.

In regards to safety, the ICC contains provisions considered necessary for safe installation; however, they are merely minimum requirements. Providing a safe foundation, leveling, repair, or installation and minimizing hazards can be done by following the principles of foundation construction and stabilization, fully complying with any limitations placed on the use of products and materials and permitting only qualified persons to participate.

With foundations, capacity refers to its ability to carry live and dead loads with respect to the soil’s plasticity. Unsafe conditions often occur because existing foundations were not properly planned or designed for the soil conditions at the site low to the ground making it difficult to access Plumbing Systems. Convenience also refers to similar concerns, whereby crawlspaces are often too low to the ground, making it difficult to access Plumbing Systems. While raising the housing may not be feasible, every practical effort must be made to increase the crawlspace clearance to a minimum of 12” above grade when leveling housing.

b. Substandard Conditions. At a minimum, repair or replacement is required if any of the conditions in (1) – (7) exist:

(1) Evidence of wood destroy insect damage;
(2) Water and/or fire damage or dry rot to wooden piers, beams, joists, and subfloor;
(3) Inadequate support of beams, sills, or joists;
(4) Lack of drainage away from the home;
(5) Cracked, damaged, buckled skirting;
(6) Untreated wood in contact with the soil; or
(7) Any other condition which meets the definition of a hazardous or substandard condition.

c. Other Requirements/Conditions.

(1) Slab on Grade. All concrete floors shall be without serious deterioration or conditions that present a falling or tripping hazard. With existing concrete floors, cracks longer than six inches in concrete slabs, 3/4 inch along walkways or steps, or any missing or uneven sections shall be repaired. Slab on grade foundations that are failing, as demonstrated by an inspection by a structural engineer, shall not be rehabilitated.

(2) Pier and Beam. Piers shall have allowable spans between piers or posts. Piers shall support beams which in turn support floor joists. Joists must not be more than 24” on center and, if not continuous, overlap beams shall be at least 12”. If major leveling is required, a structural engineer shall inspect the foundation to determine the number of piers that need to be added, repaired, or replaced.

Newly installed footings shall be a minimum of 12” below undisturbed ground surface and the surface shall be level. Termite shields shall be installed on newly installed posts, regardless of pier material.

Skirting shall extend four inches below and at least 18” above grade or up to the exterior cladding and be lapped and fastened under the cladding material. Access to the crawlspace shall be 18” high by 24” wide (if in the floor) or 16” high by 24” wide (if on the perimeter wall), and is not allowed to be installed under a door. Venting of the crawlspace shall be one square foot per 350 square feet of crawl space area and one vent opening within three feet of each corner. Crawlspace floor shall be covered with six mil polyethylene. Skirting is not permitted in flood zones.

3.0 Structural Support and Roofing

3.1 Roofing Systems

a. Description. All relevant roofing components, which include but are not limited to, trusses, rafters, ridge beams, collar ties, ceiling joists, top plates of walls, and sheathing. Moreover, Truss Designs for Replacement Roofs complying with wood roof framing, includes: slope, span, and spacing; location of all joints, required bearing widths; design loads; joint connector type and description; lumber size, species, and grade; connection requirements; bracing locations; and roof tie-downs and uplift resistance details for high wind areas, or as otherwise provided in Section R802 of the 2015 IRC.

b. General Requirements and Standard Conditions. The Roof System and the roof covering shall safely support the loads imposed. Framing and decking shall be structurally sound, properly fastened, and form a sound base for attaching the roof covering. The Roof System shall be configured to provide a positive drainage plane.

c. Substandard Conditions. At a minimum, any Roof System that is incapable of safely supporting the load or fails to safely provide adequate drainage must be repaired or replaced. Deteriorated, missing or loose framing or sheathing must also be corrected. Generally, repair or replacement is required for any applicable condition listed in (1) – (10):

(1) Multiple layers of roof covering materials (more than two);
(2) Water damage caused by leaks through the roofing system;
(3) Missing, worn, or upturned shingles;
(4) Damaged, missing, or improperly installed roof jacks, flashings, drip edges on both rakes and eaves;
(5) Exposed nails or other fasteners;
(6) Structural damage to trusses;
(7) Extensive patchwork and repairs;
(8) Missing, damaged, loose, leaking, blocked, improperly sloped gutters and downspouts;
(9) Wear and tear leading to a failed system within five years from the initial inspection; or
(10) Any other Hazardous or Substandard condition.

3.2 Structures

a. General Requirements and Standard Conditions. Roof structures incapable of safely supporting the load or providing adequate slope for drainage shall be repaired or replaced. Sagging roofs shall be replaced or stabilized. Stabilization of sagging roofs that will not be replaced shall be designed by a structural engineer.

b. Other Requirements/Conditions.

(1) Truss Design for Replacement Roofs. Truss designs for replacement roofs shall comply with wood roof framing in Section R802 of the 2015 IRC which includes; slope, span, and spacing; location of all joints, required bearing widths; design loads; joint connector type and description; lumber size, species, and grade; connection requirements; bracing locations; and roof tie-downs and uplift resistance details for high wind areas.

(2) Roof Framing for Replacement Roofs. Purlin support braces shall be installed every 4' O.C. Continuous purlins shall be installed between support braces. Purlins shall be a minimum of 2" x 4" studs. Ceiling joists shall comply with Span Tables R802.4(1) and R802.4(2).

(3) Sheathing Replacement. 5/8" CDX plywood shall be installed with clips spaced O.C. between rafters for rafter spacing of 24".

(4) Ventilation. Unconditioned attics shall be cross ventilated. A one to one ratio shall be installed; for every one foot of soffit vent area there shall be one foot of ridge, gable, or turtle vent area. Soffit vents shall have baffles installed providing at least one inch of airspace to prevent wind washing and/or attic insulation blocking soffit vents. All vents shall have corrosion-resistant wire cloth screening or similar material.

(5) Radiant Barrier. A radiant barrier should be installed in all accessible attic areas.

Powered attic vents, whether connected to the structure's electrical system or powered by photovoltaic, are not allowed.

3.3 Roof Covering

a. General Requirements and Standard Materials. Asphalt shingles shall be fastened to solidly sheathed decks. Asphalt shingles shall be used only on roof slopes of 2:12 or greater slope. Slopes, if applicable, less than 2:12 require appropriate membrane designed for such surfaces. Metal roof panels must either be naturally corrosion resistant or provided corrosion resistance per the manufacturer's requirements. Metal roofs shall only be installed on slopes of 3:12 (for lapped, nonsoldered-seam), ½:12 (for lapped, nonsoldered-seam panels with applied lap sealant), or ¼:12 (for standing-seam roof systems). Otherwise, roof weatherproofing, reinforcement, and surfacing shall be completed in accordance with applicable provisions of the IBC or IEBC.

(1) Flashings. Flashings shall be installed in a manner that prevents moisture from entering walls or the roof through penetrations, at eaves and rakes, at wall/roof intersections, wherever there is a change in roof slope or direction and around roof openings. Wall/roof intersections extending to eaves shall be provided with kick-out flashing. All wall/roof intersections shall have step flashing with at least 1" space between the roof covering and the adjacent wall cladding. Metal flashings shall be a No. 26 galvanized sheet metal and corrosion resistant. A cricket or saddle shall be installed on the ridge side of any chimney or penetration greater than 30" wide.

(2) Valley Flashings. Closed valleys (covered with asphalt shingles) shall be lined with one ply of smooth roof roofing or self-adhering polymer modified bitumen underlayment prior to asphalt shingle installation.

4.0 <u>Minimum Standards for Walls, Ceilings, & Flooring</u>

4.1 Walls and Ceilings

a. General Requirements and Standard Conditions. On exterior walls, all defects or deterioration that would allow the elements to enter wall cavities shall be corrected through Rehabilitation. Replacement of sections of walls and ceilings shall match adjoining materials as closely as possible (e.g. thickness of the existing material). When replacement of entire wall or ceiling coverings or sections of them is replaced, priming and painting of the entire wall or ceiling shall be completed.

b. Substandard Conditions. Repair or replacement is required if any condition listed in (1) – (7) exists:

(1) Water damage or dry rot of siding, trim, or interior wall coverings;
(2) Exposed nails or popped seams;
(3) Peeling or chipped paint, holes, cracks, or gaps in interior wall coverings or exterior cladding;
(4) Broken, fire damaged or missing exterior cladding;
(5) Sagging or missing ceiling sections;
(6) Wood destroying insect damage in exterior cladding; or
(7) Any other condition characterized Hazardous or Substandard.

c. Other Requirements/Conditions.

(1) Walls.

(A) Exterior Walls. If removing the exterior cladding, deteriorated exterior wall sheathing, studs, and bottom and top plates shall be replaced. Deteriorated or missing insulation shall be replaced and wall cavities shall be insulated to a minimum R-13.

Masonry repair or replacement shall match existing masonry as closely as possible, installed plumb, true, and in line with existing courses. If weep holes are filled or nonexistent, they shall be provided at least every 3' at the slab and at least 1 above each window.

Siding repair or replacement shall match existing siding as closely as possible and provide for a positive drainage plain. All joints and seams shall fall on center of wall framing. Overlap and water sealing shall be completed in accordance with the manufacturer's installation instructions.

(B) Interior Walls. A structural engineer shall inspect interior bearing walls that are proposed to be moved. Non-bearing walls do not require a structural engineer. Moved or newly installed walls shall be constructed with 2x4 studs with the bottom plate securely fastened to the floor and the top plate securely fastened to ceiling joists.

All new gypsum board shall be installed according the manufacturer's installation instructions and shall be installed a minimum of ½" above the finished floor, taped, floated, and feathered prior to painting. New wall coverings shall not show noticeable blemishes or dents and tape shall not show after painting. All interior walls shall be painted with a No Volatile Organic Compound (VOC) paint.

(C) Bathroom Walls. Bathroom walls that are to be replaced shall be replaced with appropriate backer board. If tile will be installed in the shower/tub area, concrete board, or equivalent, shall be installed. Green board shall be installed in the rest of the bathroom. Bathroom wall coverings shall be installed a minimum of ½” above the finished floor, taped, floated, and feathered prior to painting. New wall coverings shall not show noticeable blemishes or dents and tape shall not show after painting. All bathroom walls shall be painted with a semi- or high-gloss paint No Volatile Organic Compound (VOC) paint.

(2) Ceilings. For ceiling structure, see the Roofing Chapter. Replacement of ceiling coverings shall be with 5/8” Type X gypsum board. Fastening shall be in accordance with the manufacturer’s installation instructions. All new gypsum board shall be taped, floated, feathered, primed, and painted with at least 2 coats of No Volatile Organic Compound (VOC) paint. When ceilings are replaced, all ceiling fixtures removed and reinstalled for replacement shall be air sealed.

(3) Painting and Finishes. All areas not to be painted shall either be removed and reinstalled or completely covered to prevent overspray or splatter. Receptacle and switch plates shall be removed and reinstalled.

(A) Interior Walls: All walls that were repaired or replaced shall be painted with at least two coats of No Volatile Organic Compound (VOC) paint. Bathroom walls shall have a semi- or high-gloss sheen.

(B) Exterior Walls: Replaced or repaired exterior cladding, with the exception of brick veneer, shall be painted with at least two coats of exterior grade paint. Existing exterior walls not replaced or repaired but still painted must comply with all applicable requirements in (i) – (iv):

(i) The ground shall be protected with a drop cloth. For pre-1978 housing determined or assumed to have lead-based paint, all scraped paint shall be disposed of in accordance with applicable HUD and EPA guidelines, and as provided in these Standards;

(ii) Peeling and chipped paint shall be scraped loose;

(iii) The entire area to be painted shall be power washed prior to painting; and

(iv) All areas not to be painted (e.g. windows, doors and their trim, exterior lighting fixtures) shall be covered to prevent overspray.

(C) Trim and Baseboards. All installed trim around doors, windows, and floors shall be painted with at least one coat of No Volatile Organic Compound (VOC) paint on both sides (except for baseboard trim).

4.1 Minimum Standards for Flooring

a. General Requirements and Standard Conditions. All flooring, including transitions between rooms, must be effective, relatively level, free of tripping hazards, and adhere to or exceed all applicable Accessibility standards. Floor covering and subflooring(s) must function as intended, as demonstrated through sufficient inspection. Related deficiencies must be corrected during Rehabilitation, as provided in these Standards.

b. Substandard Conditions. Deteriorated, inadequate, and weakened floor framing and subfloors can be the result of poor initial construction, foundation settling or failure, careless remodeling, water, or wood boring insects. A thorough inspection shall be conducted to identify all subfloor and flooring deficiencies.

(1) Repair or Replacement. The conditions in (A) – (D) require corrective measures be completed:

(A) Damaged, rotten, loose, weak or otherwise deteriorated subfloor;

(B) Torn, missing, broken, or otherwise damaged floor covering that creates a tripping hazard;

(C) Missing baseboards, shoe molding, or transition strips; or

(D) Any other condition that meets the definition of Hazardous or Substandard.

In doing so, repairs to severely sloped or uneven floors must satisfy all corrective measures or replacement will be required. New floor coverings shall be installed because the existing floor covering is ineffective, there are obvious trip hazards, because the subfloor was replaced, or because other work requires it, such as increasing the square footage of a room.

Replacement flooring may be required if necessary for Accessibility purposes; other concurrent work; or significant subflooring repairs/replacement occur. If required, any and all applicable Foundation work must be completed first. Thereafter, flooring replacement shall be conducted in accordance with the manufacturer's installation requirements.

c. Other Requirements/Conditions.

(1) Subfloor.

(A) Concrete Slab. If the concrete slab foundation is functioning as intended and is relatively level, no additional subfloor preparation is required. If it is functioning as intended, but not relatively level or has settlement cracks, self-leveling flooring compound shall be installed prior to installation of the floor covering.

(B) Bathrooms, Kitchens, and High Traffic Areas. When replacing subflooring in bathrooms, kitchens, and high traffic areas (e.g. hallways, breezeways) in housing with pier and beam foundations, the newly installed subfloor shall be 19/32" high performance paneling or 3/4" CDX plywood installed as the subfloor with floor joists not more than 24" on center.. All subfloor shall be installed with screws and include subfloor caulking adhesive.

(C) Other Habitable Rooms. Other habitable rooms requiring subfloor replacement shall have 3/4" CDX plywood installed as the subfloor with floor joists not more than 24" on center. All subfloor shall be installed with screws and include subfloor caulking adhesive.

(2) Floor Coverings.

(A) Kitchens and Bathrooms. Replacement floor coverings in kitchens, bathrooms, laundry rooms, and utility rooms shall be water resistant. Transitions between rooms shall match the new floor covering or match as closely as possible existing floor covering that is left in place. Sheet vinyl and VCT shall not be used in rooms with Plumbing Fixtures in pier and beam housing. Replacement floor coverings shall be selected for durability, safety, and ease of maintenance.

(B) Other Habitable Rooms. Replacement flooring in other habitable rooms may include VCT, however laminate planks or ceramic tile is preferred (if ceramic tile is installed on a pier and beam foundation, the floor system may need to be structurally reinforced to support the extra load). Transitions between rooms shall match the new floor covering or match as closely as possible existing floor covering that is left in place. Sheet vinyl shall not be installed. Replacement floor coverings shall be selected for durability, safety, and ease of maintenance.

(C) Vinyl Composition Tile (VCT). VCT shall be 12” x 12” x 1/8” and stored inside a conditioned space for a minimum of 48 hours prior to installation to allow materials to condition to the inside environment. VCT shall be fitted tightly, with no gaps showing at walls, doors, or trim. Full cover shall be achieved. Base boards or shoe molding shall be installed.

(D) Laminate Planks. Laminate flooring shall be stored inside a conditioned space for a minimum of 48 hours prior to installation to allow materials to condition to the inside environment, and installed per the manufacturer’s instructions. Door trim may need to be cut to fit planks seamlessly between rooms. Laminate planks shall be fitted tightly, with no gaps showing at walls, doors, or trim. Full cover shall be achieved, but it shall not fit tightly against walls so that it is allowed to “float”. Base boards or shoe molding shall be installed.

(E) Carpeting. Carpeting is generally discouraged; removal of existing carpeting should be conducted where practicable. Otherwise, carpeting must of good quality, in sanitary condition, and preferably low pile. Carpet installation must be completed per the manufacturer’s instructions and over appropriate pad(s). Carpet installation is not permitted in kitchens or bathrooms. Replacement floor covering(s) shall be selected for durability, safety, and ease of maintenance.

5.0 Other Cladding and Weatherproofing (*e.g.* Windows, Doors, Siding, Gutters)

5.1 Minimum Standards for Doors and Windows

a. General Requirements and Standard Conditions. Applicable Foundation work must be completed prior to repairing or replacing doors and windows. Each habitable room that contains a window shall have at least one window that is in operable condition and capable of being held in the open condition without assistance or device. Habitable bedrooms must have a minimum of one window that meets egress requirements. Bathrooms, bedrooms and utility rooms shall have a door that is easily operable and fitted with functioning hardware that tightly latches the door.

All windows repaired or replaced as part of the scope of work must operate safely, effectively, and conveniently regardless of user’s age or ability. Each window must have an operable screen. Repaired or replaced windows must meet or exceed the requirements of an Energy-Star Rating. Additionally, blinds or window coverings must be provided for all windows.

b. Substandard Conditions. At a minimum, the conditions in (1) – (11) must be repaired or replaced:

(1) Broken, missing or cracked window panes;
(2) Rotten or deteriorated sills, frames or trim;
(3) Missing seal or sealant or dried, cracked or missing putty or caulking around window panes;
(4) Windows painted shut, inoperable or difficult to open and close;
(5) Security bars that do not open from the inside without any special knowledge or tools;

(6) Windows and exterior doors that do not lock;
(7) Broken, damaged, or deteriorated doors;
(8) Doors that do not shut and latch or lock smoothly with the strike plate;
(9) Exterior doors that are not listed as exterior doors;
(10) Rotted, deteriorated or damaged thresholds, jambs, frames, or trim; and
(11) Any other condition that can reasonably be characterized as Hazardous or Substandard.

5.2 Minimum Standards for Doors

a. General Requirements and Standard Conditions.
All doors shall be in good operating order, easy to open, close and latch. All replacement doors must be installed true and plumb with trim installed on both sides. Hardware style (e.g. knob, lever handle, passage), finish (e.g. chrome, brushed nickel, satin), and any glazing shall be identified in the scope of work. All doors that come into contact with interior walls when opened shall have base board mounted, rubber tipped door stops installed.
(1) Interior Doors. Interior door replacements must be installed true and plumb, with trim installed on both sides. Bathroom doors shall be able to be locked.
(2) Exterior Doors. Exterior doors include, but are not limited to, doors connecting the conditioned space with an attached garage. Replacement exterior doors must be at least Energy Star qualified, or its equivalent, double bore exterior doors. Doors connecting the conditioned space to an attached garage shall also be fire rated. All exterior doors shall be keyed alike with a sufficient number of key copies provided to the residents.

b. Other Requirements/Conditions.
(1) Accessibility and Universal Design. Accessible doors may be required depending on the Unit or Household Type(s). Universal design principles state that housing should be built to accommodate any person regardless of age or physical ability. Consultation(s) should be made to determine whether the conditions in (A) – (C) are necessary:
(A) Heavily used Interior doors widened to accommodate a 36” door with a threshold no higher than 1/8”. If not feasible due to structural constraints, clear swing hinges can be installed;
(B) Automatic door openers can be installed; and
(C) Lever handles will be installed on all doors.

5.3 Minimum Standards for Windows

a. General Requirements and Standard Conditions. All windows shall be in good operating order, easy to open, close, latch, and lock. Windows that cannot be repaired must be adequately replaced. Flashing materials shall provide a positive drainage plane.
b. Performance Chart. Replacement windows shall meet or exceed Energy-Star or equivalent Ratings. The Performance Chart included herein provides the minimum performance ratings required for all replaced and, if practical, repaired windows.

Performance: **Performance Measure:**	**CZ2**	**CZ3**	**CZ4**
U-Factor	0.65	0.50	0.35

SHGC	0.35	0.35	Not Required

5.4 Minimum Standards for Gutters and Downspouts

a. General Requirements and Standard Conditions. All gutters and downspouts must be installed or replaced (repair alone is insufficient). Gutters shall have a slope no less than 1:20 and all seams made weather tight, if applicable. Downspouts shall be installed at a minimum every 40’ and shall discharge water at least five feet from the foundation. Drainage five feet away from the foundation may be accomplished through the installation of a French drain, swales, or other means of directing water away from the foundation. Water shall not be discharged onto an adjoining property.

6.0 Plumbing, Potable Water, and Sanitary Sewer Systems

6.1 Minimum Standards for Plumbing Systems

a. General Requirements and Standard Conditions. The Plumbing System must effectively provide both a safe and adequate supply of potable water, and a safe and sanitary method of distributing wastewater. Effective Plumbing Systems adhere to the mandatory plumbing principles in (1)-(7):

(1) Sewer gases shall not be allowed to enter any housing Unit;

(2) Sewer leaks must be identified, repaired or replaced, and improper disposal methods discontinued;

(3) Water leaks must also be identified and repaired or replaced;

(4) Water must be free from hazardous contaminants and safe for drinking, bathing and other uses.

(5) An adequate supply of water must be available for all water needs, which includes having adequate pressure at each fixture.

(6) Supply, drain, waste, and vent pipes shall not interfere with structural integrity. Notching and drilling of structural members shall comply with the requirements of the 2009 IRC, Figure R602.6(1) and (2).

(7) Plumbing work shall be performed by state licensed individuals, and plumbing inspections performed by experienced and qualified individuals knowledgeable in the field of plumbing.

b. Substandard Conditions. Existence of any condition listed in (1)-(11) shall require, at a minimum, adequate repair or replacement. If replaced, newly installed Plumbing Systems, piping, and fittings must be properly installed, connected, free flowing; and must be free of leakage and corrosion of water or sewer gases.

(1) Lack of any required condition, as provided in (A) – (F):

(A) Continuous sanitary water supply;
(B) Continuously functioning sanitary waste water disposal system;
(C) Functioning shut-off valves at toilets, sinks and lavatories;
(D) Access to waste lines such as clean-outs;
(E) A minimum of one functioning toilet, bathroom sink, or tub/shower;
(F) Functioning kitchen sink; or

(2) Septic system or Plumbing Fixtures not performing as intended;
(3) Leaks in any supply or waste lines;
(4) Deteriorated, corroded, or leaky supply or drain pipes;
(5) Supply or drain piping consisting of a mixture of different types of piping or fittings, or is run in an inefficient manner;
(6) Missing, blocked, or improperly installed required conditions listed in (A)-(D):
(A) Vent pipes;
(B) Gas shut off valve on natural gas Domestic Water Heater (DWH);
(C) Temperature and pressure-relief valve (TPRV) on DWH;
(D) Shut off valves at the water meter, each toilet, each sink, DWH, or tub/shower locations; or
(7) Natural gas domestic water heaters (DWH) located in bathrooms, bedrooms, closets or utility rooms where a clothes dryer is present;
(8) Natural gas DWH combustion air taken from conditioned space;
(9) Inadequate natural gas DHW vent (e.g. not double walled or skirted at roof penetrations);
(10) Rusted or corroded DHW pipes or storage tanks; and
(11) Any other condition reasonably characterized Hazardous or Substandard.

6.2 Minimum Standards for Potable Water

a. **General Requirements and Standard Conditions.** Water service lines shall be properly connected to a public or approved private system functioning as intended. All newly installed supply lines must be flushed and fittings tested. Privately owned wells and systems must also be tested for water quality. Testing must occur prior to commencing Rehabilitation; and must be conducted by a local health department or other qualified, unaffiliated source. Appropriate corrective measures are required for privately supplied water determined not suitable for use.

b. **Other Requirements/Conditions.**
(1) Water Supply. All dwellings shall have adequate, safe, and potable water supplied through a safe Plumbing System to all fixtures.
(2) Water Quality. Supply systems shall provide for the delivery of potable water through a safe system of piping, free from leaks and other defects and not subject to the hazards of backflow. If supplied water is not free of bacteria, chemicals, excessive minerals, relatively free of odor, taste, color and turbidity, corrective measures to improve water quality (e.g. water softening, water filtering) should be installed.
(3) Exterior Pipe Protection. All newly installed exterior water lines shall be buried at a minimum depth of 6” below the final grade, or be protected from freezing in accordance with local climate.
(4) Water Pressure. The average static pressure at the building entrance shall be between 40-80 psi. If pressure exceeds 80 psi, an approved pressure reducing device shall be installed. If pressure is less than 40 psi, a thorough evaluation shall be conducted to determine the reason(s) for low pressure and appropriate corrective measures shall be completed.
(6) Pipes. New supply water piping shall be type “L” copper tubing with wrought copper solder joint fittings, PEX, or CPVC. All fittings shall be compatible with pipe material. Joints between dissimilar metals shall be made with dielectric fittings to prevent joint

deterioration due to electrolysis. All piping shall be adequately supported to prevent sagging or breakage.

(7) Valves. The main water line shall have an accessible service shut-off valve for each building or Unit, as applicable. All hot and cold water supply lines feeding all Plumbing Fixtures shall be equipped with functional and accessible shut-off valves. Access panels for tub/shower enclosures must be provided for access to valves and maintenance, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access. All valves shall be tested and must not leak.

6.3 Minimum Standards for Sanitary Drainage

a. General Requirements and Standard Conditions. The sanitary drainage system consists of the pipes designed to provide adequate circulation of air, exhaust of sewer gasses, prevent loss of water seals in traps and provide for wastewater flowing out of the home and into an approved sewage disposal system. All fixtures shall be connected to an approved sewage disposal system and free of leaks. New sewage disposal systems shall comply with EPA and Texas Commission on Environmental Quality (TCEQ) requirements.

b. Substandard Conditions.

(1) Unapproved Private Systems. Unapproved systems include pit privies, cesspools, ponds, lakes, streams and rivers. If any of these systems are in use, they must be abandoned and the housing Unit must be connected to an approved sewer disposal system.

(2) On-Site Sewage Facilities (OSSF). Prior to conducting Rehabilitation, all OSSF systems shall be inspected by a licensed OSSF inspector. If not performing as intended, an existing OSSF system must be repaired, replaced, or abandoned as provided in (A)-(B):

(A) Repair or Replacement. If repair is suitable, the tank shall be drained and all components tested and repaired or replaced. Special attention must be given to the drainage field; tree cutting and site clearing of the field may be required and replacement made. The drainage field must be designed for the existing soil conditions and the water table at the site and installed by a licensed installer.

(B) Abandonment. If a public system is available to connect to, and the existing OSSF system has reached the end of its Useful Life, abandonment is required. The existing tank shall be pumped, collapsed, and filled. A licensed plumber shall connect the housing to a public system and include a clean out close to the home.

c. Other Requirements/Conditions.

(1) Traps. Bell traps, “S” traps, and drum traps are prohibited. If any of these exist, they shall be replaced with a “P” trap. All fixtures shall be trapped and conform to the requirements in (A)-(F):

(A) All waste lines shall be trapped by a water seal trap as near to the fixture as possible but in no case more than 24” from the fixture;

(B) All traps shall be set level with respect to their water seals and sink traps shall be protected from contact and damage if sinks are made accessible for individuals using wheelchairs or other mobility device(s);

(C) Trap size shall not be less than the following inside diameters: 1 ¼" for lavatories; 1 ½" for tubs, showers, kitchen sinks and dishwashers; 2" for clothes washers and; and 3" for floor drains in utility rooms;
(D) No trap shall be larger than the drainage pipe coming from a fixture;
(E) Access panels shall be provided to enclosed traps and concealed connections, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access; and
(F) Wall and ceiling openings for plumbing shall be air sealed with caulk (gap less than ¼") or expanding foam (gaps more than ¼").

(2) Vents. Plumbing Systems shall be designed to prevent sewer gases from entering the housing Unit(s), allow waste to adequately drain into an approved sewer system, and shall be vented to the exterior so that water released from fixtures may draw in air to allow for smooth and even drainage. All vents must also meet or exceed the requirements in (A) – (E):
(A) All Plumbing Systems shall have at least one main vent stack, running from the main drain through the roof, terminating to the exterior. If only one main vent exists, it shall be no less than 3" inside diameter from top to bottom;
(B) Plumbing vent systems shall only be used for the purpose of venting the system;
(C) Existing vents shall be at a minimum 6" above the high side of the roof penetration. Newly installed vents shall be a minimum 12" above the high side. Through the roof vent penetrations shall be flashed and sealed to provide a positive drainage plain;
(D) All vent stacks terminating in an attic shall be extended or replaced. No vent stacks shall terminate near any window or door or under soffits; and
(E) Air admittance valves are allowed as long as they are American Society of Sanitary Engineering (ASSE) 1051-2009 approved and installed in accordance with the manufacturer's installation instructions.

6.4 Minimum Standards for Plumbing Fixtures

a. General Requirements for Standard Conditions. All Plumbing Fixtures shall be free of leaks or defects which interfere with their ability to perform as intended. Existing fixtures in good and safe working order are generally not required to be repaired or replaced.

b. Other Requirements/Conditions. Any and all replacement Plumbing Fixtures and appliances must be installed per the manufacturer's installation instructions, including water sealing, and must be completed in accordance with all applicable requirements provided in (1)-(7):
(1) All replacement fixtures shall meet or exceed the requirements of WaterSense qualified or equivalent products. Kitchen faucets requiring replacement shall provide 2.2 gallons per minute (GPM) and a 15-year drip free warranty. The scope of work must identify the height toilet(s), whether it is round or elongated, and whether a new faucet is single lever or not.
(2) All replacement plumbing appliances must meet or exceed the requirements of Energy Star, or equivalent, qualified products.
(3) All replacement shower fixtures shall use anti-scald control devices. Access panels shall be provided to these valves, if possible with wall and plumbing configuration prior

to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access.
(4) All fixtures shall be supported and securely attached in a manner consistent with normal installation methods and installed level.
(5) All faucets shall have the hot water line on the left side of the faucet. Existing supply lines that are reversed shall be changed.
(6) If existing garbage disposals are not performing as intended or are not hardwired to the electrical system, they shall be removed, repaired or replaced. New garbage disposals shall be hard wired and switched in an accessible location as close as possible to the kitchen sink.
(7) All repaired or replacement fixtures and appliances shall be tested for leaks and proper operation.

6.5 Minimum Standards for Domestic Water Heaters (DWH)

a. General Requirements and Standard Conditions. All DWHs, with the exception of tankless water heaters, shall have, at a minimum, a 30 gallon storage capacity that can supply a continuous flow of hot water that is at least 102 degrees F, with gas or electric shut-off valves as well as cold water supply shut-off valves, all installed and functioning as intended. Larger capacity DWHs may be installed if necessary to serve larger households. Replacement DWHs shall meet or exceed the requirements of Energy Star qualified, or equivalent, products.

(1) Temperature and Pressure Release Valve (TPRV). Each unit shall be equipped with a TPRV must capable of releasing pressure at 150 psi or 210 degrees Fahrenheit. Water release shall extend to the exterior of the housing, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access.

(2) DWH Enclosure. Each DSW shall be enclosed in a sealed closet designed for this purpose, with gas DSWs having combustion air drawn from outside the conditioned space. Gas DWHs inside conditioned spaces must be in separate closets that is not in the same room as a clothes dryer or any type of exhaust vent. All DWHs installed in a garage must be installed at a minimum 18” AFF with primary drainage draining to the exterior. DWHs in other locations shall be supported by a minimum three foot concrete base, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to install a concrete base.

(3) Energy Factors (EF) Table. Replacement DHWs shall meet or exceed the Energy Factors (EF) requirements identified by size and type in the Energy Factors (EF) Table:

2025 Program Year Energy Factors (EF) Table		
Energy Factors (EF):	**Gas DWH EF**	**Electric DWH EF**
Replacement DSWs must meet or exceed the EF		

identified for each size in this table. **Storage Size (Gal):**		
30	0.63	0.94
40	0.61	0.93
50	0.59	0.92
60	0.57	0.91
70	0.55	0.90
80	0.53	0.89

7.0 Electrical Systems

7.1 Minimum Standards for General Electrical Service

a. General Requirements and Standard Conditions. Electrical systems must provide a safe and adequate supply of electrical current that meets the needs of the residents. Accordingly, Electrical Systems must meet or exceed the safety and efficiency requirements provided in (1)-(6), which require that the system is:

(1) Properly grounded and free of hazards with all components properly secured and covered to prevent contact or electric shock;

(2) In good condition, with all electrical components up to date, lacking deterioration, and free of shorts;

(3) Sufficiently providing adequate, consistent, and appropriate current and voltage levels at each outlet, fixture, and piece of equipment, as per its intended use;

(4) Equipped with conductors, fixtures, boxes, and equipment that are properly sized and rated for their intended use;

(5) Adequate for its current use considering resident behavior and lifestyles;

(6) Equipped with an adequate quantity of appropriately located lighting, receptacles, and switches; and

(7) Maintained, repaired, or otherwise replaced primarily in accordance with the ICC Principles of Safety, Capacity, and Convenience.

b. Substandard Conditions. At a minimum, repair or replacement is required if any of the conditions in (1)-(17) exist:

(1) Inadequate capacity (e.g. excessive use of power strips and/or multiple outlet adaptors);

(2) Two-wire systems (lacking grounding);

(3) Wiring or components missing, broken, disconnected, loose, burnt or melted, unsupported, corroded, cracked, or split;

(4) Panel boxes that show evidence of water intrusion or infestation;

(5) Frayed or burnt wiring or wire insulation;

(6) Circuits, switches, receptacles, or wiring is not compatible with the amperage or other characteristics of the electricity in use;

(7) Flexible cords are used as permanent wiring (unless Non-Metallic (NM) cable(s) otherwise installed in accordance with local building codes);

(8) Exposed wiring on interior walls or the exterior that are not protected in conduit or raceways (unless Non-Metallic (NM) cable(s) otherwise installed in accordance with local building codes);

(9) Receptacles in bathrooms and kitchens within 6' of a water source and exterior receptacles that are not ground fault circuit interrupter (GFCI) protected;

(10) Reverse polarity;
(11) Unlabeled circuits;
(12) Missing cover plates;
(13) Components not securely attached to the structure;
(14) Inadequate lighting in rooms and outside of entry doors; or
(15) Any other condition reasonably characterized as meeting the definition of a Hazardous or Substandard Condition.

c. Other Requirements/Conditions. Additions, alterations, renovations, and repairs to electrical systems and equipment must be conducted in accordance with the applicable requirements of new electrical systems and equipment by appropriately licensed electricians. Rehabilitation of existing systems and equipment is generally not simultaneously required to comply with the overlapping, otherwise applicable provisions of the IEBC. Nevertheless, any and all additions, alterations, and repairs MUST NOT cause existing electrical systems or equipment to become unsafe, hazardous, or overloaded. IBC 2015, Appendix K (Administrative Provision).

7.2 Minimum Standards for Existing Wiring and Fixtures

a. General Requirements and Standard Conditions. Existing electrical service and components must be safe, efficient, and in good working condition for its intended use. Moreover, the capacity of the system must meet the demand of the residents. Replacement is not mandatory for existing service and components that meet or exceed these Standard Conditions, unless otherwise required by code or local ordinance. Voluntary replacement may be permitted to more efficiently and cost-effectively meet the needs of the community and the current or intended demands of the residents.

b. Substandard Conditions. Overloaded circuits are not permitted and must be addressed by separating the load and adding an adequate number of circuits necessary to safely and efficiently carry the load.

c. Other Requirements/Conditions.

(1) Secure Fastening of Fixtures and Equipment. All components shall be securely fastened to framing members by mechanical means. No fixture or socket shall hang by unsupported wiring. All existing receptacles, switches, and junction boxes shall contain a proper cover plate. In no case shall the structural integrity of the building be compromised.

2. New Wiring. New wiring shall be installed in a neat and workmanlike manner with all wiring run inside of walls. If wall or ceiling cavities are not accessible, wiring shall be run in properly sized and rated raceway or wire mold, secured along the walls with proper fasteners, flush to the surface and straight.

3. Aluminum Wiring: All aluminum wiring in housing to be rehabilitated shall be replaced with a 3-wire system and in accordance with these Standards. Properly sized service aluminum entry wiring is generally not required to be replaced.

4. Knob and Tube Wiring. Knob and tube wiring shall be replaced with a 3-wire system and in accordance with these Standards.

7.3 Minimum Standards for Sizing of Service and All Electrical Homes

a. General Requirements and Standard Conditions. The service entrance cable shall have the same rating (amperage) as the meter base and service equipment. Replacement of a service entrance shall require calculation of the usage or load within the building to assist in determining the appropriate size. The service entrance must be properly sized for its intended post-Rehabilitation capacity. Room-by-room specifications noting electrical outlets and fixtures shall be included in the scope of work. Nameplate ratings of all appliances must be reviewed for actual VA ratings.

b. Other Requirements/Conditions:

Main Service Panel. Panels shall be in proper working condition with no evidence of overheating, arcing, corrosion, or failure. The panel shall bear the UL label and shall be marked as suitable for service equipment. Any panels (or installed breakers) identified as substandard by the U.S. Consumer Product Safety Commission shall be replaced. Panels with evidence of malfunction or deterioration shall be replaced.

7.4 Minimum Standards for Material and Equipment Installation

General Requirements and Standard Conditions. All materials, components, and equipment shall be listed or labeled by a qualified electrical products testing laboratory (e.g. "UL" or "CSA"). Listed materials, components, and equipment must be installed per the intended use, with location determined in accordance with the manufacturer's installation instructions.

7.5 Minimum Standards for Grounding

General Requirements and Standard Conditions. All electrical systems shall consist of a single phase 3-wire grounded neutral service entrance and shall provide system grounding and equipment grounding protection.

The service panel shall be connected to the grounding electrode system and an eight foot (8') galvanized or copper clad steel ground rod. All electrical panels shall meet or exceed the bonding requirements of the National Electrical Code (NEC).

If present, metal water pipes shall be bonded to the grounding electrode systems as a means to ground the Plumbing System and prevent pipes and fixtures from becoming energized and hazardous.

All wiring and equipment shall be grounded in accordance with the grounding requirements of the NEC.

7.6 Minimum Standards for Overcurrent Protection

a. General Requirements and Standard Conditions. The number of circuits installed shall not exceed the rating on the panel. The selection of a panel shall provide room for future expansion. All circuits shall be clearly, accurately, and permanently labeled with tags provided. All unused openings shall be properly plugged, capped or sealed with listed materials.

b. Substandard Conditions. Tandem breakers shall only be used in panels designed for them. The use of tandem breakers in order to exceed the 16 circuits permitted on an 100 amp panel shall not be permitted. Any service equipment containing fuse over-current protection shall be replaced with properly rated circuit breaker type over-current protection devices.

c. Other Requirements/Conditions. Panel board over-current devices shall be properly sized and located at the exterior in a subpanel if the main service panel is in the interior. All existing circuits shall be load tested for tripping.

7.7 Minimum Standards for Service Panel and Sub-Panel Connections

a. General Requirements and Standard Conditions. All existing or new service panels shall be securely fastened to the dwelling. All panel boxes shall be listed and enclosed in 16 gauge sheet steel cabinets with doors and catches. Conductors entering the service shall have proper connectors and shall be securely and neatly attached at terminals. All circuits shall be marked and identified inside the panel box and any sub-panels.

b. Substandard Conditions. Wires shall not have any obvious nicks in the insulation and shall be properly bonded. Service panels shall not be located in bathrooms or closets. When replacement is necessary, the design and location of the service panel shall be considered in conjunction with the relevant needs and desires of the residents.

c. Other Requirements/Conditions.

(1) Panel Boxes. If replacement is required, new panel boxes and subpanels must be installed at 48” AFF (as measured from the main shut off switch or to the highest breaker in the box). Relevant local code requirements will apply with regard to this measurement should this Section 7.7(c) conflict with the local code.

(2) Weather head(s). Weather heads shall be at least 12’ above the finished grade.

(3) Sub-panels. Sub-panels, add-on boxes, or disconnects to existing services for additional circuits shall be allowed only if the existing service equipment is listed and designed for such extension and the installation is in compliance with the NEC. Sub-panels are allowed if the existing service panel has adequate capacity but no available expansion slots.

(4) Service Disconnect. The main disconnect shall be accessible and clearly marked as a service disconnect.

7.8 Minimum Standards for Branch Circuits

a. General Requirements and Standard Conditions. Protection against physical damage of exposed electrical equipment shall be provided throughout Rehabilitation.

b. Other Requirements/Conditions.

(1) Dedicated Circuits. No less than one dedicated 20 amp circuit shall be present for each bathroom and no less than two 20 amp small appliance branch circuits serving the kitchen. A dedicated circuit shall not serve other receptacles. All 240 volt appliances or equipment shall be on separate circuits. The number of small appliances used by the occupants shall be taken into consideration when planning the circuit loads and placement of receptacles to avoid overloading a circuit and to eliminate the use of extension cords or multiplex outlets. Additional circuits may be necessary and are allowed. Dedicated circuits are required for at least those appliances listed in subparagraphs (A) – (L) of this paragraph, if applicable and as sized in accordance with the manufacturer's instructions:

- **(A)** Refrigerators;
- **(B)** Separate freezers;
- **(C)** Electric range or cook top;
- **(D)** Electric oven;
- **(E)** Clothes dryer;
- **(F)** Electric water heater;
- **(G)** Electric furnace/air handler;
- **(H)** Microwave oven;
- **(I)** Air conditioner;
- **(J)** Sump pumps and water wells;
- **(K)** Septic system aerators; and
- **(L)** Any other major electric appliance.

(2) Circuit Load Distribution. All circuit wiring shall be properly sized to serve the load.

(3) Two-wire Systems. All 2-wire, ungrounded wiring shall be replaced with 3-wire, grounded wiring.

(4) Unused Switches, Receptacles, Fixtures, Conductors and Openings. Unused switches, receptacles, fixtures, and conductors that are obtainable or otherwise within reach shall be removed. All unused openings in outlets, devices, junction boxes, conduit bodies and fittings, raceways, cabinets, and equipment cases or housings shall be effectively closed with knockout seals to prevent vermin, insects, and building materials from coming into contact with wiring.

(5) Wire Splices. All splices shall be placed in accessible and listed junction boxes that are properly covered.

(6) AFCI Protected Circuits. All newly installed branch circuits that supply 15 and 20 amp receptacles installed in family rooms, dining rooms, living rooms, parlors, libraries, dens, sun rooms, recreational rooms, closets, hallways and similar rooms or areas shall be protected by a combination type arc-fault circuit interrupter installed to provide protection of the branch circuit.

7.9 Minimum Standards for Receptacles

a. General Requirements and Standard Conditions. All replacement receptacles must be tamper resistant, and shall be listed/labeled and installed per manufacturer's instructions. Boxes must be specifically designed for its intended purpose, properly sized (rated for the size of the circuit), and mechanically fastened with attached cover plates installed. Receptacles located in damp or we areas must be weatherproof and the wiring shall be run in boxes, conduit(s) and fittings that are listed for wet locations.

(1) Receptacle Locations

(A) All Rooms. All habitable spaces must have receptacles. In each family room, dining room, living room, parlor, library, den, sun room, bedroom, recreation room, or similar room or area, receptacles shall be installed so that at a minimum each wall has at least one receptacle. Receptacles shall be spaced so that at no point along the perimeter of the floor is more than 6’ from a receptacle. Other rooms that are not regularly used by residents/occupants are permitted to have only a minimum of one receptacle per room. Receptacles should not be located lower than 15” above the finished floor.

(B) Bathrooms. All bathrooms must have at least one dedicated 20 amp receptacle outlet that is GFCI protected and located at least 3’ from the outside edge of the sink. The receptacle shall be located not lower than 30” and not higher than 48” above the finished floor. Receptacles shall not be located within or directly over a bathtub or shower stall, and shall be at least 12” from the outer edge of the bathtub or shower opening.

(C) Kitchens. The kitchen shall have GFCI protected duplex receptacles on at least two separate 20 amp appliance circuits at the kitchen counter top spaced not more than 48” from each other. A separate dedicated, non-GFCI protected receptacle shall be required for each refrigerator and electric range or cook top, located directly behind it.

(D) Other Exterior(s). Exterior receptacles shall be GFCI protected and enclosed in a listed or labeled weatherproof box. One shall be required at the front of the house and one at the back.

(2) GFCI Protection. Receptacles located in bathrooms, kitchens, in a garage, at the exterior, and anywhere else located within 6’ of a sink, shall be GFCI protected. Single use, dedicated receptacles for use by equipment and appliances such as washing machines and sump pumps shall not be GFCI protected, and shall be single, rather than duplex, receptacles when replaced.

7.10 Minimum Standards for Lighting

General Requirements and Standard Conditions. Every habitable room and all living spaces (e.g., bathroom, toilet room, laundry room, furnace or utility room, and hallways) shall be provided adequate natural or artificial lighting, as applicable, and in accordance with paragraphs (1) – (3) of this section:

(1) Natural lighting. Natural lighting must be provided by exterior glazed openings that generally open directly onto a public way, yard, or court. The net glazed area generally must span a minimum eight (8) foot area of the floor in the room or adjoining space served.

(2) Artificial lighting. Artificial lighting must provide at least an average illumination of 10 footcandles (107 lux) over an area of the room served at a height of 30 inches above the floor.

(3) Safety lighting. All stairways (e.g. interior within dwelling unit and exterior serving dwelling unit(s)) must be illuminated by at least one artificial light fixture controlled by a remote wall switch located at the top and bottom of the stairway.

7.10 Minimum Standards for Fixtures and Switches

a. General Requirements and Standard Conditions. All replacement fixtures shall be listed or labeled, Energy Star qualified or equivalent, and must be installed in accordance with the manufacturer's installation instructions. If existing fixtures are in a good and safe condition, securely fastened to framing members, replacement is not required.

b. Substandard Conditions. No fixture or receptacle shall hang from a base by unsupported wiring.

c. Other Requirements/Conditions.

(1) Fixture and Switch Locations. At a minimum, a permanently installed lighting fixture controlled by a wall switch is required in each room of the structure. Switches shall not be located in tub/shower areas or behind the swing of a door. All new wall switches must be located in a convenient and Accessible location.

(2) Closet Fixtures. All light fixtures installed in closets shall be surface mounted or recessed can lights. Recessed can lights shall be Insulation Contact Air Tight (ICAT) rated or its equivalent. Closet fixtures shall be a minimum 6" away from any storage, clothing, or other items, and have a protective cover over the bulb.

(3) Lamps (Light Bulbs). All replacement lamps must meet or surpass the industry standards for Energy Star qualified or equivalent Compact Florescent Lamps (CFLs) or Light Emitting Diodes (LEDs). Refer to Section 4.12 (*regarding* Minimum Standards for Lighting) for additional details.

7.11 Minimum Standards for Smoke and Carbon Monoxide Detectors

a. General Requirements for Smoke Detectors. Each dwelling shall have listed or labeled smoke detectors installed in each bedroom and in the hallway immediately adjacent to bedrooms. Smoke detectors shall draw their primary power from the electrical system, with battery backup, and without interruption except for over current protection. Smoke detectors shall be interconnected so that all detectors sound the alarm when any one senses smoke

b. General Requirements for Carbon Monoxide Detectors. In dwellings with attached garages and/or fuel-fired appliances, carbon monoxide detectors shall be installed. CO detectors shall be listed as complying with UL 2075 and installed outside the immediate vicinity of bedrooms. CO detectors shall be permanently installed and hard wired to the electrical system with battery backup.

8.0 Heating, Ventilation, and Air Conditioning (HVAC)

8.1 Minimum Standards for HVAC Systems

a. General Requirements and Standard Conditions. In conjunction with other systems, the HVAC system of a housing unit must effectively maintain a comfortable living environment for the residents/occupants. At a minimum, paragraphs (1) – (3) of this Section 8.1(a) require all HVAC systems:

(1) Provide a reliable source of heated or cooled air, as applicable, and at a comfortable temperature for all habitable rooms;

(2) Control ventilation and indoor air quality; and

(3) Be free of contaminants that negatively affect indoor air quality.

b. Substandard Conditions. Repair or replacement is required if any Hazardous condition applies, which include but are not limited to, those listed in paragraphs (1) - (14) of this Section:

(1) Lack of a steady and dependable source of heating and cooling to all living areas;

(2) Gas-fired air handler inside the conditioned space which draws; combustion air from the interior;
(3) Combustion gases not venting to the exterior;
(4) Leaking, damaged, rusted or cracked heat exchanger;
(5) Leaking, corroded or damaged gas supply pipe;
(6) Missing gas shut-off at each appliance;
(7) Lack of a functioning pilot or electric start;
(8) Inadequate duct system that does not supply necessary conditioned air to all living areas;
(9) Leaking ducts or returns;
(10) Mismatched or poorly repaired equipment;
(11) Deficiencies are too numerous to justify repair expenses;
(12) Unvented gas-fired wall heaters in enclosed rooms. If existing, the wall unit shall be removed and the gas line capped;
(13) Gas-fired kitchen stoves and/or ovens without ventilation to the exterior;
(14) Lack of a functioning carbon-monoxide detector in homes with gas-fired appliances or equipment.

c. Other Requirements/Conditions.

(1) Sizing and Selecting a New System. Replacement heating and cooling equipment shall be sized in accordance with the current version of the Air Conditioning Contractors of America (ACCA) 16 Manual J or other approved methodology. Equipment selection shall comply with the current version of ACCA Manual S or other approved methodology. Data for heating and cooling loads shall be calculated in accordance with required post-rehabilitation conditions.

(2) Installation. Installation of new systems shall comply with the manufacturer's installation instructions, as appropriate for the fuel source. All replacement equipment shall have a permanent electrical receptacle, switch, light fixture near the equipment, and installed in an accessible manner so that future inspecting, maintaining, and repairing the system can be completed.

(3) Programmable Thermostat. A programmable thermostat shall be installed when a new heating and cooling system is installed. Upon installation, the temperature settings shall be done by the contractor, the occupants shall be educated on using the thermostat and the instructions and warranty shall be provided to the occupants. The location of the thermostat shall be in a central location and not within 3' of doors, windows, appliances, or televisions and installed not higher than 48" AFF, measured from the center of the thermostat.

(4) Specific Requirements for Cooling Equipment.

(A) Climate Zones.

(i) Cooling equipment in Climate Zones 2 and 3 shall be 14.5 Seasonal Energy Efficiency Ratio (SEER)/12 Energy Efficiency Ratio (EER) Energy Star qualified, or its equivalent; or alternatively, shall be a heat pump.

(ii) Cooling equipment in Climate Zone 4 shall be 13 SEER, or its equivalent; or alternatively, shall be a heat pump.

Refer to Section 8.1(c)(3) of these Standards for details regarding Heating Equipment.

(B) Indoor Air Handler. If the indoor air handler is being replaced, the outdoor coil shall also be replaced and it shall be matched to the indoor air handler, unless the outdoor coil is in good working condition and is compatible and properly sized to the new indoor air handler.

(5) Specific Requirements for Heating Equipment.

(A) Climate Zones.

(i) Heating equipment in Climate Zones 2 and 3 shall be greater than or equal to 80% AFUE gas furnace (or its equivalent); greater than or equal to 8.2 HSPF/14.5 SEER/12 EER air-source heat pump, Energy Star qualified with electric backup (or its equivalent); or alternatively, shall be a ground-source heat pump, Energy Star qualified (or its equivalent).

(ii) Heating equipment in Climate Zone 4 shall be greater than or equal to 90% AFUE gas furnace (or its equivalent); greater than or equal to 8.5 HSPF/14.5 SEER/12 EER air-source heat pump, Energy Star qualified with electric backup (or its equivalent); or alternately, shall be a ground-source heat pump, Energy Star qualified (or its equivalent).

8.2 Minimum Standards for the Distribution System.

a. General Requirements and Standard Conditions. The distribution system (e.g. ductwork) must provide an adequate supply of conditioned air to each habitable room, as well as an adequate amount of return air from each habitable room. Existing distribution systems must be inspected to determine whether the system is operating efficiently, properly balanced, and adequately supplying conditioned air -- as this is required for all habitable rooms.

b. Other Requirements/Conditions.

(1) Duct Cleaning. If the distribution system is dirty, but is otherwise operating effectively, duct cleaning is required. This requires complete duct sealing by mechanical means and with duct mastic (so as to adequately eliminate the source of dirt and debris entering the system). Duct cleaning must include all dryer vents.

(2) Replacement and Relocation. Replacement shall ensure all newly installed distribution systems are sized per the current version of the ACCA Manual D (or other Agency-approved methodology). Every effort should be made to relocate the replacement distribution system to the conditioned space through the installation of dropped soffits. If this is not possible, locating the distribution system in the attic shall require mechanical fastening, sealed with duct mastic, and insulated to R-8. Distribution systems shall not be located at the exterior of the home exposing the system to the elements

(3) Installation. Connections and routing of new ductwork shall be completed without kinks or sharp bends and without excessive coiled or looped flexible ductwork. All connections shall be mechanically fastened, sealed with mastic, and properly supported. Runs shall be insulated to R-8 if installed in unconditioned space.

(4) Room Pressurization. Room pressure balancing systems are recommended. Unbalanced distribution systems require transfer grills or jumper ducts to be installed to provide balance with rooms when doors are closed (with respect to the rest of the housing unit). Undercutting doors is prohibited.

8.3 Minimum Standards for Ventilation and Indoor Air Quality

a. General Requirements and Standard Conditions. At a minimum, sufficient ventilation must be provided so as to ensure adequate, continuous, non-contaminated air circulation throughout the Development.

b. Additional Requirements/Conditions.

(1) Exhaust fans. Exhaust fans shall comply with or exceed the applicable requirements in 2012 IRC, Chapter 15, and must be at least Energy Star qualified (or its equivalent). All bathroom, toilet rooms, and kitchen fans shall exhaust to the exterior (either through the roof or a gable wall), be mechanically fastened, sealed with duct mastic, insulated to R-6, and have a mechanical damper. Flashing shall be installed to provide a positive drainage plain. Flex duct terminating at a gable vent is prohibited.

(A) Bathroom and Toilet Room Exhaust Fans. All bathrooms and toilet rooms must be ventilated by exhaust fans (vented to the outside) unless an operable window is present. If a continuous fan is installed, it shall be greater than or equal to 20 cfm. Intermittent fans shall be greater than or equal to 50 cfm. Neither shall exceed 1.5 sones. Bathroom exhaust fans shall be installed on a dedicated GFCI protected circuit. Light kit, night light, and/or a heating element may be included with exhaust fans. Combustion appliances venting to the exterior shall not be located in bathrooms.

(B) Kitchen Exhaust Fans. Kitchens require mechanical exhaust fan(s) (e.g. kitchen range hoods) be installed unless adequately ventilated by an existing and operational exhaust fan (vented to the outside). If a continuous fan is installed, it shall be greater than or equal to 5 cfm. Intermittent fans shall be greater than or equal to 100 cfm.

(C) Garage Exhaust Fans. If a garage is attached to a Unit (e.g. sharing a common wall), then a UL listed exhaust fan shall be installed in the garage and connected to the operation of the garage door. The exhaust fan must at least turn on when the door is opened and off after 20 minutes.

(2) Supply Air. If supply air is installed and connected to the return plenum, subparagraphs (A) - (D) of this paragraph shall apply, which requires:

(A) Supply air inlets must not be located within 10 linear feet from known contamination sources such as stacks, vents, exhaust hood, or vehicle exhaust;

(B) Rodent and insect screens must be installed;

(C) Ventilation must come directly from the outdoors and not from adjacent dwelling units, garages, crawlspaces, or attics; and

(D) The duct must be mechanically fastened, sealed with duct mastic, insulated to R-6, and shall have a mechanical damper.

Mandatory Development and Unit Standards

Health and Safety

NHTF-assisted housing must be free of all health and safety defects, must meet minimum standards of habitability and functionality, and all inspected items with an observed deficiency must be corrected. Additionally, NHTF-assisted housing is subject to the requirements in 24 CFR §93.301(b)(1)(i) regarding identifying life-threatening deficiencies, which must be addressed immediately if the housing is occupied at the time of rehabilitation.

Lead-Based Paint

NHTF-assisted housing is subject to the regulations at 24 CFR Part 35, subparts A, B, J, K, and R regarding lead-based paint poisoning prevention in residential structures. Applicants, developers, and builders of any project requiring the rehabilitation of structures built prior to 1978 must read, fully understand, and comply with 24 CFR Part 35, subparts A, B, J, K, and R. Inspection and testing for lead-based paint must be completed prior to determination of the scope of rehabilitation, a copy of the inspection and testing report must be provided as part of the work write-up.

Accessibility & Visitability

NHTF-assisted housing must meet the accessibility requirements of 24 CFR Part 8 (implementing Section 504 of the Rehabilitation Act of 1973) and Titles II and III of the Americans with Disabilities Act (implemented at 28 CFR Parts 35 and 36), as applicable. “Covered multifamily dwellings”, as defined at 24 CFR §100.201, must also meet applicable design and construction requirements at 24 CFR §100.205 (implementing Fair Housing Act). Other required accessibility and visitability features are further described in 10 TAC Chapter 1, Subchapter B, and 10 TAC §11.101(b)(8).

Disaster Mitigation

Where relevant, NHTF-assisted housing must be improved to mitigate the impact of potential disasters, in accordance with applicable State and local codes, ordinances, and requirements, in addition to the Uniform Physical Condition Standards or other requirements established by HUD.

Broadband Infrastructure

HTF-assisted housing must provide for the installation of broadband infrastructure to be completed in accordance with 24 CFR §93.301(b)(2)(vi) and at no charge to the residents. 10 TAC §11.101(b)(4)(A).

Environmental Requirements

HTF-assisted housing must meet the minimum environmental requirements in 24 CFR §93.301(f)(2).

Development and Unit Amenities

Housing improvements beyond those described in these Standards must include all applicable amenities and energy and water efficiency features in accordance with 10 §TAC 11.101(b)(4), (5), and (6), as amended.

Inspections, Construction Documents, & Compliance
(24 CFR §93.301(b)(2)-(3))

Inspections

All NHTF-assisted rehabilitation projects must comply with TDHCA written inspection procedures. TDHCA will conduct initial, mid-progress, and final inspections during construction to identify any deficiencies that must be addressed and ensure that all work is in accordance with approved standards, as applicable. *See*, 24 CFR §93.301(b)(3). TDHCA is responsible for initial and ongoing on-site inspections for rental housing during the affordability period. *See*, 24 CFR §§93.301(b)(3) and 93.301(e); *see also*, 10 TAC §13.11(Post-Award Requirements).

Work Write-Ups

Each repair should be detailed as required through the use of plans, drawings, specifications (conforming to the MasterFormat work write-ups). At a minimum each repair should be detailed in a work write up that specifies the location, required demolition, and methods and materials with enough detail to determine the desired outcome or finished product. Work-write ups can reference plans and specifications as needed but must be detailed enough to complete repairs. Moreover, work write-ups must comply with State and local codes, ordinances, requirements, and TDHCA standards.

Cost Estimates

Written Cost Estimates are required for all NHTF-assisted rehabilitation projects. Cost estimates must be reasonably prepared and submitted to the Department for approval in accordance with Title 10, Part 1, Chapter 10 of the Texas Administrative Code and these Standards. *See*, 24 CFR 93.301(b)(2) and (3); *see also,* 10 TAC §13.11(Post-Award Requirements)(regarding documents that must be submitted to the Department for review and approval prior to loan closing).

NHTF Annual Auditing, Recordkeeping, and Certifications

NHTF-assisted housing must comply with the auditing, recordkeeping, and cost certification requirements of 24 CFR §93.406 and 24 CFR §93.406.

Scope of Work and Post-Rehabilitation Standards

Uniform Physical Conditions Standards (UPCS)

All Developments funded by the Department must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the entire Affordability Period. 10 TAC §10.621; 24 CFR §5.703.

At a minimum, NHTF-assisted housing must comply with HUD's Uniform Physical Condition Standards (UPCS], as found in 24 CFR §5.705 and further provided for in 24 CFR §5.703. Developments must also comply with all local health, safety, and building codes; ordinances; and zoning requirements. Developments in jurisdictions without applicable State or local building codes must adhere to the International Existing Building Code (IEBC), and where the International Building Code (IBC)) of the International Code Council in addition to the UCPS. Refer to **Appendix A: Uniform Physical Condition Standards (UPCS)** for additional details.

AND

Scope and Cost Review (SCR)

This report is required for NHTF-assisted Rehabilitation Developments. The SCR Report must be prepared in accordance with 10 TAC §11.306 (relating to Scope and Cost Review Guidelines) and submitted as required under 10 TAC §11.205(3)(relating to Scope and Cost Review (SCR)). Importantly, 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. Refer to **Appendix B: Scope and Cost Review (SCR)** for additional details.

AND

Capital Needs Assessment (CNA)

All NHTF-assisted Rehabilitation Developments must also submit a capital needs assessment (CNA) estimating the useful life of each major system. 10 TAC §11.205(3). The CNA shall determine the work to be performed and identify the long-term physical needs of the project. 24 CFR §93.301(b)(1)(ii). Moreover, the assessment must include a comparison between the local building code and no earlier than the 2015 version of the IEBC of the International Code Council. 10 TAC §11.205(3). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must be established with adequate monthly payments made to repair or replace the systems as needed. See, 24 CFR §93.301(b)(1)(ii); *see also*, 10 TAC §10.404 (Reserve Accounts).

In addition to the minimum CNA requirements, 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. 10 TAC §11.205(3)(relating to Scope and Cost Review(SCR)). Refer to **Appendix C: Capital Needs Assessment (CNA)** for additional details.

APPENDIX TO
2025 NHTF MINIMUM REHABILITATION STANDARDS

APPENDIX A: Uniform Physical Condition Standards (UCPS)

Introduction

All Developments funded by the Department must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the entire Affordability Period. 10 TAC §10.621; 24 CFR §5.703. This requires that, at a minimum, NHTF-assisted housing comply with HUD's Uniform Physical Condition Standards (UPCS) provided in 24 CFR Part 5, Subpart G.

Importantly, the UPCS is a minimum threshold requirement for NHTF-assisted housing. Developments are still responsible for complying with applicable local health, safety, and building codes; ordinances; and zoning requirements. Even Developments in jurisdictions without applicable State or local building codes must still comply with the 2012 International Existing Building Code (IEBC) in addition to the UPCS.

UPCS Compliance Inspections

The Department's Compliance Division or its Affiliate(s) is responsible for conducting UPCS inspections of NHTF-assisted multifamily developments. *See* §200.853. Inspection frequency will be determined using the scoring and ranking methodology of HUD's Real Estate Assessment Center (REAC). *See* §200.857(a) – (b). Unless otherwise determined by the Department, UPCS Inspections will be conducted once every three years during the Affordability Period.

During an Inspection, observable deficiencies for inspectable items will be identified for all major areas of NHTF-assisted rehabilitated housing, including the **(1) Site; (2) Building Exterior; (3) Building Systems; (4) Dwelling Units; (5) Common Areas; and (6) Health and Safety Considerations**. Correcting deficiencies is an important part of the Applicant/Borrower's ongoing responsibility to maintain the physical state of the Development so that it is decent, safe, sanitary, and in good repair. This responsibility must be maintained throughout the entire Affordability Period.

Depending on the type of Deficiency identified, the responsibility to address and remedy Deficiencies may either be (1) immediate or (2) completed with the project's scope of work.

1. **Life Threatening Deficiencies (LTD)** are identified in the Exigent Health and Safety Report(s) and require immediate attention or remedy. **For projects involving the acquisition or rehabilitation of occupied housing, Life Threatening Deficiencies MUST be immediately addressed AND remedied**. Life Threatening Deficiencies include, but not are limited to, the following (categorized below by major Inspectable Areas):

   Site:

   - Air Quality – propane/natural gas/methane gas detected
   - Electrical Hazards – exposed wires/open panels; water leaks on/near electrical equipment

   Building Exterior:

   - Electrical Hazards – exposed wires/open panels; water leaks on/near electrical equipment
   - Emergency Fire Exits – Emergency/Fire Exits Blocked/Unusable
   - Fire Escapes – blocked egress/ladders; visibly missing components

- Windows – security bars prevent egress

Building Systems:

- Domestic Water – misaligned chimney/ventilation system
- Electrical System – missing breakers/fuses; missing covers
- Fire Protection – missing/damaged/expired extinguishers
- Air Quality – propane/natural gas/methane gas detected
- Electrical Hazards – exposed wires/open panels; water leaks on/near electrical equipment
- Emergency Fire Exits – emergency/fire exits blocked/unusable
- HVAC – misaligned chimney/ventilation system

Common Areas:

- Electrical – missing breakers; missing covers
- HVAC – misaligned chimney/ventilation systems
- Outlets/Switches/Cover Plates – missing/broken
- Windows – security bars prevent egress
- Electrical Hazards – exposed wires/open panels; water leaks on/near electrical equipment
- Emergency Fire Exits – emergency/fire exits blocked/unusable

Unit:

- Electrical System – missing breakers/fuses; missing covers
- Air Quality – propane/natural gas/methane gas detected
- Electrical Hazards – exposed wires/open panels; water leaks on/near electrical equipment
- Emergency Fire Exits – emergency/fire exits blocked/unusable
- Water Heater – misaligned chimney/ventilation system
- HVAC System – misaligned chimney/ventilation system
- Outlets/Switches – missing; missing/broken cover plates
- Smoke Detector – missing/inoperable
- Windows – security bars prevent egress

2. **Non-Life Threatening Deficiencies** generally include all other observable deficiencies. Any and all Non-Life Threatening Deficiencies must be completed with a project's scope of work and thus corrected prior to project completion. Non-Life Threatening Deficiencies include but are not limited to those listed as "NLT" or "Non-Life Threatening Deficiencies" in ***Attachment A – TDHCA Uniform Physical Condition Standards Checklist (UPCS Checklist)***.

Required Documentation

All NHTF-assisted multifamily housing must complete and timely submit the ***TDHCA Uniform Physical Condition Standards Checklist (UPCS Checklist)*** to the Department for review and approval.

APPENDIX B: Scope and Cost Review (SCR)
(10 TAC §11.205(3); 10 TAC §11.306)

Introduction

All NHTF-assisted Developments (excluding Reconstruction) must submit a Scope and Cost Review (SCR) Report. The SCR must meet the minimum requirements provided in 10 TAC §11.306 (relating to Scope and Cost Review Guidelines) and 10 TAC §11.205(3)(relating to Required Third Party Reports: Scope and Cost Review). Pursuant to 10 TAC §11.306(a), the objective of the SCR is to provide a self-contained report that comprehensively details and evaluates the current conditions of the Development, and identifies a scope of work for the proposed repairs, replacements, and improvements to an existing multifamily property.

Scope and Cost Review Guidelines

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. It is the Applicant's responsibility to ensure the scope of work and cost estimates (including the Development Cost Schedule) submitted in the Application are provided to the author, as these must also be included in the SCR Report. Importantly, the report should be in sufficient detail for the Underwriter to fully understand all current conditions, scope of work and cost estimates. 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." 10 TAC §11.306(a).

Under 10 TAC §11.306(b), the SCR must include analysis in conformity with the American Society for Testing and Materials (ASTM) "Standard Guide for Property Condition Assessments. Baseline Property Condition Assessment Process (ASTM Standard Designation: E 2018)," unless the exceptions in 10 TAC §11.306(f) or (g) apply. Moreover, 10 TAC §11.306(c) requires good quality color photographs of the subject Real Estate (front, rear, and side elevations, on-site amenities, interior of the structure) be included. Photographs should be properly labeled. Photographs of the neighborhood, street scenes, and comparables must also be included.

Discussion and analysis must be provided for 10 TAC §11.306(d)(1) – (8). This includes, but is not limited to, discussion and analysis of:

(1) Descriptions of Current Conditions;
(2) Descriptions of Scope of Work;
(3) Useful Life Estimates;
(4) Code Compliance;
(5) Program Rules;
(6) Accessibility Requirements;
(7) Reconciliation of Scope of Work and Costs; and
(8) Cost Estimates.

Any costs not identified and discussed in sufficient detail in the SCR as part of 10 TAC §11.306(d)(6), (d)(8)(A), and (d)(8)(B) will not be included in the underwritten Total Development Cost in the Report.

Third Party, Unrelated, and Nonaffiliated Author(s)

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 the 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 the Texas Department of Housing and Community Affairs. 10 TAC §11.306(h).

The SCR report must also include a statement that the individual and/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 10 TAC §11.306 (esp., §11.306(i)).

Health and Safety Recommendations

Any recommendations made in the SCR regarding health and safety, life expectancy of major systems (structural support; roofing; cladding and waterproofing; plumbing; electrical; and heating, ventilation, and air conditioning) must be implemented. 10 TAC §13.9(1); 24 CFR §93.301(b)(1)(ix) (requiring an estimate (based on age and condition) of the remaining useful life of these systems be conducted upon project completion of each major system). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must provide adequate monthly payments, so as to repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ix).

For properties originally constructed prior to 1978, the SCR and rehabilitation scope of work must be provided to the party conducting the lead-based paint and/or asbestos testing. 10 TAC §13.9(2). The rehabilitation must implement the mitigation recommendations of the testing report. 10 TAC §13.9(2).

Required Documentation

Attachment B – TDHCA Scope and Cost Review (SCR Supplement)

The SCR must include the Department's Scope and Cost Review Supplement (SCR Supplement) in the excel form published on the Departments website (and attached for reference purposes). The purpose of the SCR Supplement is to consolidate and show reconciliation of 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 provided in the Application. The consolidated scope of work and costs shown on the SCR Supplement will be used by the Underwriter in the analysis, as it details the projected repairs and replacements through at least thirty (30) years.

APPENDIX C: Capital Needs Assessment (CNA)
(24 CFR §93.301(b)(1)(ii))

Introduction

All NHTF-assisted Rehabilitation Developments must also submit a capital needs assessment that estimates the useful life of each major system. The CNA will determine the work to be performed and identify the long-term physical needs of the project. 24 CFR §93.301(b)(1)(ii). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must be established with adequate monthly payments made to repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ii).

Importantly, the CNA must adhere to all applicable requirements of 10 TAC §11.205(3)(relating to Required Third Party Reports), including being accompanied by the Department's SCR Supplement in the excel form published on the TDHCA website (and attached to these Standards for reference purposes).

Capital Needs Assessment Guidelines

The CNA must be completed by an independent, Third Party engineer or architect approved by the Department. The performing engineer or architect must:

- conduct an interview with the appropriate onsite Development personnel (e.g. property management, maintenance personnel) to assess prior, ongoing or chronic repairs, maintenance issues, and deficiencies;
- complete an onsite visit and physical inspection of both the interior and exterior units and structures on the property;
- analyze and provide recommendations regarding the presence of environmental hazards and potential efficiency or other mitigation considerations, in accordance with these standards;
- analyze and provide recommendations as to the reasonability of the proposed budget as it relates to the work to be performed, including but not limited to an analysis of the: (1) Development Site; (2) Structural Systems; (3) Interior Systems; and (4) Mechanical, Plumbing, Electrical, HVAC, and Safety (e.g. fire protection, elevator requirements, safety lighting) Systems and related requirements; and
- depending on the aforementioned determinations, the assessment must assess and provide recommendations regarding the proposed budget as it relates to the conclusions of the assessment. Moreover, any and all components of major systems reaching the end of their useful life or otherwise bearing critical conditions, must be identified. If the remaining useful life of any major system is less than 50% of the expected useful life, immediate rehabilitation (replacement or repair, as appropriate) is required. If the remaining useful life of any component of the major systems is less than the term of the affordability period, replacement reserves with adequate payments being made as required to finance future repair(s) or replacement(s) is required.

Required Documentation

Attachment B – TDHCA Scope and Cost Review (SCR Supplement)(as detailed in APPENDIX B).

ATTACHMENTS TO
2025 NHTF MINIMUM REHABILITATION STANDARDS

ATTACHMENT A: Uniform Physical Condition Standards Checklist (UPCS Checklist) (available as posted on the TDHCA website at https://www.tdhca.state.tx.us/pmcomp/inspections/docs/REAC-UPCS-Inspection-Checklist.pdf and as may be amended from time to time on the TDHCA Compliance (Physical Inspections) webpage at https://www.tdhca.state.tx.us/pmcomp/inspections/physical.htm).

ATTACHMENT B: Scope and Cost Review Cost Schedule (SCR Supplement)(available as posted on the TDHCA website at https://www.tdhca.state.tx.us/readocs/17-PCASupplementExample.xls and as may be amended from time to time on the TDHCA Real Estate Analysis webpage at https://www.tdhca.state.tx.us/rea/index.htm).

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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1078 **Agenda Date:** 7/10/2025 **Agenda #:** 6.

Presentation, discussion, and possible action on the 2026 Regional Allocation Formula Methodology

RECOMMENDED ACTION

WHEREAS, Tex. Gov't Code §§2306.1115 and 2306.111(d) require that the Texas Department of Housing and Community Affairs (TDHCA or the Department) use a Regional Allocation Formula (RAF) to allocate its HOME Investment Partnerships (HOME) Program, Housing Tax Credit (HTC) Program, and under certain circumstances, the Texas Housing Trust Fund (HTF) Program funding; and

WHEREAS, the proposed RAF Methodology utilizes appropriate statistical data to measure affordable housing needs, available housing resources, and other factors determined by the Department to be relevant to the equitable distribution of housing funds in the urban and rural areas of the 13 State Service Regions used for planning purposes; and

WHEREAS, the proposed RAF Methodology was approved by the Governing Board at its meeting on May 8, 2025, and was available for public comment through June 17, 2025, and no public comment was received;

NOW, therefore, it is hereby

RESOLVED, that the 2026 Regional Allocation Formula Methodologies for the HOME, HTC, and, as applicable, HTF programs, in the form presented at this meeting, is hereby approved.

BACKGROUND

The Department uses the RAF for planning purposes by utilizing appropriate statistical data to measure the affordable housing need and available resources in the 13 State Service Regions. The RAF also guides the allocation of funding to rural and urban areas within each region. The Department has flexibility in determining variables to be used in the RAF, per Tex. Gov't Code §2306.1115(a)(3), "the department shall develop a formula that…includes other factors determined by the department to be relevant to the equitable distribution of housing funds."

The Department revises the RAF annually to reflect current data, respond to public comment, and better assess regional housing needs and available resources. In prior RAF cycles, the RAF Methodology was updated to refine the use of Metropolitan Statistical Areas (MSAs) by using "MSA counties with urban places" and "Non-MSA counties or counties with only rural places" instead of using just MSA and Non-MSA counties to allocate between urban and rural areas. This accounts for the fact that even though a county may be a part of an MSA, all the places within that county may meet the definition of rural per Tex. Gov't Code §2306.004(28-a). The 2026 RAF has been impacted by Maverick and Aransas counties switch from rural to urban due to the use of the updated 2023 MSA list, which is the most recent MSA list available, in the

Urban Rural designation process. The 2026 Urban Rural process used the ACS 5-year 2019-2023 data. The 2026 RAF was also impacted by the addition of HOME Participating Jurisdictions by HUD, which included Travis County.

Factors for lack of kitchen and plumbing facilities are used to measure housing need for Single Family activities, as well as an additional factor for Single Family Activities called the Regional Coverage. The Regional Coverage Factor takes into account the smaller populations of rural areas as well as scattered locations of single family projects, instead of relying solely on population as an absolute.

The 2026 RAF Methodology explains the use of factors, in keeping with the statutory requirements, which include the need for housing assistance, the availability of housing resources, and other factors relevant to the equitable distribution of housing funds in urban and rural areas of the state.

The Single Family HOME, Multifamily HOME, HTC, and HTF program RAFs each use slightly different formulas because the programs have different eligible activities, households, and geographical service areas. For example, Tex. Gov't Code §2306.111(c) requires that 95% of HOME funding be set aside for non-participating jurisdictions (non-PJs). Therefore, the Single Family and Multifamily HOME RAFs only use need and available resource data for non-PJs.

The draft RAF was available for public comment on the TDHCA Public Comment Center at <https://www.tdhca.texas.gov/tdhca-public-comment-center>. A public comment period was open from Monday, May 19, 2025, through Tuesday, June 17, 2025 at 5:00 pm Austin local time. A public hearing for the draft 2026 RAF Methodology was held at 2:00 p.m. Austin local time on Wednesday, June 4, 2025. No Public Comment was received.

The following Attachments are provided:

A. 2026 RAF Methodology

B. Example 2026 HOME SF RAF

C. Example 2065 HTF RAF

D. Example 2026 HOME MF RAF

E. Example 2026 HTC RAF

Once approved, the final 2026 RAF Methodology will be published on the Department's website. **It should be noted with this action that the Board is approving the methodology, not specific allocation amounts.**

To the extent funds received/proposed to be used fall below the statutory minimum for any program/activity, or if the proposed activities fall into a statutory exception, the RAF will not be used for the program/activity in question.

2026 Regional Allocation Formula Methodology

Contents

Introduction

Since 2000, the Texas Department of Housing and Community Affairs (TDHCA or the Department) has used a Regional Allocation Formula (RAF) to allocate funding at the regional and subregional level for multifamily and single-family activities. The RAF is required by Tex. Gov't Code §§2306.111 and 2306.1115. It allocates funding for the following programs:

<u>Multifamily Programs:</u>
Housing Tax Credit (HTC) Program
HOME Investment Partnerships Program (HOME) Multifamily (MF)

<u>Single Family Programs:</u>
Housing Trust Fund (HTF) Program*
HOME Single Family (SF)

* The RAF is not required to be utilized for HTF as authorized by Tex. Gov't Code §2306.111(d-1), unless certain factors are in place. HTF is funded through state general revenue and is not to be confused with the federally funded National Housing Trust Fund (NHTF).

The following methodology explains how the RAF meets statutory requirements by accounting for housing need, housing resource availability, and other factors relevant to the equitable distribution of housing funds in urban and rural areas of the state.
The methodology also includes example allocation spreadsheets for each of the four programs subject to the RAF. These spreadsheets demonstrate how the methodology affects each program. The provided spreadsheets utilize the following total allocation amounts:

Program	Example Total Allocation
HTC	$65,000,000
HOME Multifamily	$12,500,000
HTF	$3,000,000
HOME Single Family	$15,000,000

These allocation amounts are only examples. After approval of the RAF Methodology by the TDHCA Governing Board, Program area staff calculate the final allocation amounts according to the most recent information on funding availability. Other planning considerations may also alter the final allocations provided by the RAF. For example, certain HOME SF activities may not release funds subregionally using the RAF. In addition, per Tex. Gov't Code §2306.111(d-1)(3), if HTF funds administered by the Department (and not otherwise set aside) do not exceed $3 million, then HTF funds are not required to be allocated using the RAF.

The draft 2026 RAF Methodology was presented at the May 8, 2025, TDHCA Board meeting for approval to be released for public comment. A public comment period was open from Monday, May 19, 2025, through Tuesday, June 17, 2025 at 5:00 pm Austin local time. A public hearing for the draft 2026 RAF Methodology was held at 2:00 p.m. Austin local time on Wednesday, June 4, 2025 at the Stephen F. Austin Building, Room 172, 1700 Congress Ave, Austin, Texas 78701.

Statutory Requirement

Tex. Gov't Code §§2306.111 and 2306.1115 require that TDHCA use a formula to allocate funding for the HOME, HTF, and HTC programs.

Tex. Gov't Code §2306.1115 states:

(a) To allocate housing funds under Section 2306.111(d), the department shall develop a formula that:

(1) includes as a factor the need for housing assistance and the availability of housing resources in an urban area or rural area;

(2) provides for allocations that are consistent with applicable federal and state requirements and limitations; and

(3) includes other factors determined by the department to be relevant to the equitable distribution of housing funds under Section 2306.111(d).

(b) The department shall use information contained in its annual state low income housing plan and other appropriate data to develop the formula under this section.

The methodology detailed in this document evaluates both housing need and housing availability in urban and rural areas, as required by statute for the HOME SF, HOME MF, HTF, and HTC programs. The methodology also includes a regional coverage factor for single family programs. This coverage factor utilizes an inverse population density function to help distribute single family program funding to more rural areas of the state in accordance with the statutory requirements.

Urban and Rural Areas

Tex. Gov't Code §2306.004 states:

(28-a) "Rural area" means an area that is located:

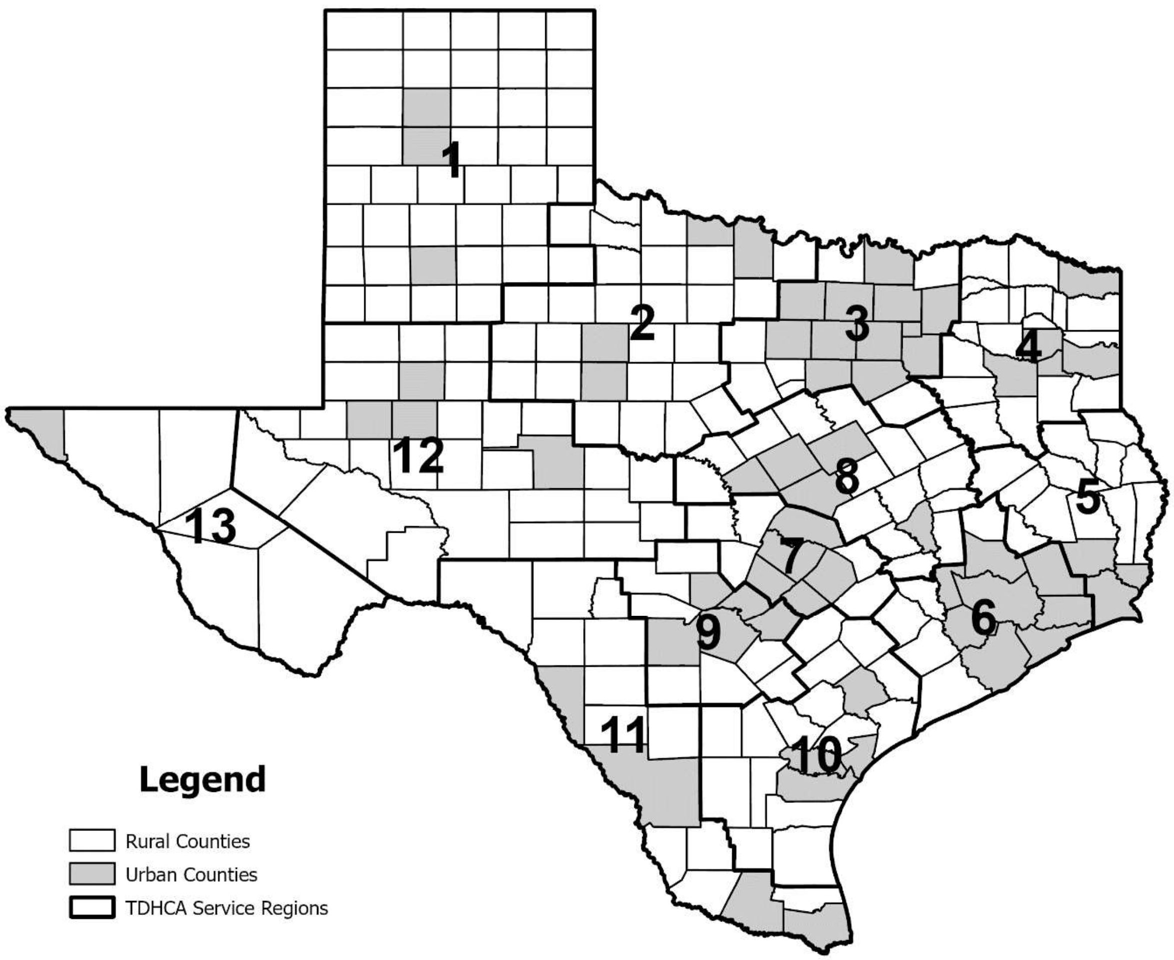
(A) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area; or

(B) 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.

Tex. Gov't Code §2306.004(28-a) is applied to incorporated places and Census Designated Places, as defined by the U.S. Census Bureau, collectively referred to as places. Prior to the development of the RAF each year, the parameters outlined in Tex. Gov't Code are used to determine which of these places are urban and which are rural. Organizations applying for certain site-specific TDHCA-administered funds use the urban and rural place designations to determine which subregional allocation they are eligible to apply for. If the site is located in an urban place, then that organization applies for funds allocated to the urban subregion of their region, while organizations requesting funds for sites in rural places would apply for rural subregional funds. For non-site specific funds, if a place crosses county or regional boundaries, then that place's subregion (urban or rural) is determined by the county that contains the majority area and population of the place.
Additionally, the RAF must account for the statewide need for and availability of housing. If the RAF only analyzed data from places, many unincorporated parts of the state would not be included, which would significantly hinder the RAF's utility as an equitable allocation tool. For this reason, the RAF uses county-level data to measure statewide housing need and to calculate subregional allocations. This allows for a more complete picture of the state's demographics in determining allocations.

Even if a county contains a Metropolitan Statistical Area (MSA) per the U.S. Office of Management and Budget (OMB) definitions, it's possible that all the places within that county meet the definition of a rural area per Tex. Gov't Code §2306.004(28-a). Therefore, if an MSA county has no places designated as urban, the need and availability of the whole county will be counted toward the rural allocation (*i.e*., the MSA county had no places with a population over 25,000 or places touching a boundary of a place with a population over 25,000). The allocation process outlined in this document refers to "MSA counties with urban places" as "urban counties" and "Non-MSA counties and counties with only rural places" as "rural counties." The need and availability of "MSA counties with urban places" directs the allocation toward the urban places, and the need and availability of "Non-MSA counties and counties with only rural places" directs the allocation toward the rural places.

Map of Urban and Rural Counties in Texas by Region



Source: U.S. Census Bureau, 2019-2023 ACS Data, 2023 TIGER Data
Disclaimer: This is not a survey product, boundaries, distances, and scale are approximate only

Methodology

For many of the RAF's variables, the Department uses the most recent American Community Survey (ACS) 5-Year Estimates data available. Land area data are not available in the annually released ACS; therefore, GEOINFO data used for the Regional Coverage Factor. The RAF currently uses the 2023 GEOINFO tables for land area.

Affordable Housing Need

For the purposes of developing an allocation formula, affordable housing need is measured through variables that correspond with the assistance provided by each specific TDHCA program. Despite HTF not currently utilizing the RAF, HTF is included in the RAF methodology description if funding levels or programmatic changes require the RAF to be utilized for this program.

Income

A household's income is the primary measurement of eligibility for housing assistance through TDHCA. HOME, HTC, and HTF serve households that earn less than or equal to 80% Area Median Family Income (AMFI). While eligibility for housing assistance is measured by AMFI, the Comprehensive Housing Affordability Strategy (CHAS) datasets that estimate the number of households in each AMFI category lag behind the poverty data included in the ACS by one year. In order to use the most up-to-date data, the RAF will incorporate ACS data for number of individuals at or below 200% of the poverty level to help calculate affordable housing need. Individuals at or below 200% of the poverty level will qualify for a majority of the housing assistance options offered through TDHCA's HOME, HTC, and HTF programs. The ACS collects income data by individual and housing data by household. Therefore, to ensure that data on *individuals* in poverty can be accurately weighted with data on cost burdened and overcrowded *households* to calculate affordable housing need, the income data must be converted to *households* at or below 200% of poverty. To do this, the number of individuals at or below 200% poverty in each subregion is divided by the average size of a household in Texas. The number of households at or below 200% poverty is included as a variable in all four program RAFs.

Cost Burden and Overcrowding

Renter and owner need for housing assistance is measured through cost burden and overcrowding conditions. The RAF defines a cost-burdened household as one that spends 30% or more of their monthly income on rent or homeowner costs (for homeowners with a mortgage), which is a common measure of unaffordable housing. The RAF considers an overcrowded housing unit to be one that contains more than one person per room, including the kitchen and bathroom. Areas with high cost burden or overcrowding may signify a need for assistance.

Many of TDHCA's programs aim to assist households that are cost-burdened or overcrowded. HTC and HOME MF both offer assistance for reduced-rent apartments. HOME SF offers Tenant-Based Rental Assistance, which pays a portion of a recipient's rent to their landlord. HTF offers the Amy Young Barrier Removal Program, which can serve both renters and homeowners. Therefore, variables representing renters who need assistance are included in the analysis for all four program RAFs.

HOME SF offers homebuyer assistance, home repair assistance, and single family development programs. For home repair, HOME SF offers grants and no-interest loans to homeowners to reconstruct their homes. For single family development, typically the homes are built by Community Housing Development Organizations (CHDOs) and purchased by low-income homeowners. HTF offers the Amy Young Barrier Removal Program, which can be used for homeowners (as well as renters), and the Bootstrap Loan Program for potential homeowners who use "sweat equity" and low- to no-interest loans to build and secure ownership of their homes. Therefore, variables representing homeowners who need assistance are included in the HOME SF and HTF RAFs.

Lack of Kitchen and Plumbing Facilities

HOME SF offers homeowner reconstruction assistance. HTF includes activities for the reconstruction, such as the Amy Young Barrier Removal Program. Since TDHCA programs fund the reconstruction of substandard housing, the RAF includes measures for substandard housing. Common definitions of substandard housing include lack of operable indoor plumbing, usable flush toilets, usable bathtub or shower, safe electricity, safe or adequate source of heat, or kitchen facilities. Data regarding total units lacking kitchen facilities or plumbing are the only data available on both an annual basis and at a county level. The count of occupied and unoccupied units lacking kitchen facilities and the count of occupied and unoccupied units lacking plumbing are utilized in the HOME SF and HTF RAFs.

Summary of Affordable Housing Need for Single Family and Multifamily Activities

The extent of Texans needing affordable housing is measured using five variables for single family activities:

- Cost burdened renter and owner households;
- Overcrowded renter and owner households;
- Housing units lacking kitchen facilities;
- Housing units lacking plumbing; and

- Individuals at or below 200% of the poverty rate.

The extent of Texans needing affordable housing is measured using three variables for multifamily activities:

- Cost burdened renter households;
- Overcrowded renter households; and
- Individuals at or below 200% of the poverty rate.

Housing Availability

Housing availability is included to measure where existing housing resources are located. Since this includes both market-rate and subsidized units, the RAF uses vacancies as a common measurement for housing availability. A high number of vacancies may indicate that a market has an adequate or a potentially abundant supply of housing. The HOME SF and HTF RAFs incorporate both units for rent and units for sale only into their housing availability measure, while the HOME MF and HTC RAFs only incorporate units for rent.

Regional Coverage Factor

The RAF uses inverse population density to generate a regional coverage factor. Population density measures the average number of people located in a defined area (i.e. persons per square mile). This is calculated by dividing the number of people in a geographic area by the area of the land in that area. In this way, population density can be used to compare the population size of geographic areas with different dimensions. A high population density means that a geographic area has higher population relative to its available land area. Contrarily, inverse population density measures the amount of land in a geographic area per person in that area (i.e. square miles per person). This is calculated by dividing the land area by the number of people that live in that area. A high inverse population density means that a geographic area has more land area relative to its population size. In this way, high population density generally corresponds to urban regions, while high inverse population generally corresponds to more rural regions.

Inverse population density is included in the HOME SF and HTF RAFs as a Regional Coverage Factor to consider the distance between scattered-site single family activities. This includes accounting for the dispersed population within the predominantly rural areas where HOME SF and HTF administrators provide assistance. TDHCA's multifamily programs generally focus development on a single site, so the Regional Coverage Factor is not as pertinent to multifamily program allocation. The Regional Coverage Factor assists in redistributing single family program funding from urban areas to more rural parts of the state. This better aligns funding availability with the statutory requirement that 95% of HOME funds be allocated for the benefit of those areas of the state that do not receive HOME funds directly from the U.S. Department of Housing and Urban Development (HUD), primarily smaller cities and rural areas (per Tex. Gov't Code §2306.111).

Summary of Variables

The following chart shows which need, availability, and other variables are used in the RAF Methodology for each of the four applicable programs.

		Multifamily Programs		Single Family Programs	
		HTC	HOME MF	HTF	HOME SF
Need Variables	*Cost Burdened Renter Households*	✓	✓	✓	✓
	Cost Burdened Owner Households			✓	✓
	Overcrowded Renter Households	✓	✓	✓	✓
	Overcrowded Owner Households			✓	✓
	Units Lacking Kitchen Facilities			✓	✓
	Units Lacking Plumbing Facilities			✓	✓
	Individuals at or Below 200% of Poverty	✓	✓	✓	✓
Availability Variables	*Vacant Units for Rent*	✓	✓	✓	✓
	Vacant Units for Sale			✓	✓
Other	*Regional Coverage Factor*			✓	✓

Exceptions to the RAF

Per Tex. Gov't Code §2306.111, there are certain instances in which the RAF requirement does not apply to HOME MF, HOME SF, HTC, or HTF funds.

Set-Asides

Specific set-asides will not be subject to the RAF per Tex. Gov't Code §2306.111(d-1), including set-asides for contract-for-deed activities and set-asides mandated by state or federal law, if these set-asides are less than 10% of the total allocation of funds or credits. Set-asides for funds allocated to serve persons with disabilities will not be subject to the RAF. The total amount available through the RAF will not include funds for at-risk developments for the HTC Program or other statutorily created set-asides. Also pursuant to Tex. Gov't Code §2306.111(d-1), programmed activities for HTF that do not exceed $3 million are not subject to the RAF. It is due to these exceptions that the HTF funds, as currently programmed, do not utilize the RAF.

In addition, per Tex. Gov't Code §2306.111(c)(2), 5% of State HOME funds must be spent on activities that serve persons with disabilities in any area of the State. This portion of HOME is not subject to the RAF because it is set-aside for persons with disabilities.
In Tex. Gov't Code §2306.111(d-2), 5% of HTC funds must be allocated to developments that receive federal assistance through USDA. Any developments that receive federal assistance through USDA and HTC for rehabilitation may compete for funding separately under the "USDA Set-Aside." This funding is taken from the total tax credit ceiling prior to applying the RAF.

Participating Jurisdictions (PJs)

PJs refer to geographic areas that are under the jurisdiction of local government entities that receive HOME funding directly from HUD. In accordance with Tex. Gov't Code §§2306.111(c)(1), 95% of the funds for HOME must be spent outside of PJs. Since 95% of HOME funds cannot be spent within a PJ, the housing need, availability, and coverage variables of PJs are not counted toward the subregional allocations for the HOME SF and HOME MF RAFS.
PJ designations are subject to change annually depending on HUD funding. According to HUD's 2025 HOME allocation, 35 of the PJs are cities and nine of the PJs are counties. Four PJ cities fell completely within PJ counties, resulting in a total of 31 PJ cities and nine PJ counties that will be subtracted from the HOME SF and HOME MF RAFs.

Allocation Adjustments

The HOME SF and HTC RAFs have subregional allocation adjustments under certain conditions. Tex. Gov't Code §2306.111(d-3) requires that at least $500,000 in housing tax credits be allocated to each urban and rural subregion. In the most current Qualified Allocation Plan (QAP), the Department reflects an increase to the $500,000 figure establishing a $600,000 minimum for each region. In a further effort to meet Tex. Gov't Code §§2306.111(c)(1) and (2), the HOME SF RAF has a minimum subregional allocation of $100,000. Additional detail regarding the processes used to adjust allocations for the HOME SF RAF and the HTC RAF can be found in the single family and multifamily RAF examples.

Single Family RAF Example

Tables 1, 2, and 3 show the need variables, availability variables, and regional coverage factor used in the HOME SF RAF. The HTF RAF is very similar to the HOME SF RAF with the exception that the HTF RAF includes PJs. Example numbers are used for illustrative purposes only. The statewide average household size in the following example is 2.83.

Table 1: Example of Need Variables Used for HOME SF, by Subregion

	Region	Column A: Individuals at or below 200% Poverty without PJs	Column B: Households (HH) at or below 200% Poverty without PJs	Column C: Cost Burdened Owners without PJs	Column D: Cost Burdened Renters without PJs	Column E: Overcrowded Owners without PJs	Column F: Overcrowded Renters without PJs	Column G: Units Lacking Plumbing without PJs	Column H: Units Lacking Kitchen without PJs	Column I: Total Need Variables
MSA Counties with Urban Places	1	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	2	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
	3	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	4	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
	5	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	6	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
	7	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	8	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
	9	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	10	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
	11	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	12	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
	13	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691

	Region	Column A: Individuals at or below 200% Poverty without PJs	Column B: HH at or below 200% Poverty without PJs	Column C: Cost Burdened Owners without PJs	Column D: Cost Burdened Renters without PJs	Column E: Overcrowded Owners without PJs	Column F: Overcrowded Renters without PJs	Column G: Units Lacking Plumbing without PJs	Column H: Units Lacking Kitchen without PJs	Column I: Total Need Variables
Non-MSA counties and counties with only rural places	1	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	2	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
	3	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	4	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
	5	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	6	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
	7	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	8	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
	9	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	10	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
	11	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	12	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
	13	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
		Col A Total	**Col B Total**	**Col C Total**	**Col D Total**	**Col E Total**	**Col F Total**	**Col G Total**	**Col H Total**	**Col I Total**
State Total		2,570,000	911,348	121,500	287,000	62,000	49,000	123,000	149,000	1,702,848

Table 2: Example of Availability Variables Used for HOME SF, by Subregion

	Region	Column J: Vacant Units For Sale without PJs	Column K: Vacant Units For Rent without PJs	Column L: Total Availability Variables
MSA Counties with urban places	1	1,500	2,000	3,500
	2	1,000	3,000	4,000
	3	1,500	2,000	3,500
	4	1,000	3,000	4,000
	5	1,500	2,000	3,500
	6	1,000	3,000	4,000
	7	1,500	2,000	3,500
	8	1,000	3,000	4,000
	9	1,500	2,000	3,500
	10	1,000	3,000	4,000
	11	1,500	2,000	3,500
	12	1,000	3,000	4,000
	13	1,500	2,000	3,500

	Region	Column J: Vacant Units For Sale without PJs	Column K: Vacant Units For Rent without PJs	Column L: Total Availability Variables
Non-MSA counties and counties with only rural places	1	1,500	2,000	3,500
	2	2,000	2,500	4,500
	3	1,500	2,000	3,500
	4	2,000	2,500	4,500
	5	1,500	2,000	3,500
	6	2,000	2,500	4,500
	7	1,500	2,000	3,500
	8	2,000	2,500	4,500
	9	1,500	2,000	3,500
	10	2,000	2,500	4,500
	11	1,500	2,000	3,500
	12	2,000	2,500	4,500
	13	1,500	2,000	3,500

	Column J Total	Column K Total	Column L Total
State Total	39,000	61,000	100,000

Table 3: Example of Regional Coverage Factor used for HOME SF, by Subregion

	Region	Column M: Land area without PJs	Column N: Total Population without PJs	Column O: Regional Coverage Factor
MSA Counties with urban places	1	3,000	350,000	0.009
	2	2,000	250,000	0.008
	3	3,000	350,000	0.009
	4	2,000	250,000	0.008
	5	3,000	350,000	0.009
	6	2,000	250,000	0.008
	7	3,000	350,000	0.009
	8	2,000	250,000	0.008
	9	3,000	350,000	0.009
	10	2,000	250,000	0.008
	11	3,000	350,000	0.009
	12	2,000	250,000	0.008
	13	3,000	350,000	0.009

	Region	Column M: Land area without PJs	Column N: Total Population without PJs	Column O: Regional Coverage Factor
Non-MSA counties and counties with only rural places	1	15,000	200,000	0.075
	2	13,000	300,000	0.043
	3	15,000	200,000	0.075
	4	13,000	300,000	0.043
	5	15,000	200,000	0.075
	6	13,000	300,000	0.043
	7	15,000	200,000	0.075
	8	13,000	300,000	0.043
	9	15,000	200,000	0.075
	10	13,000	300,000	0.043
	11	15,000	200,000	0.075
	12	13,000	300,000	0.043
	13	15,000	200,000	0.075

	Column M Total	Column N Total	Column O Total
State Total	216,000	7,150,000	0.893

Compounded Need

To allocate funds, the RAF compares each subregion's total need to the state's total need. All of the housing need variables are added together. Then, each subregion's total need is taken as a percentage of the amount of total need in the state. Table 1, Column I, illustrates how the Total Need Variables are derived: households at 200% of poverty, cost burdened owner and renter households, overcrowded owner and renter households, units lacking kitchen facilities, and units lacking plumbing facilities are added together, thereby compounding the need.

This compounding balances the relative importance of the variables; variables with very high or very small numbers are combined with the overall total of need. This prevents variables from being disproportionately weighted.

Weights

Examples of how the weights operate in the RAF are in Tables 4 and 5. The column header letters (A, B, C, etc.) will build off the previous table. If column letters are not in alphabetical order, the column header letter refers to a previous table.

To apply weights, first the subregional percentage (the subregional share of statewide need), housing availability, and regional allocation factor must be calculated. Table 4 demonstrates how the percentages are derived. Table 4 shows only Urban Region 1 and the statewide total in order to simplify the example.

Table 4: Percentages Taken

Area	Column I: Total Need Variables	Column P: Percent of State's Total Need	Column L: Total Availability Variables	Column Q: Percent of State's Total Availability	Column O: Regional Coverage Factor	Column R: Percent of State's Total Regional Coverage Factor
Urban Region 1	84,691	5.0%	3,500	3.5%	0.009	1.0%
State Total	1,702,848		100,000		0.893	

Note: Column I is from Table 1, Column L is from Table 2, and Column O is from Table 3.

A successful allocation formula will provide more funding for areas with high housing need and reduce funding for areas with an abundance of housing resources. Housing availability variables have a negative weight to reflect that an abundance of available units might reduce the need for assistance. The housing need variables and the regional coverage factor have positive weights to reflect that these factors may increase the need for assistance. Renter and owner components of a single need or availability category are added together, as they represent one variable for the purposes of weighting compounded need. The weight of each variable, whether need, availability, or regional coverage factor, must equal 100%; otherwise, the initial subregion allocation will not add up to the total example allocation. The formulas to determine variable weight for the Single Family RAF are as follows:

Total Need Variables = HH at or below 200% poverty + Cost Burden + Overcrowding + Units Lacking Plumbing + Units Lacking Kitchen
Total Availability Variables = Unoccupied Units for Sale or Rent
Regional Coverage Factor = Inverse Population Density
Total Need Variables – Total Availability Variables + Regional Coverage Factor = 100%

To put it simply (with x representing the weight of each variable): 5x-x+x=100%
As a result, each variable is weighted at 20% for Single Family programs, giving the appropriate relationship between funding and current availability of resources. The compounded need variables receive 100% weight. Table 5 shows the application of the weights based on a hypothetical statewide availability of $2,500,000.

Table 5: Weight Application

Area	Column P: Percent of State's Total Need	Column S: Weight of Need Variables	Column T: Need Variable Allocation*	Column Q: Percent of State's Total Availability	Column U: Weight of Availability Variable	Column V: Availability Variable Allocation~	Column R: Percent of State's Total Regional Coverage Factor	Column W: Weight of Regional Coverage Factor	Column X: Regional Coverage Factor Allocation^	Column Y: Total Allocation⁺
Urban Region 1	5.0%	100%	$ 124,338	3.5%	-20%	$ (17,500)	1.0%	20%	$4,799	$ 111,637

Note: Column P, Q and R taken from Table 4.
*Column T is calculated as follows: Column P x Column S x statewide availability of funds.
~Column V is calculated as follows: Column Q x Column U x statewide availability of funds.
^ Column X is calculated as follows: Column W x Column R x statewide availability of funds.
⁺Column Y is calculated as follows: Column T + Column V + Column X.

HOME Subregional Allocation Adjustment

The HOME SF RAF has a subregional floor. This floor ensures sufficient funding to award at least one contract in each subregion. If the RAF results in a subregional funding amount that is less than $100,000, that subregion's funding amount is adjusted upward to provide for at least a minimum of $100,000. The process does not reallocate funds from subregions with initial funding amounts in excess of $100,000 to those subregions with initial funding amounts that are less than $100,000. Funds used to enable the floor are not subject to RAF requirements and are added as a final adjustment to the subregional allocation amounts available for award. The final adjustment adds a supplemental allocation to bring all subregions to a minimum of $100,000. The process is complete when each subregion has at least $100,000.

Table 6 shows the process of supplementing funds to subregions that have initial funding amounts that are less than $100,000. This table builds from the previous tables included in this methodology and Urban Regions 1 and 2 are included as examples of this adjustment. The column header letters build off previous tables, so if the letters are not in alphabetical order, the column letter refers to previous tables.

Table 6: Subregion amount under $100,000

Area	Column Y: Initial Subregion amount	Column Z: Amount needed to reach $100,000	Column AA: Final Subregion Allocation
Urban Region 1	$111,637	$-	$111,637
Urban Region 2	$84,255	$15,745	$100,000

Note: Column Y is from Table 5.

Since the Urban Region 1 initial Subregion amount exceeds $100,000, no adjustment is made to this sub-allocation. However, because the Urban Region 2 initial Subregion amount is less than $100,000, a supplemental allocation amount is added to bring the subregion allocation up to the final allocation amount of $100,000.

Multifamily RAF Example

Table 7 shows the need and availability variables used in the HTC RAF. The HTC RAF is very similar to the HOME MF RAF with the exception that the HTC RAF includes PJs. Example numbers are used for clarity. The statewide average household size in the following example is 2.83.

Table 7: Example of Need and Availability Variables used for HTC, by Subregion

	Region	Column BB: Individuals at or below 200% Poverty	Column CC: HH at or below 200% Poverty	Column DD: Cost Burdened Renters	Column EE: Overcrowded Renters	Column FF: Vacant Units for Rent
MSA Counties with urban places	1	150,000	53,571	25,000	4,000	6,000
	2	100,000	35,714	20,000	2,000	4,000
	3	150,000	53,571	25,000	4,000	6,000
	4	100,000	35,714	20,000	2,000	4,000
	5	150,000	53,571	25,000	4,000	6,000
	6	100,000	35,714	20,000	2,000	4,000
	7	150,000	53,571	25,000	4,000	6,000
	8	100,000	35,714	20,000	2,000	4,000
	9	150,000	53,571	25,000	4,000	6,000
	10	100,000	35,714	20,000	2,000	4,000
	11	150,000	53,571	25,000	4,000	6,000
	12	100,000	35,714	20,000	2,000	4,000
	13	150,000	53,571	25,000	4,000	6,000

	Region	Column BB: Individuals at or below 200% Poverty	Column CC: HH at or below 200% Poverty	Column DD: Cost Burdened Renters	Column EE: Overcrowded Renters	Column FF: Vacant Units for Rent
Non-MSA counties and counties with only rural places	1	40,000	14,286	7,000	700	700
	2	25,000	8,929	2,000	400	500
	3	40,000	14,286	7,000	700	700
	4	25,000	8,929	2,000	400	500
	5	40,000	14,286	7,000	700	700
	6	25,000	8,929	2,000	400	500
	7	40,000	14,286	7,000	700	700
	8	25,000	8,929	2,000	400	500
	9	40,000	14,286	7,000	700	700
	10	25,000	8,929	2,000	400	500
	11	40,000	14,286	7,000	700	700
	12	25,000	8,929	2,000	400	500
	13	40,000	14,286	7,000	700	700

	Column BB Total	Column CC Total	Column DD Total	Column EE Total	Column FF Total
State Total	2,080,000	742,857	356,000	47,300	73,900

Compounded Need

To allocate funds, the RAF compares each subregion's total need to the state's total need. All of the housing need variables are added together. Then, each subregion's total need is taken as a percentage of the amount of total need in the state. Table 8 illustrates how the Total Need Variables are derived: households at or below 200% of poverty, cost burdened renter households, and overcrowded renter households are added together, thereby compounding the need. Table 8 shows only Urban Region 1 and the statewide total, in order to simplify the example.

Table 8: Total Need Variables

Area	Column CC: HH at or below 200% Poverty	Column DD: Cost Burdened Renters	Column EE: Overcrowded Renters	Column GG: Total Need Variables
Urban Region 1	53,571	25,000	4,000	82,571
State Total	742,857	356,000	47,300	1,146,157

Note: Columns CC, DD and EE are from Table 7.

This compounding balances the relative importance of the variables; variables with very high or very small numbers are combined with the overall total of need. This prevents variables from being disproportionately weighted.

Weights

Examples of how the weights work in the RAF are in Tables 9 and 10. If the letters are not in alphabetical order, the column header letter refers to a previous table.
In order to apply weights, first the subregional percentage availability, and inverse population density must be calculated. Table 9 demonstrates how the percentages are derived.

Table 9: Percentages Taken

Area	Column GG: Total Need Variables	Column HH: Percent of State's Total Need	Column II: Vacant Units for Rent	Column JJ: Percent of State's Total Availability
Urban Region 1	82,571	7.2%	6,000	8.1%
State Total	1,146,157		73,900	

Note: Column GG is from Table 8.

A successful allocation formula will provide more funding for areas with high housing need and reduce funding for areas with an abundance of housing resources. The housing availability variable has negative weight to reflect that an abundance of available units might reduce the need for assistance, while housing need variables have positive weight to reflect that these factors may increase the need for assistance. Renter and owner components of a single need or availability category are added together, as they represent one variable for the purposes of weighting the variables. The weight of each variable, whether need, availability, or regional coverage factor, must equal 100%; otherwise, the initial subregion allocation will not add up to the total example allocation. The formulas to determine variable weight for the Multifamily RAF are as follows:

Total Need Variables = HH at or below 200% poverty + Renter Cost Burden + Renter Overcrowding
Availability Variable = Unoccupied Units for Rent
Total Need Variables – Availability Variable = 100%
Simply stated (with x representing the weight of each variable): 3x-x=100%

As a result, each variable is weighted at 50% for multifamily programs, giving the appropriate relationship between funding and current availability of resources. The compounded need variables receive 150% weight. Table 10 shows the application of the weights based on a statewide availability of $40,000,000.

Table 10: Weight Application

Area	Column HH: Percent of State's Total Need	Column KK: Weight of Need Variables	Column LL: Need Variable Allocation*	Column JJ: Percent of State's Total Availability	Column MM: Weight of Availability Variable	Column NN: Availability Variable Allocation~	Column OO: Total Allocation+
Urban Region 1	7.2%	150%	$ 4,322,519	8.1%	-50%	$ (1,623,816)	$ 2,698,703

Note: Column HH and JJ taken from Table 9.
*Column LL is calculated as follows: Column HH x Column KK x statewide availability of funds.
~Column NN is calculated as follows: Column JJ x Column MM x statewide availability of funds.
+Column OO is calculated as follows: Column LL + Column NN.

HTC Subregional Allocation Adjustment

Tex. Gov't Code §2306.111(d-3) is a requirement regarding funding and the RAF that applies only to HTC. This provision requires that TDHCA allocate at least 20% of housing tax credits to rural areas, and that $500,000 or more be available for each of the 26 subregions. In the most recent QAP, the Department reflects an increase to the $500,000 figure establishing a $600,000 minimum for each region. The overall state rural allocation of funds is ensured to satisfy the minimum of 20% of the credit ceiling amount in rural areas by making any adjustments at the time of award, if needed. Usually, the 20% allocation to rural areas occurs through the competitive process, but, if not, one or more applications from rural areas will be awarded from the statewide collapse of the RAF to ensure the requirement is met.

For the HTC RAF, the subregional funding amount is adjusted to a minimum of $600,000, if needed. This is a final adjustment to the subregional allocation amounts available for award. The process proportionately takes funds from subregions with initial funding amounts in excess of $600,000 and reallocates those funds to those subregions with initial funding amounts that are less than $600,000. The process is complete when each subregion has at least $600,000.

Tables 11 and 12 show the process of determining the amount to adjust from subregions with more than $600,000. These tables build from the previous tables included in this methodology and Urban Region 1 and 2 and Rural Region 1 and 2 are included. The column header letters build off previous tables, so if the letters are not in alphabetical order, the column letter refers to previous tables.

These four subregions are examined because the most common movement for funds during the $600,000 adjustment is from Urban Counties to Rural Counties. The first step in the $600,000 adjustment process is to determine the amount by which each subregion is over or under $600,000 for each subregion. This is illustrated in Table 11.

Table 11: Subregional amount over/under $600,000

Area	Column OO: Initial Subregion amount	Column PP: Amount needed to reach $600,000	Column QQ: Amount over $600,000 that can be reallocated
Urban Region 1	$2,698,703	$-	$2,098,703
Urban Region 2	$1,938,732	$-	$1,338,732
Rural Region 1	$961,482	$-	$361,482
Rural Region 2	$457,720	$142,280	$-
State Total	$40,000,000	$853,682.36	$25,253,682.36

Note: Column OO is from Table 10.

Column QQ in Table 11 is the amount in Column OO minus $600,000 if the amount in Column OO is more than $600,000. At least $600,000 is maintained in each subregion before the adjustment process.
The next step in the adjustment process is to determine the percentage to be reallocated. The proportion of the total amount to be reallocated is in Column SS. Finally, Column OO is adjusted by Column SS to equal the final Sub-Amount in Column TT.

Table 12: Proportional adjustment

Area	Column RR: Percent of Total Amount that can be reallocated*	Column SS: Amount to be reallocated~	Column TT: Final Subregion Allocation+
Urban Region 1	8.31%	$ (70,945)	$2,627,758
Urban Region 2	5.30%	$ (45,255)	$1,893,477
Rural Region 1	1.43%	$ (12,220)	$949,262
Rural Region 2	0.00%	$142,280	$600,000
State Total	100.00%	$0	$40,000,000

**Column RR is calculated as follows: if Column OO is more than $600,000, then ((Column OO-$600,000)/(Statewide total for Column QQ))*
~Column SS is calculated as followed: if Column RR is a percentage, then (Column RR$853,682.36); if Column RR is "-%", then Column SS equals Column PP.*
+Column TT is calculated as follows: Column OO + Column SS.

DR

Texas Department of Housing and Community Affairs

Example 2026 HOME SF Regional Allocation Formula

Table 1 - Raw Data

	Region	Individuals at or Below 200% Poverty	HH at or Below 200% Poverty	Cost-Burdened Owners	Cost-Burdened Renters	Over-crowded Owners	Over-crowded Renters	Total Units Lacking Plumbing	Total Units Lacking Kitchen	Vacant Units For Sale	Vacant Units For Rent	Land Area	Total Population	Inverse Population Density
MSA Counties with Urban Places	1	25,323	9,379	3,429	2,834	667	562	1,549	1,938	193	637	2,616	113,035	0.023
	2	19.562	7.245	2.127	1.815	387	138	2.140	1.850	275	265	3.293	74.783	0.044
	3	441.638	163.570	109.272	100.65	13.595	12.910	9.590	21.066	5.860	12.33	7.665	2.378.83	0.003
	4	120.697	44.703	12.270	14.035	2.816	2.097	11.073	6.912	770	3.170	3.453	376.160	0.009
	5	60.697	22.480	5.647	7.225	1.332	1.461	3.793	5.490	714	2.543	1.941	226.569	0.009
	6	135.822	50.304	19.538	21.146	4.185	2.834	4.040	4.572	1.639	2.947	2.606	507.999	0.005
	7	-17.778	-6.584	7.865	-51.837	3.296	-6.894	721	2.063	743	-6.206	2.932	82.010	0.036
	8	133.640	49.496	15.915	24.144	2.702	2.684	3.847	4.960	1.639	2.262	4.256	480.920	0.009
	9	94.743	35.090	20.636	15.724	2.748	2.189	1.969	3.981	1.763	2.034	3.258	452.310	0.007
	10	77.973	28.879	6.263	10.882	1.792	1.331	3.529	5.085	920	3.668	2.508	220.695	0.011
	11	118.220	43.785	5.885	8.622	4.320	2.724	2.194	2.497	475	1.464	5.271	233.052	0.023
	12	66.356	24.576	9.599	10.933	2.645	2.594	3.075	2.682	849	1.855	4.136	245.743	0.017
	13	85.881	31.808	7.125	4.770	2.427	1.092	1.614	1.311	679	884	757	188.128	0.004
	Subtotal	1.362.77	504.731	225.571	170.95	42.912	25.722	49.134	64.407	16.519	27.85	44.691	5.580.23	0.200
Non-MSA Counties and Counties with Only Rural Places	1	111,046	41,128	6,277	9,727	2,369	1,931	11,469	10,666	968	2,751	36,633	293,894	0.125
	2	85.509	31.670	6.606	8.458	1.370	962	9.890	9.713	1.079	1.723	23.742	248.160	0.096
	3	86.881	32.178	10.708	12.212	2.260	1.606	3.882	4.907	788	1.695	5.417	278.605	0.019
	4	209.150	77.463	17.999	22.008	5.673	2.425	11.952	12.239	1.841	3.686	11.856	597.208	0.020
	5	147.450	54.611	10.096	17.671	4.330	2.723	9.666	8.538	1.373	2.749	9.910	374.422	0.026
	6	72.624	26.898	6.642	11.583	1.467	1.212	3.746	4.264	958	2.182	4.577	207.665	0.022
	7	33.989	12.589	5.183	4.473	1.117	501	1.782	1.851	505	491	4.217	127.624	0.033
	8	92.823	34.379	8.287	9.827	3.114	1.176	7.411	7.943	995	1.552	12.672	289.642	0.044
	9	68.233	25.271	9.174	8.090	2.420	1.589	3.025	3.868	1.440	1.506	6.857	236.354	0.029
	10	90.249	33.426	5.646	10.454	1.961	1.405	7.702	7.360	460	1.594	14.903	238.309	0.063
	11	110.459	40.911	4.321	7.374	3.148	2.603	5.397	5.048	749	1.188	16.935	209.474	0.081
	12	59.632	22.086	4.533	4.786	1.486	991	4.583	5.380	657	1.293	35.496	182.549	0.194
	13	9.924	3.676	541	886	306	56	1.165	904	92	209	20.687	22.759	0.909
	Subtotal	1.177.96	436.285	96.013	127.54	31.021	19.180	81.670	82.681	11.905	22.61	203.902	3.306.66	1.661
	Total	2,540,74	941,016	321,584	298,50	73,933	44,902	130,804	147,08	28,424	50,47	248,593	8,886,90	1.861

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Texas Average HH Size: 2.70

Texas Department of Housing and Community Affairs

Example 2026 HOME SF Regional Allocation Formula

Table 2 - Weights

	Region	Total Need Variables	% of Total Need Variables	Weighted	Total Availability Variables	% of Total Availability Variables	Weighted	Regional Coverage Factor	% of Total Regional Coverage Factor	Weighted	Initial Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	20,358	1.0%	$155,973	830	1.1%	$(31,558)	0.023	1.2%	$37,316	$161,731	1.08%
	2	15,702	0.8%	$120,303	540	0.7%	$(20,532)	0.044	2.4%	$70,992	$170,764	1.14%
	3	430,661	22.0%	$3,299,530	18,196	23.1%	$(691,846)	0.003	0.2%	$5,195	$2,612,880	17.42%
	4	93,906	4.8%	$719,463	3,940	5.0%	$(149,806)	0.009	0.5%	$14,801	$584,458	3.90%
	5	47,428	2.4%	$363,375	3,257	4.1%	$(123,837)	0.009	0.5%	$13,812	$253,350	1.69%
	6	106,619	5.4%	$816,871	4,586	5.8%	$(174,368)	0.005	0.3%	$8,272	$650,774	4.34%
	7	(51,370)	-2.6%	$(393,578)	(5,463)	-6.9%	$207,713	0.036	1.9%	$57,640	$(128,224)	-0.85%
	8	103,748	5.3%	$794,873	3,901	4.9%	$(148,323)	0.009	0.5%	$14,268	$660,818	4.41%
	9	82,337	4.2%	$630,830	3,797	4.8%	$(144,369)	0.007	0.4%	$11,615	$498,075	3.32%
	10	57,761	3.0%	$442,538	4,588	5.8%	$(174,444)	0.011	0.6%	$18,322	$286,416	1.91%
	11	70,027	3.6%	$536,517	1,939	2.5%	$(73,724)	0.023	1.2%	$36,464	$499,257	3.33%
	12	56,104	2.9%	$429,846	2,704	3.4%	$(102,811)	0.017	0.9%	$27,137	$354,173	2.36%
	13	50,147	2.6%	$384,202	1,563	2.0%	$(59,428)	0.004	0.2%	$6,492	$331,266	2.21%
	Subtotal	1,083,428	55.3%	$8,300,745	44,378	56.2%	$(1,687,334)	0.200	10.7%	$322,326	$6,935,737	46.24%
Non-MSA Counties and Counties with Only Rural Places	1	83,567	4.3%	$640,254	3,719	4.7%	$(141,403)	0.125	6.7%	$200,974	$699,825	4.67%
	2	68,669	3.5%	$526,111	2,802	3.6%	$(106,537)	0.096	5.1%	$154,258	$573,832	3.83%
	3	67,753	3.5%	$519,095	2,483	3.1%	$(94,408)	0.019	1.0%	$31,351	$456,037	3.04%
	4	149,759	7.6%	$1,147,387	5,527	7.0%	$(210,147)	0.020	1.1%	$32,009	$969,249	6.46%
	5	107,635	5.5%	$824,652	4,122	5.2%	$(156,726)	0.026	1.4%	$42,674	$710,600	4.74%
	6	55,812	2.9%	$427,605	3,140	4.0%	$(119,389)	0.022	1.2%	$35,540	$343,756	2.29%
	7	27,496	1.4%	$210,658	996	1.3%	$(37,870)	0.033	1.8%	$53,271	$226,059	1.51%
	8	72,137	3.7%	$552,681	2,547	3.2%	$(96,842)	0.044	2.4%	$70,542	$526,381	3.51%
	9	53,437	2.7%	$409,414	2,946	3.7%	$(112,012)	0.029	1.6%	$46,776	$344,178	2.29%
	10	67,954	3.5%	$520,630	2,054	2.6%	$(78,097)	0.063	3.4%	$100,828	$543,361	3.62%
	11	68,802	3.5%	$527,128	1,937	2.5%	$(73,648)	0.081	4.3%	$130,352	$583,832	3.89%
	12	43,845	2.2%	$335,920	1,950	2.5%	$(74,143)	0.194	10.5%	$313,516	$575,294	3.84%
	13	7,534	0.4%	$57,719	301	0.4%	$(11,445)	0.909	48.9%	$1,465,585	$1,511,859	10.08%
	Subtotal	874,399	44.7%	$6,699,255	34,524	43.8%	$(1,312,666)	1.661	89.3%	$2,677,674	$8,064,263	53.76%
	Total	1,957,827	100%	$15,000,000	78,902	100%	$(3,000,000)	1.861	100.0%	$3,000,000	$15,000,000	100.00%

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Total Sample Allocation: $15,000,000

Weight of Need Variables: 100%

Weight of Availability Variables: -20%

Weight of Regional Coverage Factor: 20%

Texas Department of Housing and Community Affairs

Example 2026 HOME SF Regional Allocation Formula

Table 3 – Supplemental Allocation

	Region	Initial Subregion Amount	Supplemental Amount Needed to Reach Subregion Floor	Final Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	$161,730.62	$-	$161,730.62	1.06%
	2	$170,763.51	$-	$170,763.51	1.12%
	3	$2,612,879.99	$-	$2,612,879.99	17.16%
	4	$584,458.07	$-	$584,458.07	3.84%
	5	$253,349.63	$-	$253,349.63	1.66%
	6	$650,774.25	$-	$650,774.25	4.27%
	7	$(128,223.82)	$228,223.82	$100,000.00	0.66%
	8	$660,817.79	$-	$660,817.79	4.34%
	9	$498,075.25	$-	$498,075.25	3.27%
	10	$286,416.26	$-	$286,416.26	1.88%
	11	$499,257.20	$-	$499,257.20	3.28%
	12	$354,172.51	$-	$354,172.51	2.33%
	13	$331,265.98	$-	$331,265.98	2.18%
	Subtotal	$6,935,737.23	$228,223.82	$7,163,961.05	47.04%
Non-MSA Counties and Counties with Only Rural Places	1	$699,824.67	$-	$699,824.67	4.60%
	2	$573,831.98	$-	$573,831.98	3.77%
	3	$456,036.82	$-	$456,036.82	2.99%
	4	$969,249.32	$-	$969,249.32	6.36%
	5	$710,600.46	$-	$710,600.46	4.67%
	6	$343,756.11	$-	$343,756.11	2.26%
	7	$226,059.19	$-	$226,059.19	1.48%
	8	$526,381.00	$-	$526,381.00	3.46%
	9	$344,177.57	$-	$344,177.57	2.26%
	10	$543,360.86	$-	$543,360.86	3.57%
	11	$583,831.82	$-	$583,831.82	3.83%
	12	$575,294.08	$-	$575,294.08	3.78%
	13	$1,511,858.89	$-	$1,511,858.89	9.93%
	Subtotal	$8,064,262.77	$-	$8,064,262.77	52.96%
	Total	$15,000,000.00	$228,223.82	$15,228,223.82	100.00%

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Subregion Allocation Floor: $100,000.00

Texas Department of Housing and Community Affairs

Example 2026 HTF Regional Allocation Formula

Table 1 - Raw Data

	Region	Individuals at or Below 200% Poverty	HH at or Below 200% Poverty	Cost-Burdened Owners	Cost-Burdened Renters	Over-crowded Owners	Over-crowded Renters	Total Units Lacking Plumbing	Total Units Lacking Kitchen	Vacant Units For Sale	Vacant Units For Rent	Land Area	Total Population	Inverse Population Density
MSA Counties with Urban Places	1	196,762	72,875	18,518	42,515	2,807	4,467	6,264	9,406	1,217	9,419	2,716	575,058	0.005
	2	95,791	35,478	8,619	18,168	1,178	1,330	4,464	4,816	988	3,179	3,561	304,471	0.012
	3	2,082,887	771,440	307,408	558,916	48,020	80,814	26,902	57,411	16,087	95,871	9,603	7,947,543	0.001
	4	188,459	69,800	16,772	29,108	3,759	3,447	15,020	9,065	1,300	8,049	3,563	566,643	0.006
	5	133,084	49,290	10,025	21,206	2,209	2,903	5,647	8,700	1,460	4,193	2,101	396,058	0.005
	6	2,190,033	811,123	260,041	496,301	46,789	94,989	36,320	52,454	19,138	94,360	7,612	7,216,019	0.001
	7	513,036	190,013	100,346	181,986	11,622	23,082	6,478	13,146	4,889	16,272	4,220	2,357,497	0.002
	8	339,567	125,766	32,342	79,943	5,063	7,100	6,791	9,729	2,599	10,075	4,438	987,438	0.004
	9	774,251	286,760	98,376	166,377	15,073	24,680	12,926	21,502	6,987	28,918	4,498	2,489,654	0.002
	10	190,772	70,656	17,134	35,232	3,719	4,038	6,041	8,622	1,501	8,827	2,666	538,078	0.005
	11	826,572	306,138	43,336	75,096	29,438	24,727	17,250	15,282	3,931	11,847	7,103	1,629,614	0.004
	12	134,696	49,887	16,919	26,881	4,443	4,304	5,000	5,502	1,467	4,409	4,235	459,330	0.009
	13	370,787	137,329	32,515	52,203	7,006	8,975	4,966	6,097	2,202	8,323	1,013	866,275	0.001
	Subtotal	8,036,697	2,976,554	962,351	1,783,932	181,126	284,856	154,069	221,732	63,766	303,742	57,328	26,333,678	0.058
Non-MSA Counties and Counties with Only Rural Places	1	111,046	41,128	6,277	9,727	2,369	1,931	11,469	10,666	968	2,751	36,633	293,894	0.125
	2	85,509	31,670	6,606	8,458	1,370	962	9,890	9,713	1,079	1,723	23,742	248,160	0.096
	3	86,881	32,178	10,708	12,212	2,260	1,606	3,882	4,907	788	1,695	5,417	278,605	0.019
	4	209,150	77,463	17,999	22,008	5,673	2,425	11,952	12,239	1,841	3,686	11,856	597,208	0.020
	5	147,450	54,611	10,096	17,671	4,330	2,723	9,666	8,538	1,373	2,749	9,910	374,422	0.026
	6	72,624	26,898	6,642	11,583	1,467	1,212	3,746	4,264	958	2,182	4,577	207,665	0.022
	7	33,989	12,589	5,183	4,473	1,117	501	1,782	1,851	505	491	4,217	127,624	0.033
	8	92,823	34,379	8,287	9,827	3,114	1,176	7,411	7,943	995	1,552	12,672	289,642	0.044
	9	68,233	25,271	9,174	8,090	2,420	1,589	3,025	3,868	1,440	1,506	6,857	236,354	0.029
	10	90,249	33,426	5,646	10,454	1,961	1,405	7,702	7,360	460	1,594	14,905	238,309	0.063
	11	110,459	40,911	4,321	7,374	3,148	2,603	5,397	5,048	749	1,188	16,935	209,474	0.081
	12	59,632	22,086	4,533	4,786	1,486	991	4,583	5,380	657	1,293	35,496	182,549	0.194
	13	9,924	3,676	541	886	306	56	1,165	904	92	209	20,687	22,759	0.909
	Subtotal	1,177,969	436,285	96,013	127,549	31,021	19,180	81,670	82,681	11,905	22,619	203,904	3,306,665	1.661
	Total	9,214,666	3,412,839	1,058,36	1,911,481	212,147	304,036	235,739	304,413	75,671	326,361	261,232	29,640,343	1.719

Texas Average HH Size: 2.70

Texas Department of Housing and Community Affairs

Example 2026 HTF Regional Allocation Formula

Table 2 - Weights

	Region	Total Need Variables	% of Total Need Variables	Weighted	Total Availability Variables	% of Total Availability Variables	Weighted	Regional Coverage Factor	% of Total Regional Coverage Factor	Weighted	Final Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	156,852	2.1%	$63,255	10,636	2.6%	$(15,873)	0.005	0.3%	$1,648	$49,030	1.63%
	2	74,053	1.0%	$29,864	4,167	1.0%	$(6,219)	0.012	0.7%	$4,082	$27,727	0.92%
	3	1,850,911	24.9%	$746,433	111,958	27.8%	$(167,088)	0.001	0.1%	$422	$579,767	19.33%
	4	146,971	2.0%	$59,270	9,349	2.3%	$(13,953)	0.006	0.4%	$2,195	$47,512	1.58%
	5	99,980	1.3%	$40,320	5,653	1.4%	$(8,437)	0.005	0.3%	$1,851	$33,735	1.12%
	6	1,798,017	24.2%	$725,103	113,498	28.2%	$(169,387)	0.001	0.1%	$368	$556,084	18.54%
	7	526,673	7.1%	$212,396	21,161	5.3%	$(31,581)	0.002	0.1%	$625	$181,440	6.05%
	8	266,734	3.6%	$107,568	12,674	3.2%	$(18,915)	0.004	0.3%	$1,569	$90,222	3.01%
	9	625,694	8.4%	$252,329	35,905	8.9%	$(53,585)	0.002	0.1%	$631	$199,375	6.65%
	10	145,442	2.0%	$58,654	10,328	2.6%	$(15,414)	0.005	0.3%	$1,730	$44,970	1.50%
	11	511,267	6.9%	$206,183	15,778	3.9%	$(23,547)	0.004	0.3%	$1,521	$184,157	6.14%
	12	112,936	1.5%	$45,545	5,876	1.5%	$(8,769)	0.009	0.5%	$3,218	$39,994	1.33%
	13	249,091	3.3%	$100,453	10,525	2.6%	$(15,708)	0.001	0.1%	$408	$85,153	2.84%
	Subtotal	6,564,620	88.2%	$2,647,373	367,508	91.4%	$(548,476)	0.058	3.4%	$20,269	$2,119,167	70.64%
Non-MSA Counties and Counties with Only Rural Places	1	83,567	1.1%	$33,701	3,719	0.9%	$(5,550)	0.125	7.3%	$43,512	$71,662	2.39%
	2	68,669	0.9%	$27,693	2,802	0.7%	$(4,182)	0.096	5.6%	$33,397	$56,908	1.90%
	3	67,753	0.9%	$27,323	2,483	0.6%	$(3,706)	0.019	1.1%	$6,788	$30,405	1.01%
	4	149,759	2.0%	$60,395	5,527	1.4%	$(8,249)	0.020	1.2%	$6,930	$59,076	1.97%
	5	107,635	1.4%	$43,407	4,122	1.0%	$(6,152)	0.026	1.5%	$9,239	$46,494	1.55%
	6	55,812	0.8%	$22,508	3,140	0.8%	$(4,686)	0.022	1.3%	$7,694	$25,516	0.85%
	7	27,496	0.4%	$11,088	996	0.2%	$(1,486)	0.033	1.9%	$11,533	$21,135	0.70%
	8	72,137	1.0%	$29,091	2,547	0.6%	$(3,801)	0.044	2.5%	$15,273	$40,563	1.35%
	9	53,437	0.7%	$21,550	2,946	0.7%	$(4,397)	0.029	1.7%	$10,127	$27,281	0.91%
	10	67,954	0.9%	$27,404	2,054	0.5%	$(3,065)	0.063	3.6%	$21,833	$46,172	1.54%
	11	68,802	0.9%	$27,746	1,937	0.5%	$(2,891)	0.081	4.7%	$28,222	$53,077	1.77%
	12	43,845	0.6%	$17,682	1,950	0.5%	$(2,910)	0.194	11.3%	$67,878	$82,649	2.75%
	13	7,534	0.1%	$3,038	301	0.1%	$(449)	0.909	52.9%	$317,305	$319,894	10.66%
	Subtotal	874,399	11.8%	$352,627	34,524	8.6%	$(51,524)	1.661	96.6%	$579,731	$880,833	29.36%
	Total	7,439,019	100%	$3,000,000	402,032	100%	$(600,000)	1.719	100.0%	$600,000	$3,000,000	100.00%

Total Sample Allocation: $3,000,000

Weight of Need Variables: 100%

Weight of Availability Variables: -20%

Weight of Regional Coverage Factor: 20%

Texas Department of Housing and Community Affairs

Example 2026 HOME MF Regional Allocation Formula

Table 1 - Raw Data

	Region	Individuals at or Below 200% Poverty	HH at or Below 200% Poverty	Cost-Burdened Renters	Overcrowded Renters	Vacant Units For Rent
MSA Counties with Urban Places	1	25,323	9,379	2,834	562	637
	2	19,562	7,245	1,815	138	265
	3	441,638	163,570	100,658	12,910	12,336
	4	120,697	44,703	14,035	2,097	3,170
	5	60,697	22,480	7,225	1,461	2,543
	6	135,822	50,304	21,146	2,834	2,947
	7	-17,778	-6,584	-51,837	-6,894	-6,206
	8	133,640	49,496	24,144	2,684	2,262
	9	94,743	35,090	15,724	2,189	2,034
	10	77,973	28,879	10,882	1,331	3,668
	11	118,220	43,785	8,622	2,724	1,464
	12	66,356	24,576	10,933	2,594	1,855
	13	85,881	31,808	4,770	1,092	884
	Subtotal	1,362,774	504,731	170,951	25,722	27,859
Non-MSA Counties and Counties with Only Rural Places	1	111,046	41,128	9,727	1,931	2,751
	2	85,509	31,670	8,458	962	1,723
	3	86,881	32,178	12,212	1,606	1,695
	4	209,150	77,463	22,008	2,425	3,686
	5	147,450	54,611	17,671	2,723	2,749
	6	72,624	26,898	11,583	1,212	2,182
	7	33,989	12,589	4,473	501	491
	8	92,823	34,379	9,827	1,176	1,552
	9	68,233	25,271	8,090	1,589	1,506
	10	90,249	33,426	10,454	1,405	1,594
	11	110,459	40,911	7,374	2,603	1,188
	12	59,632	22,086	4,786	991	1,293
	13	9,924	3,676	886	56	209
	Subtotal	1,177,969	436,285	127,549	19,180	22,619
	Total	2,540,743	941,016	298,500	44,902	50,478

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Texas Average HH Size: 2.70

Texas Department of Housing and Community Affairs

Example 2026 HOME MF Regional Allocation Formula

Table 2 - Weights

	Region	Total Need Variables	% of Total Need Variables	Weighted	Total Availability Variable	% of Total Availability Variable	Weighted	Final Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	12,775	1.0%	$186,488	637	1.3%	$(78,871)	$107,617.50	0.86%
	2	9,198	0.7%	$134,276	265	0.5%	$(32,811)	$101,464.26	0.81%
	3	277,138	21.6%	$4,045,670	12,336	24.4%	$(1,527,398)	$2,518,271.52	20.15%
	4	60,835	4.7%	$888,067	3,170	6.3%	$(392,498)	$495,568.84	3.96%
	5	31,166	2.4%	$454,968	2,543	5.0%	$(314,865)	$140,103.41	1.12%
	6	74,284	5.8%	$1,084,408	2,947	5.8%	$(364,887)	$719,521.52	5.76%
	7	(65,315)	-5.1%	$(953,478)	(6,206)	-12.3%	$768,404	$(185,074.21)	-1.48%
	8	76,324	5.9%	$1,114,186	2,262	4.5%	$(280,073)	$834,113.56	6.67%
	9	53,003	4.1%	$773,741	2,034	4.0%	$(251,842)	$521,898.18	4.18%
	10	41,092	3.2%	$599,862	3,668	7.3%	$(454,158)	$145,703.29	1.17%
	11	55,131	4.3%	$804,808	1,464	2.9%	$(181,267)	$623,540.84	4.99%
	12	38,103	3.0%	$556,234	1,855	3.7%	$(229,679)	$326,554.64	2.61%
	13	37,670	2.9%	$549,905	884	1.8%	$(109,454)	$440,451.76	3.52%
	Subtotal	701,404	54.6%	$10,239,134	27,859	55.2%	$(3,449,399)	$6,789,735.12	54.32%
Non-MSA Counties and Counties with Only Rural Places	1	52,786	4.1%	$770,575	2,751	5.4%	$(340,619)	$429,956.26	3.44%
	2	41,090	3.2%	$599,834	1,723	3.4%	$(213,336)	$386,498.45	3.09%
	3	45,996	3.6%	$671,454	1,695	3.4%	$(209,869)	$461,585.52	3.69%
	4	101,896	7.9%	$1,487,483	3,686	7.3%	$(456,387)	$1,031,095.65	8.25%
	5	75,005	5.8%	$1,094,929	2,749	5.4%	$(340,371)	$754,557.48	6.04%
	6	39,693	3.1%	$579,437	2,182	4.3%	$(270,167)	$309,270.04	2.47%
	7	17,563	1.4%	$256,379	491	1.0%	$(60,794)	$195,584.75	1.56%
	8	45,382	3.5%	$662,487	1,552	3.1%	$(192,163)	$470,324.26	3.76%
	9	34,950	2.7%	$510,209	1,506	3.0%	$(186,467)	$323,741.58	2.59%
	10	45,285	3.5%	$661,066	1,594	3.2%	$(197,363)	$463,703.10	3.71%
	11	50,888	4.0%	$742,862	1,188	2.4%	$(147,094)	$595,768.12	4.77%
	12	27,863	2.2%	$406,744	1,293	2.6%	$(160,094)	$246,649.95	1.97%
	13	4,618	0.4%	$67,407	209	0.4%	$(25,878)	$41,529.71	0.33%
	Subtotal	583,014	45.4%	$8,510,866	22,619	44.8%	$(2,800,601)	$5,710,264.88	45.68%
	Total	1,284,418	100%	$18,750,000	50,478	100%	$(6,250,000)	$12,500,000.00	100.00%

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Total Sample Allocation: $12,500,000

Weight of Need Variables: 150%

Weight of Availability Variables: -50%

Texas Department of Housing and Community Affairs Example 2026 HTC Regional Allocation Formula

Table 1 - Raw Data

	Region	Individuals at or Below 200% Poverty	HH at or Below 200% Poverty	Cost-Burdened Renters	Overcrowded Renters	Vacant Units For Rent
MSA Counties with Urban Places	1	196,762	72,875	42,515	4,467	9,419
	2	95,791	35,478	18,168	1,330	3,179
	3	2,082,887	771,440	558,916	80,814	95,871
	4	188,459	69,800	29,108	3,447	8,049
	5	133,084	49,290	21,206	2,903	4,193
	6	2,190,033	811,123	496,301	94,989	94,360
	7	513,036	190,013	181,986	23,082	16,272
	8	339,567	125,766	79,943	7,100	10,075
	9	774,251	286,760	166,377	24,680	28,918
	10	190,772	70,656	35,232	4,038	8,827
	11	826,572	306,138	75,096	24,727	11,847
	12	134,696	49,887	26,881	4,304	4,409
	13	370,787	137,329	52,203	8,975	8,323
	Subtotal	8,036,697	2,976,554	1,783,932	284,856	303,742
Non-MSA Counties and Counties with Only Rural Places	1	111,046	41,128	9,727	1,931	2,751
	2	85,509	31,670	8,458	962	1,723
	3	86,881	32,178	12,212	1,606	1,695
	4	209,150	77,463	22,008	2,425	3,686
	5	147,450	54,611	17,671	2,723	2,749
	6	72,624	26,898	11,583	1,212	2,182
	7	33,989	12,589	4,473	501	491
	8	92,823	34,379	9,827	1,176	1,552
	9	68,233	25,271	8,090	1,589	1,506
	10	90,249	33,426	10,454	1,405	1,594
	11	110,459	40,911	7,374	2,603	1,188
	12	59,632	22,086	4,786	991	1,293
	13	9,924	3,676	886	56	209
	Subtotal	1,177,969	436,285	127,549	19,180	22,619
	Total	9,214,666	3,412,839	1,911,481	304,036	326,361

Texas Average HH Size: 2.70

	Region	Total Need Variables	% of Total Need Variables	Weighted	Total Availability Variable	% of Total Availability Variable	Weighted	Initial Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	119,857	2.1%	$2,076,279	9,419	2.9%	$(937,972)	$1,138,307.21	1.75%
	2	54,976	1.0%	$952,352	3,179	1.0%	$(316,574)	$635,777.38	0.98%
	3	1,411,170	25.1%	$24,445,688	95,871	29.4%	$(9,547,120)	$14,898,568.01	22.92%
	4	102,355	1.8%	$1,773,089	8,049	2.5%	$(801,543)	$971,545.58	1.49%
	5	73,399	1.3%	$1,271,497	4,193	1.3%	$(417,551)	$853,945.67	1.31%
	6	1,402,413	24.9%	$24,294,002	94,360	28.9%	$(9,396,650)	$14,897,352.59	22.92%
	7	395,081	7.0%	$6,843,993	16,272	5.0%	$(1,620,414)	$5,223,578.65	8.04%
	8	212,809	3.8%	$3,686,482	10,075	3.1%	$(1,003,298)	$2,683,183.53	4.13%
	9	477,817	8.5%	$8,277,216	28,918	8.9%	$(2,879,741)	$5,397,475.63	8.30%
	10	109,926	2.0%	$1,904,253	8,827	2.7%	$(879,019)	$1,025,233.99	1.58%
	11	405,961	7.2%	$7,032,457	11,847	3.6%	$(1,179,760)	$5,852,697.91	9.00%
	12	81,072	1.4%	$1,404,417	4,409	1.4%	$(439,061)	$965,355.74	1.49%
	13	198,507	3.5%	$3,438,728	8,323	2.6%	$(828,829)	$2,609,898.76	4.02%
	Subtotal	5,045,342	89.6%	$87,400,453	303,742	93.1%	$(30,247,533)	$57,152,920.65	87.93%
Non-MSA Counties and Counties with Only Rural Places	1	52,786	0.9%	$914,414	2,751	0.8%	$(273,953)	$640,461.53	0.99%
	2	41,090	0.7%	$711,802	1,723	0.5%	$(171,581)	$540,220.49	0.83%
	3	45,996	0.8%	$796,791	1,695	0.5%	$(168,793)	$627,998.00	0.97%
	4	101,896	1.8%	$1,765,143	3,686	1.1%	$(367,063)	$1,398,080.63	2.15%
	5	75,005	1.3%	$1,299,313	2,749	0.8%	$(273,754)	$1,025,559.73	1.58%
	6	39,693	0.7%	$687,598	2,182	0.7%	$(217,290)	$470,307.82	0.72%
	7	17,563	0.3%	$304,235	491	0.2%	$(48,895)	$255,340.22	0.39%
	8	45,382	0.8%	$786,150	1,552	0.5%	$(154,553)	$631,597.56	0.97%
	9	34,950	0.6%	$605,447	1,506	0.5%	$(149,972)	$455,475.13	0.70%
	10	45,285	0.8%	$784,464	1,594	0.5%	$(158,735)	$625,728.97	0.96%
	11	50,888	0.9%	$881,528	1,188	0.4%	$(118,305)	$763,223.62	1.17%
	12	27,863	0.5%	$482,669	1,293	0.4%	$(128,761)	$353,908.60	0.54%
	13	4,618	0.1%	$79,990	209	0.1%	$(20,813)	$59,177.06	0.09%
	Subtotal	583,014	10.4%	$10,099,547	22,619	6.9%	$(2,252,467)	$7,847,079.35	12.07%
	Total	5,628,356	100.0%	$97,500,000	326,361	100%	$(32,500,000)	$65,000,000.00	100.00%

Total Sample Allocation: $65,000,000
Weight of Need Variables: 150%
Weight of Availability Variables: -50%

Texas Department of Housing and Community Affairs Example 2026 HTC Regional Allocation Formula

Table 2 - Weights

	Region	Initial Subregion Amount	Amount Needed to Reach Subregion Floor	Amount that can be Reallocated	% of Total Amount that can be Reallocated	Amount to be Reallocated	Final Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	$1,138,307.21	$-	$538,307.21	1.06%	$(15,510.04)	$1,122,797.17	1.73%
	2	$635,777.38	$-	$35,777.38	0.07%	$(1,030.84)	$634,746.54	0.98%
	3	$14,898,568.01	$-	$14,298,568.01	28.11%	$(411,979.30)	$14,486,588.72	22.29%
	4	$971,545.58	$-	$371,545.58	0.73%	$(10,705.20)	$960,840.38	1.48%
	5	$853,945.67	$-	$253,945.67	0.50%	$(7,316.84)	$846,628.83	1.30%
	6	$14,897,352.59	$-	$14,297,352.59	28.11%	$(411,944.28)	$14,485,408.32	22.29%
	7	$5,223,578.65	$-	$4,623,578.65	9.09%	$(133,217.44)	$5,090,361.20	7.83%
	8	$2,683,183.53	$-	$2,083,183.53	4.10%	$(60,021.99)	$2,623,161.54	4.04%
	9	$5,397,475.63	$-	$4,797,475.63	9.43%	$(138,227.87)	$5,259,247.76	8.09%
	10	$1,025,233.99	$-	$425,233.99	0.84%	$(12,252.11)	$1,012,981.88	1.56%
	11	$5,852,697.91	$-	$5,252,697.91	10.33%	$(151,344.02)	$5,701,353.89	8.77%
	12	$965,355.74	$-	$365,355.74	0.72%	$(10,526.86)	$954,828.89	1.47%
	13	$2,609,898.76	$-	$2,009,898.76	3.95%	$(57,910.46)	$2,551,988.29	3.93%
	Subtotal	$57,152,920.65	$-	$49,352,920.65	97.03%	$(1,421,987.26)	$55,730,933.39	85.74%
Non-MSA Counties and Counties with Only Rural Places	1	$640,461.53	$-	$40,461.53	0.08%	$(1,165.80)	$639,295.73	0.98%
	2	$540,220.49	$59,779.51	$-	0.00%	$59,779.51	$600,000.00	0.92%
	3	$627,998.00	$-	$27,998.00	0.06%	$(806.70)	$627,191.31	0.96%
	4	$1,398,080.63	$-	$798,080.63	1.57%	$(22,994.80)	$1,375,085.83	2.12%
	5	$1,025,559.73	$-	$425,559.73	0.84%	$(12,261.49)	$1,013,298.24	1.56%
	6	$470,307.82	$129,692.18	$-	0.00%	$129,692.18	$600,000.00	0.92%
	7	$255,340.22	$344,659.78	$-	0.00%	$344,659.78	$600,000.00	0.92%
	8	$631,597.56	$-	$31,597.56	0.06%	$(910.41)	$630,687.15	0.97%
	9	$455,475.13	$144,524.87	$-	0.00%	$144,524.87	$600,000.00	0.92%
	10	$625,728.97	$-	$25,728.97	0.05%	$(741.32)	$624,987.65	0.96%
	11	$763,223.62	$-	$163,223.62	0.32%	$(4,702.90)	$758,520.72	1.17%
	12	$353,908.60	$246,091.40	$-	0.00%	$246,091.40	$600,000.00	0.92%
	13	$59,177.06	$540,822.94	$-	0.00%	$540,822.94	$600,000.00	0.92%
	Subtotal	$7,847,079.35	$1,465,570.68	$1,512,650.03	2.97%	$1,421,987.26	$9,269,066.61	14.26%
	Total	$65,000,000.00	$1,404,539.80	$50,804,539.80	100.00%	$-	$65,000,000.00	100.00%

Subregion Allocation Floor: $600,000.00

To the extent funds received/proposed to be used fall below the statutory minimum for any program/activity, or if the proposed activities fall into a statutory exception, the RAF will not be used for the program/activity in question.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1069 **Agenda Date:** 7/10/2025 **Agenda #:** 7.

Presentation, discussion, and possible action on an order adopting amendments to 10 TAC Chapter 23, §23.50, Tenant-Based Rental Assistance General Requirements, and directing their publication for adoption 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 amendments to 10 TAC §23.50, Tenant-Based Rental Assistance (TBRA) General Requirements, are necessary in the administration of the HOME Program to clarify that Persons with Disabilities can be served for longer than 60 months if certain parameters are met;

WHEREAS, the proposed amendment to 10 TAC §23.50, Tenant-Based Rental Assistance (TBRA) General Requirements was published in the *Texas Register* for public comment from April 25, 2025, through May 25, 2025, and no comment was received; and

WHEREAS, staff recommends the adoption of the amendments to 10 TAC §23.50, Tenant-Based Rental Assistance (TBRA) General Requirements;

NOW, therefore, it is hereby

RESOLVED, that the amendments to §23.50, Tenant-Based Rental Assistance General Requirements, with the preambles presented at this meeting, are hereby adopted and approved for publication in the *Texas Register*; and

FURTHER 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 actions to publish the adopted amendments in the *Texas Register*, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles.

BACKGROUND

The purpose of amending this section of 10 TAC Chapter 23 is to provide an exception to the lifetime limitation on the term of assistance for households assisted with TBRA if they are persons with disabilities.

Assistance through the HOME TBRA Program is intended to be temporary in nature. Households that participate in HOME TBRA must also participate in a self-sufficiency plan, and a permanent housing solution must be part of this plan. While many HOME TBRA participants can move to unassisted housing as a part of their self-sufficiency plan due to increased income from training or educational program, certain households that include members who are Persons with Disabilities may be limited in their ability to increase their income during their term of assistance. Amending this provision to allow for certain households to extend the term of their participation in TBRA allows these families to have housing stability until they can access a permanent source of affordable housing, such as the Section 8 Program. In many areas, waitlists for these programs may exceed 60 months, which can create a gap in assistance for vulnerable Texans with fixed incomes.

The amendment proposed to 10 TAC §23.50 allows an exception to the 60-month lifetime limitation for Persons with Disabilities (PWD) under any set-aside of HOME TBRA funds, so long as the exception is granted only to households who meet all characteristics outlined in the amended rule, including:

- All adult members of the Household are Persons with Disabilities;
- Household income from employment does not exceed the current Substantial Gainful Activity Level as defined by the Social Security Administration and greater than 50% of Household Income is comprised of benefits paid to the Household from Social Security or any other benefit payment received due to a member's status as a Person with a Disability;
- The Household's gross monthly income does not exceed 50% AMFI;
- The circumstances considered for an exception are not expected to change during the term of assistance; and
- Continued availability of HUD funding programmed by the Department for TBRA.

At the Board meeting of April 10, 2025, the Board approved the proposed amendments for publication for public comment. Public comment was accepted April 25, 2025, through May 25, 2025, and no public comment was received. Staff recommends adoption of the amendments with no changes from the draft approved by the Board.

Attachment A: Preamble, including required analysis, for adoption of 10 TAC Chapter 23, §23.50 Tenant-Based Rental Assistance (TBRA) General Requirements

The Texas Department of Housing and Community Affairs (the Department) adopts, without changes, amendments to 10 TAC Chapter 23, §23.50 Tenant-Based Rental Assistance (TBRA) General Requirements. The amendments clarify that a 60-month limitation on assistance does not apply to persons with disabilities that meet certain criteria.

FISCAL NOTE. Mr. Bobby Wilkinson, Executive Director, has determined that, for each year of the first five years the amendment to the rule is in effect, enforcing or administering the amendment does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Wilkinson also has determined that, for the first five years the amendment would be in effect:

1. The amendment will not create or eliminate a government program;

2. The amendment will not require a change in the number of employees of the Department;

3. The amendment will not require additional future legislative appropriations;

4. The amendment will result in neither an increase nor a decrease in fees paid to the Department;

5. The amendment will not create a new regulation;

6. The amendment will not repeal an existing regulation;

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

8. The amendment will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Wilkinson also has determined that, for each year of the first five years the amendment to the rule is in effect, the public benefit anticipated as a result of the action will be conformance to statutory requirements. There will not be any economic cost to any individual required to comply with the amendment.

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

SUMMARY OF PUBLIC COMMENT. The public comment period was held April 25, 2025, to May 26, 2025, to receive input on the proposed new sections. No public comment was received.

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

Chapter 23 SINGLE FAMILY HOME PROGRAM

Subchapter E TENANT-BASED RENTAL ASSISTANCE PROGRAM

§23.50 Tenant-Based Rental Assistance (TBRA) General Requirements

(a) Households assisted under the general set-aside must participate in a self-sufficiency program, as described in the Administrator's policies and procedures.

(b) The amount of assistance will be determined using the HUD Housing Choice Voucher method.

(c) Late fees are not an eligible HOME cost. Late fees incurred for the subsidy portion of rent must be paid by the Administrator from a non-HOME funding source.

(d) A Household certifying to zero income must also complete a questionnaire that includes a series of questions regarding how basic hygiene, dietary, transportation, and other living needs are met.

(e) The minimum Household contribution toward gross monthly rent must be ten percent of the Household's adjusted monthly income. The maximum Household contribution toward gross monthly rent at initial occupancy is limited to 40 percent of the Household's gross monthly income.

(f) Activity funds are limited to:

(1) Rental subsidy: Each rental subsidy term is limited to no more than 24 months. Total lifetime assistance to a Household may not exceed 36 months cumulatively, except that a maximum of 24 additional months of assistance, for a total of 60 months cumulatively may be approved if:

(A) the Household has applied for a Section 8 Housing Choice Voucher, HUD Section 811 Supportive Housing for Persons with Disabilities, HUD Section 811 Project Rental Assistance Demonstration, or HUD Section 202 Supportive Housing for the Elderly Program, and is placed on a waiting list during their TBRA participation tenure; and

(B) the Household has not been removed from the waiting list for the Section 8 Housing Choice Voucher, HUD Section 811 Supportive Housing for Persons with Disabilities, HUD Section 811 Project Rental Assistance Demonstration, or HUD Section 202 Supportive Housing for the Elderly Program due to failure to respond to required notices or other ineligibility factors; or

(C) the Administrator submits documentation evidencing that:

(i) no Public Housing Authority within a 50 mile radius of the Household's address during their participation in TBRA has opened their waitlist during the term of the Household's participation in TBRA, or has excluded the Household's application for placement on the waiting list for any reason other than eligibility or failure to respond to required notices, such as a randomized drawing of applications that may be placed on the waitlist; and

(ii) no waiting list was opened during the term of the Household's participation in TBRA for any HUD Section 811 Supportive Housing for Persons with Disabilities, HUD Section 811 Project Rental Assistance

Demonstration, or HUD Section 202 Supportive Housing for the Elderly Program located within a 50 mile radius of the Household's address during their participation in TBRA; or

(iii) the Household is not eligible for placement on a waiting list for any HUD Section 811 Supportive Housing for Persons with Disabilities, HUD Section 811 Project Rental Assistance Demonstration, or HUD Section 202 Supportive Housing for the Elderly Program located within a 50 mile radius of the Household's address during their participation in TBRA; and

(D) the Household has not been denied participation in the Section 8 Housing Choice Voucher, HUD Section 811 Supportive Housing for Persons with Disabilities, HUD Section 811 Project Rental Assistance Demonstration, or HUD Section 202 Supportive Housing for the Elderly Program while they were being assisted with HOME TBRA; and

(E) the Household did not refuse to participate in the Section 8 Housing Choice Voucher, HUD Section 811 Supportive Housing for Persons with Disabilities, HUD Section 811 Project Rental Assistance Demonstration, or HUD Section 202 Supportive Housing for the Elderly Program when a voucher was made available.

(2) the Executive Director or designee may grant an exception, if funds are available and programmed for this activity, to the limitations set forth in this section related to the maximum term of assistance if the household meets the requirements of (f)(1) of this subchapter and:

(A) all adult members of the Household are Persons with Disabilities;

(B) Household income from employment does not exceed the current Substantial Gainful Activity Level as defined by the Social Security Administration and greater than 50% of Household Income is comprised of benefits paid to the Household from Social Security or any other benefit payment received due to a member's status as a Person with a Disability;

(C) the Household's gross monthly income does not exceed 50% AMFI; and

(D) the circumstances considered for an exception are not expected to change during the term of assistance.

(3) Security deposit: no more than the amount equal to two month's rent for the unit.

(4) Utility deposit in conjunction with a TBRA rental subsidy.

(g) The payment standard is determined at the Date of Assistance. The payment standard utilized by the Administrator must be:

(1) The U.S. Department of Housing and Urban Development (HUD) published Small Area Fair Market Rent (SAFMR) for any area in which a SAFMR is available. In areas where an SAFMR is not published by HUD, the payment standard must be the HUD-published Fair Market Rent (FMR) for the county. HUD-published SAFMRs and FMRs will become effective for the HOME Program on January 1 of each year following publication;

(2) For a HOME-assisted unit, the current applicable HOME rent; or

(3) The Administrator may submit a written request to the Department for approval of a different payment standard. The request must be evidenced by a market study or documentation that the PHA serving the market area has adopted a different payment standard. An Administrator may request a Reasonable

Accommodation as defined in §1.204 of this Title for a specific Household if the Household, because of a disability, requires the features of a specific unit, and units with such features are not available in the Service Area at the payment standard.

(h) Administrator must not approve a unit if the owner is by consanguinity, affinity, or adoption the parent, child, grandparent, grandchild, sister, or brother of any member of the assisted Household, unless the Administrator determines that approving the unit would provide Reasonable Accommodation for a Household member who is a Person with Disabilities. This restriction against Administrator approval of a unit only applies at the time the Household initially receives assistance under a Contract or Agreement, but does not apply to Administrator approval of a recertification with continued tenant-based assistance in the same unit.

(i) Administrators must maintain Written Policies and Procedures established for the HOME Program in accordance with §10.802 of this Title, except that where the terms Owner, Property, or Development are used Administrator or Program will be substituted, as applicable. Additionally, the procedures in subsection (j) of this section (relating to the Violence Against Women Act (if in conflict with the provisions in §10.802 of this Title) will govern).

(j) Administrators serving a Household under a Reservation Agreement may not issue a Certificate of Eligibility to the Household prior to reserving funds for the Activity without prior written consent of the Department.

(k) Administrators are required to comply with regulations and procedures outlined in the Violence Against Women Act (VAWA), and provide tenant protections as established in the Act.

(1) An Administrator of Tenant-Based Rental Assistance must provide all Applicants (at the time of admittance or denial) and Households (before termination from the Tenant-Based Rental Assistance program or from the dwelling assisted by the Tenant-Based Rental Assistance Coupon Contract) the Department's "Notice of Occupancy Rights under the Violence Against Women Act", (based on HUD form 5380) and also provide to Households "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking" (HUD form 5382) prior to execution of a Rental Coupon Contract and before termination of assistance from the Tenant-Based Rental Assistance program or from the dwelling assisted by the Tenant-Based Rental Assistance coupon contract.

(2) Administrator must notify the Department within three days when tenant submits a Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and/or alternate documentation to Administrator and must submit a plan to Department for continuation or termination of assistance to affected Household members.

(3) Notwithstanding any restrictions on admission, occupancy, or terminations of occupancy or assistance, or any Federal, State or local law to the contrary, Administrator may "bifurcate" a rental coupon contract, or otherwise remove a Household member from a rental coupon contract, without regard to whether a Household member is a signatory, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a recipient of TBRA and who engages in criminal acts of physical violence against family members or others. This action may be taken without terminating assistance to, or otherwise penalizing the person subject to the violence.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1081 **Agenda Date:** 7/10/2025 **Agenda #:** 8.

Media Analysis and Outreach Report, May 2025

Report follows this page.

TDHCA Outreach and Media Analysis, May 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 May 1-31, 2025 (news articles that specifically mentioned TDHCA generally or along with Department programs).

Total number of articles referencing TDHCA: 36
Breakdown by Medium:[1]

- Print: 14 (Editorials/Columnists = 1)
- Broadcast: 6
- Trade, Government or Internet-Based Publications: 16

Figure 1 News Tone

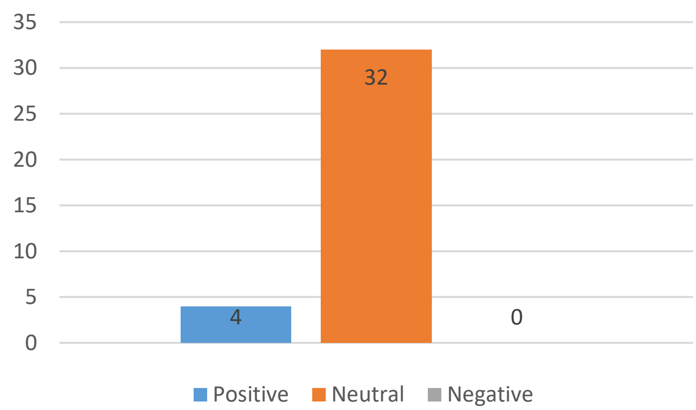
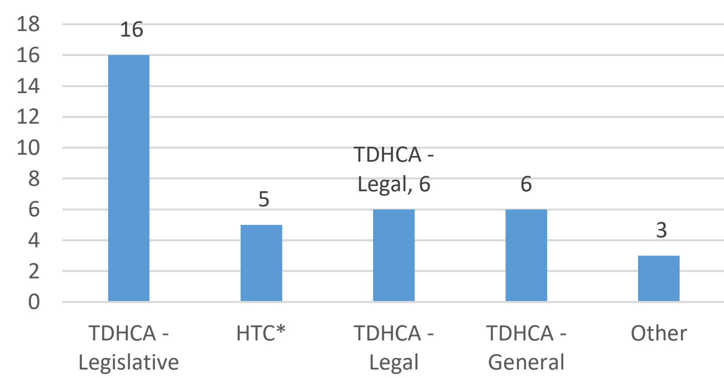
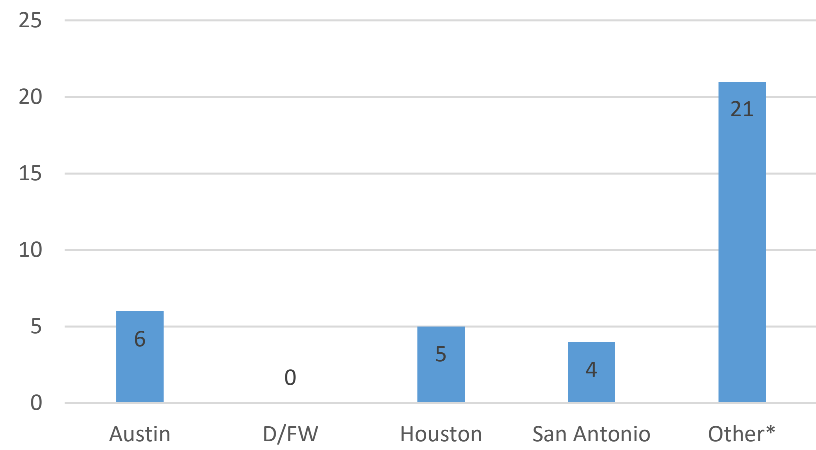


Figure 2 News Topic[2]



[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.*

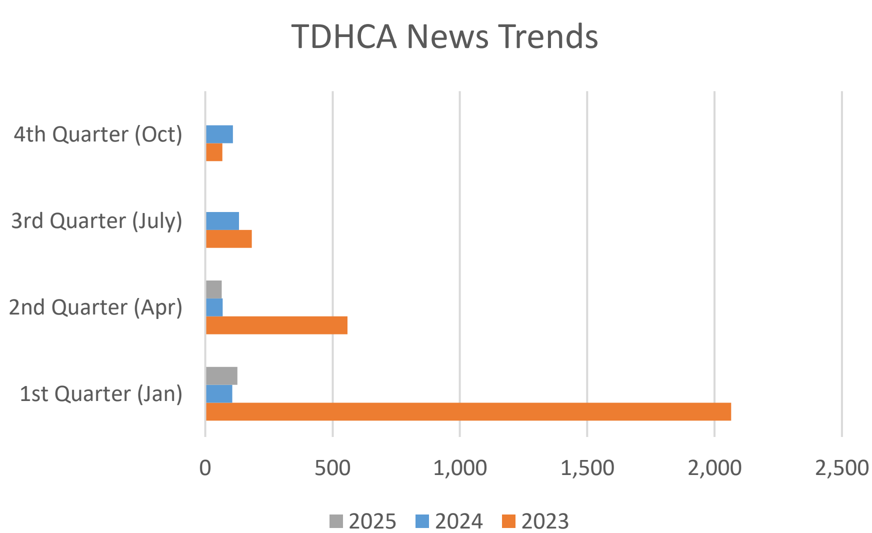
Figure 3 Media Market



Summary:
Reporting on TDHCA activities by the news media totaled 36 references in May 2025. Numerous news articles were related to legislation from the 89th Regular Legislative Session that impact TDHCA business. Specifically, House Bill 21 will require Housing Finance Corporations to file an annual audit report to TDHCA, like what Public Finance Corporations must do now. Senate Bill 243 will provide TDHCA necessary resources to investigate unsafe living conditions at migrant farmer worker housing. Nation news articles spotlighted an Executive Order by President Trump to eliminate the disparate impact rule as it pertains to the Fair Housing Act.

News mentions during the month were higher than May 2024 (13 total).

The following table illustrates the number of news mentions during each month or quarter of 2025 compared to 2024 and 2023. Through two months of the second quarter of 2025 (April-June), total news mentions tracked higher (191 total) compared to the number of mentions during the same timeframe of 2024 (138 total), but lower than 2023 (2,595 total). Please note, some pandemic-related programs for which TDHCA had oversight were still operating and accepting applications in 2023.



Social media:
Through May 2025, TDHCA has 3,691 followers to its X account and 7,698 fans to its Facebook page. TDHCA's YouTube channel had 4,886 views in May. 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

* 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

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

YouTube

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

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.

<u>Top 25 videos for May 2025</u>

Duration	Content	Views ↓		Watch time (hours)		Average view duration	Average percentage viewed	Unique viewers	
	Total	**4,886**		**487.3**		**5:59**	**21.2%**	**3,897**	
3:24	Help For Texans	3,375	69.1%	92.4	19.0%	1:38	48.3%	2,992	76.8%
0:52	Texas Homebuyer Program introduction	399	8.2%	4.9	1.0%	0:44	84.7%	374	9.6%
4:48:58	Income Determination Training	86	1.8%	41.1	8.4%	28:38	9.9%	51	1.3%
5:43:58	Income Determination Training Webinar - Jan. 4, 2024	60	1.2%	89.2	18.3%	1:29:09	25.9%	26	0.7%
1:53	First Time Homebuyers...Save Money on your Income T...	50	1.0%	0.6	0.1%	0:45	40.4%	34	0.9%
1:47:05	Assets and the Changes from HOTMA	45	0.9%	10.8	2.2%	14:21	13.4%	29	0.7%
1:27:30	PFC Compliance Monitoring Training and Office Hours ...	40	0.8%	13.4	2.8%	20:10	23.1%	22	0.6%
1:45:18	Fair Housing 101: The Basics of Fair Housing in Texas	37	0.8%	5.3	1.1%	8:32	8.1%	21	0.5%
1:38:54	Office Hours - NSPIRE	34	0.7%	19.6	4.0%	34:35	35.0%	17	0.4%
3:24	Help for Texans (English)	28	0.6%	0.8	0.2%	1:44	51.4%	26	0.7%
1:31:25	Supportive Services, LURA discussion webinar	26	0.5%	7.3	1.5%	16:50	18.4%	19	0.5%
1:19:05	Transfers and Household Additions Training	26	0.5%	5.6	1.2%	13:00	16.4%	22	0.6%
1:35:29	Housing Opportunity Through Modernization Act of 20...	24	0.5%	11.0	2.3%	27:31	28.8%	20	0.5%
1:36:03	New Owner Training	23	0.5%	2.8	0.6%	7:10	7.5%	14	0.4%
2:46:29	Tax Exempt Bond Program (BOND) Training	22	0.5%	9.5	2.0%	25:55	15.6%	14	0.4%
1:25:16	Acquisition and Rehab Funding Requirements, Office H...	21	0.4%	12.6	2.6%	36:06	42.4%	7	0.2%
7:07	Accessing Texas Department of Aging and Disability S...	19	0.4%	0.8	0.2%	2:30	35.2%	17	0.4%
4:09	Reasonable Accommodations in Texas	17	0.4%	0.7	0.2%	2:31	60.7%	15	0.4%

1:42:33	Common Issues of Noncompliance Training	17	0.4%	4.7	1.0%	16:45	16.3%	13	0.3%
2:43:06	811 PRA Certifications Training	16	0.3%	6.1	1.2%	22:42	13.9%	11	0.3%
1:13:46	2025 Income Determination Training Lunch & Learn: T...	16	0.3%	4.6	0.9%	17:11	23.3%	10	0.3%
2:38:56	Updated HOTMA Training - Oct. 13, 2023	16	0.3%	20.0	4.1%	1:14:53	47.1%	6	0.2%
5:18:57	TDHCA Training: Section 811 Project Rental Assistanc...	15	0.3%	3.5	0.7%	14:11	4.5%	11	0.3%
4:54:53	TDHCA's Multifamily Direct Loan Training - Sept. 24, 20...	15	0.3%	12.0	2.5%	47:55	16.3%	10	0.3%
37:34	2025 HOME-ARP NCO NOFA – First Amendment Webi...	15	0.3%	1.8	0.4%	7:14	19.3%	9	0.2%

TDHCA Outreach May 2025

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

Department	Meeting Date	Meeting Title	Attendees (includes organizer)
Community Affairs/CEAP/CSBG/WAP	May 1	TACAA Conference/Network	100+
HOME ARP	May 5	HOME-ARP 2025 Nonprofit Capacity Building/Operating NOFA First Amendment	20
Compliance	May 9	Topic was Public Facilities Corporations after House Bill 2071	77

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1075 **Agenda Date:** 7/10/2025 **Agenda #:** 9.

Executive Director's Report

ORAL PRESENTATION

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1091 **Agenda Date:** 7/10/2025 **Agenda #:** 10.

Presentation, discussion, and possible action on 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

RECOMMENDED ACTION

WHEREAS, the above listed development was awarded 9% housing tax credits during the 2024 competitive Application round;

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 Developer applied for additional funds under the Department's 2025-1 National Housing Trust Fund (NHTF) Notice of Funding Availability;

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);

WHEREAS, the Development Owner has submitted documentation demonstrating that a qualifying force majeure event has occurred; and

WHEREAS, the Department is now recommending approval of a loan in the amount of $4,000,000, with proposed loan terms and details concerning the Development's financials outlined below;

NOW, therefore, it is hereby

RESOLVED, that the that loan of $4,000,000 of NHTF to 930 Military Parkway is approved, subject to conditions that may be applicable as found in the Real Estate Analysis Underwriting Report attached to this Board Action Request, any HUD required environmental conditions, and the conditions as outlined herein; and

FURTHER 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.

LOAN BACKGROUND

Development Information: 930 Military Parkway is to be located in Mesquite, Dallas County, and proposes the new construction of 111 units that will serve the general population. The Development will serve households with incomes at or below 30% to 80% of Area Median Family Income (AMFI), and will also include 16 market-rate units.

The Development was initially proposed to have nine 30% AMFI units in its 2024 9% housing tax credit Application. As a result of this loan and a related amendment that is also being presented for approval at this meeting, 10 additional units will be converted to 30% AMFI. These deeply affordable units are critically needed and difficult to produce.

Financial Information: The Department's $4,000,000 NHTF loan is to be structured as fully repayable at 2.00% interest and is in second-lien position.

The Development was initially awarded $2,000,000 in housing tax credits in 2024. Since the last underwriting, total building costs have decreased by $187,000, and total development costs have increased by $3.1 million, bringing the current total development cost to approximately $36 million. The biggest contributing factor to this increase was the site work costs, which increased by $2.64 million. The interest rate on the permanent loan has risen from 5.25% to 5.75%, and credit pricing has decreased from $0.91 to $0.88. The Department's NHTF loan will partially replace the permanent loan. This lower interest rate will help maintain the financial feasibility of the development while supporting deeper affordability than originally proposed. Annual debt service on the loan will be $159,006.

The funds from this loan are sourced from the Department's 2023 NHTF grant, which has a federal commitment deadline of August 3, 2025. Notwithstanding any other deadline established by rule, the Borrower must submit all required due diligence and provide timely comments on the draft NHTF Contract to ensure execution of the Contract by both parties no later than July 30, 2025. Failure to meet this deadline may result in termination of the award, which will not be appealable to the Board of Directors if the Department no longer has access to the 2023 NHTF funds. The Borrower may also be subject to penalties under 10 TAC §13.11 (b).

FORCE MAJEURE BACKGROUND

Development	930 Military Parkway
Target Population	General
HTC Award	$2,000,000
City	Mesquite
Total Units	111
HTC Units	95
Initial Year of Award	2024
Extension Requested	Six months

930 Military Parkway is a 111-unit development located in Mesquite, Dallas County. The development received an award of 9% Housing Tax Credits in 2024 and executed a Carryover Allocation Agreement requiring that the 10% Test be met by July 1, 2025, and that all buildings be placed in service by December 31, 2026.

Since the Application was initially filed, unforeseen increases in construction costs and persistently high interest rates have created a $4 million financing gap, requiring the Developer to pursue additional funding through TDHCA's 2025-1 MFDL NOFA. The need for federal funds has introduced delays that could not have been reasonably mitigated by the Developer. Closing is projected for August 21, 2025, with construction completion anticipated in January 2027.

The Applicant asserts that these delays were unforeseeable and materially impede construction progress. A six-month extension to the placed-in-service deadline (to June 30, 2027) and an extension of the 10% Test deadline (to December 31, 2025) are requested under the QAP's force majeure provision to maintain project feasibility and secure investor commitments.

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 the request and determined that the delays caused by the Development's funding gap meet the criteria of a force majeure event under the rule.

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 December 31, 2025.
- The new placed-in-service deadline will be June 30, 2027.

If the Board denies the request:

- The original 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 does not change any deadline for 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 930 Military Parkway under the force majeure provisions of 10 TAC §11.6(5).

May 19, 2025

Asset Management Division
Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: TDCHA Application 24023, 930 Military Parkway Living Placed-in-Service Deadline Extension

To Whom it May Concern,

The purpose of this letter is to request an extension for the Placed-in-Service deadline of 930 Military Parkway Living (the "Project") from December 31, 2026 to June 30, 2027 as well as an extension on the 10% Test to December 31, 2025.

Under §11.6.Competitive HTC Allocation Process of the 2024 Qualified Allocation Plan ("QAP"), subsection (5) provides provisions for Credits Returned Resulting from Force Majeure Events and allows the original allocation to be returned and reallocated to the Project under the current QAP while not being subject to the requirements of §11.6 paragraph (2), so long as certain criteria are met. Below are the criteria along with explanations as to how each is 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.

- **Explanation of criteria being met:** At the time of submission of the tax credit application in 2024, total development costs were estimated at $33 million. Since then, total development costs for this project have increased to $35.9 million due to construction pricing increases which were unforeseen at the time of application. The combination of this plus high interest rates has caused a financing gap of $4 million, resulting in the need for seeking soft financing from TDHCA's 2025-1 MFDL NOFA. This funding is currently in underwriting with REA, and is expected to be approved at the next TDHCA Board Meeting. However, due to the funding being a federal source, we are required to receive environmental clearance (choice limiting action) before land can be purchased. In addition, our investor and lender will not authorize closing until we have a MFDL contract executed. These items were not in control of the Development Owner and could not have been foreseen.

(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.

- **Explanation of criteria being met:** Continued high interest rates and construction pricing increases could not have been reasonably foreseen by the Development Owner and could not have been reasonably mitigated by the Development Owner.

(C) 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.

- **Explanation of criteria being met:** As detailed in (A) above, interest rates have remained high and total development costs have increased by almost $3 million due to unforeseen construction pricing increases.

(D) 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 were 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.

- **Explanation of criteria being met:** This request is being submitted before closing on the financing and commencing construction in order to ensure the request is submitted and considered in a timely manner, and due to investor requirements to have a placed-in-service extension in hand prior to closing. The Development Owner has applied for NHTF funding through TDHCA, which is expected to be awarded and will allow the development to close in August 2025.

(E) The event prevents the Development Owner from meeting the placement in service requirements of the original allocation.

- **Explanation of criteria being met:** As detailed in (A) above, the project is being awarded NHTF funds which require environmental approval to close. It is estimated that the development will close in August 2025, which will not allow the development to be placed in service by December 31, 2026.

(F) The requested current year Carryover Agreement allocates the same amount of credit as that which was returned.

RIVA

- **Explanation of criteria being met:** There will be no changes to the originally-requested credits.

(G) 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.

- **Explanation of criteria being met:** No insurance proceeds are being received as a result of the requested extension and REA is currently underwriting the MFDL.

If you have any questions regarding this matter, please contact Cody Hunt via email at chunt@rivaswitzerland.com.

Best Regards,

Cody Hunt
Authorized Representative

930 Military Parkway Living
HTC App # 24023
Placed In Service Extension Request

Closing Timeline

HUD Submission Date	June 6th, 2025
Approval of MFDL Loan, Material Amendment and Force Majeure Request	July 10th, 2025
Receive Firm Commitment	July 18th, 2025
Financial Closing	August 21st, 2025
Construction Begins	August 25th, 2025
Lease Up Begins	July 26th, 2026
Construction Completion	January 25th, 2027
Placed In Service Request	June 30th, 2027

c/o John C. Shackelford, Shackelford, Bowen, McKinley & Norton, LLP
9201 N. Central Expressway, Fourth Floor
Dallas, Texas 75231
Tel: (214) 780-1414

Real Estate Analysis Division
June 27, 2025

Addendum to Underwriting Report

TDHCA Application #: **25504_24023** Program(s): **9% HTC/MDL**

930 Military Parkway Living

Address/Location: 940 Military Parkway

City: Mesquite County: Dallas Zip: 75149

	APPLICATION HISTORY
Report Date	**PURPOSE**
06/27/25	**Amendment & MDL Award - 2025-1 NOFA - NHTF**
08/05/24	Initial Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION						
TDHCA Program	**Amount**	**Int. Rate**	**Amort**	**Term**	**Amount**	**Int. Rate**	**Amort**	**Perm. Term**	**Perm. Lien**	**Const. Term**	**Const. Lien**
MF Direct Loan Const. to Perm. (Repayable)					**$4,000,000**	**2.00%**	**35**	**40.0 yrs**	**2**	**24M**	**3**
LIHTC (9% Credit)	$2,000,000				**$2,000,000**						

* Multifamily Direct Loan and HOME ARP Terms:

* The term of a Multifamily Direct Loan or HOME ARP loan should match the term of any superior loan (within 6 months).

** Construction loan term cannot exceed the recommendation above, but may be less depending on actual closing date. Final construction term will be noted in the loan documents

CONDITIONS STATUS

1 Receipt and acceptance before Direct Loan Contract:

a: Board approval of a new ownership structure, or written confirmation from Borrower than no organizational changes will be made.

Status: To be cleared by Program Staff

b: Board approval to reduce the development site acreage from 8.732 acres down to 4.74 acres.

Status: To be cleared by Program Staff

2 Receipt and acceptance before Direct Loan Closing:

a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

b: Substantially final construction contract with Schedule of Values.

c: Updated term sheets with substantially final terms from all lenders.

d: Substantially final draft of limited partnership agreement.

e: Senior loan documents and/or partnership documents must contain a provision that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.0 DCR.

f: Substantially final ground lease.

3 Receipt and acceptance by Commitment:

- Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.

4 Receipt and acceptance by Cost Certification:

a: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

b: For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.

c: If any portion of the site is determined to be a wetland area, certification that compliance with all federal, state and local wetland mitigation requirements has been met.

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.

PREVIOUS SET-ASIDE

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	9
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	35
70% of AMI	70% of AMI	6
80% of AMI	80% of AMI	2

CURRENT SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	19
50% of AMI	50% of AMI	38
60% of AMI	60% of AMI	13
70% of AMI	70% of AMI	12
80% of AMI	80% of AMI	13

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	18

ANALYSIS

The development originally received a 9% HTC allocation of $2,000,000 in August 2024.
The applicant is now applying for a MDL 2025-1 NHTF loan of $4,000,000. The MDL loan will have an interest rate of 2%, 40 year term and amortization period of 35 years, allowing this Project to be feasible under §11.302(g)(4).

The Applicant added Mesquite Housing Finance Corporation to the ownership structure. There is going to be a ground lease which will allow for a property tax exemption.

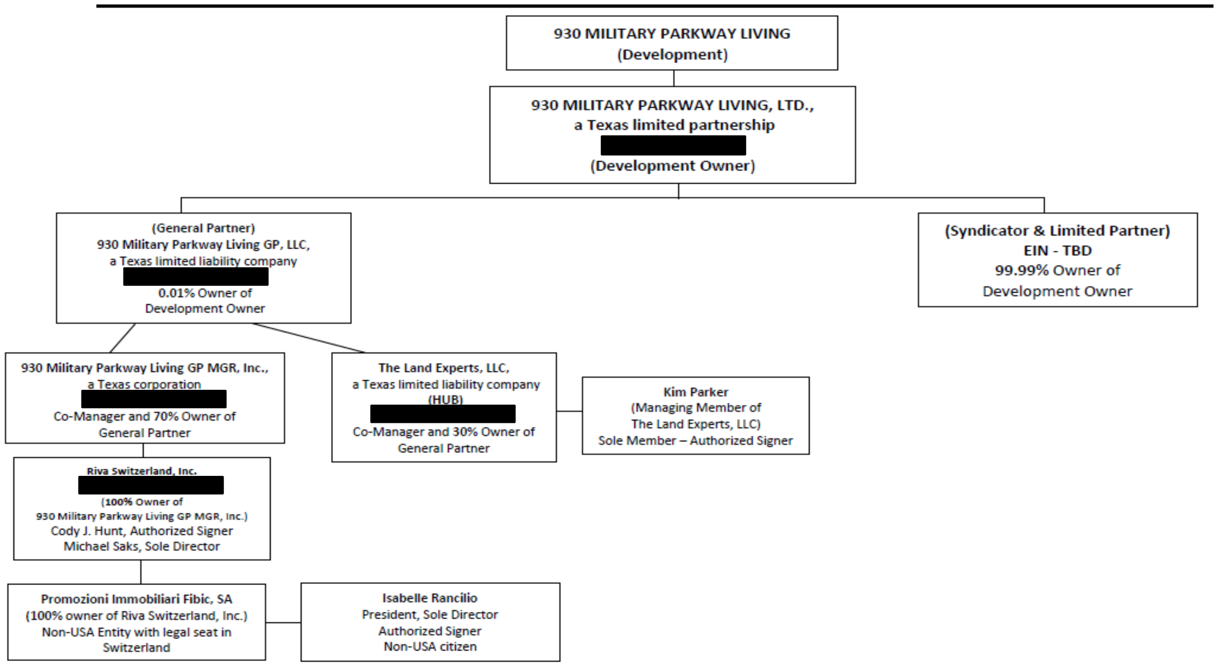
In addition, the Applicant is submitting a material amendment to change the development acreage from 8.732 acres down to 4.74 acres. Per the applicant, this change does not alter the development in any way other than the residential density. The residential density will increase from approximately 13 units per acre to 24 units per acre.

The 3.99 acres of undeveloped land will be dedicated to the city.

PREVIOUS OWNERSHIP STRUCTURE

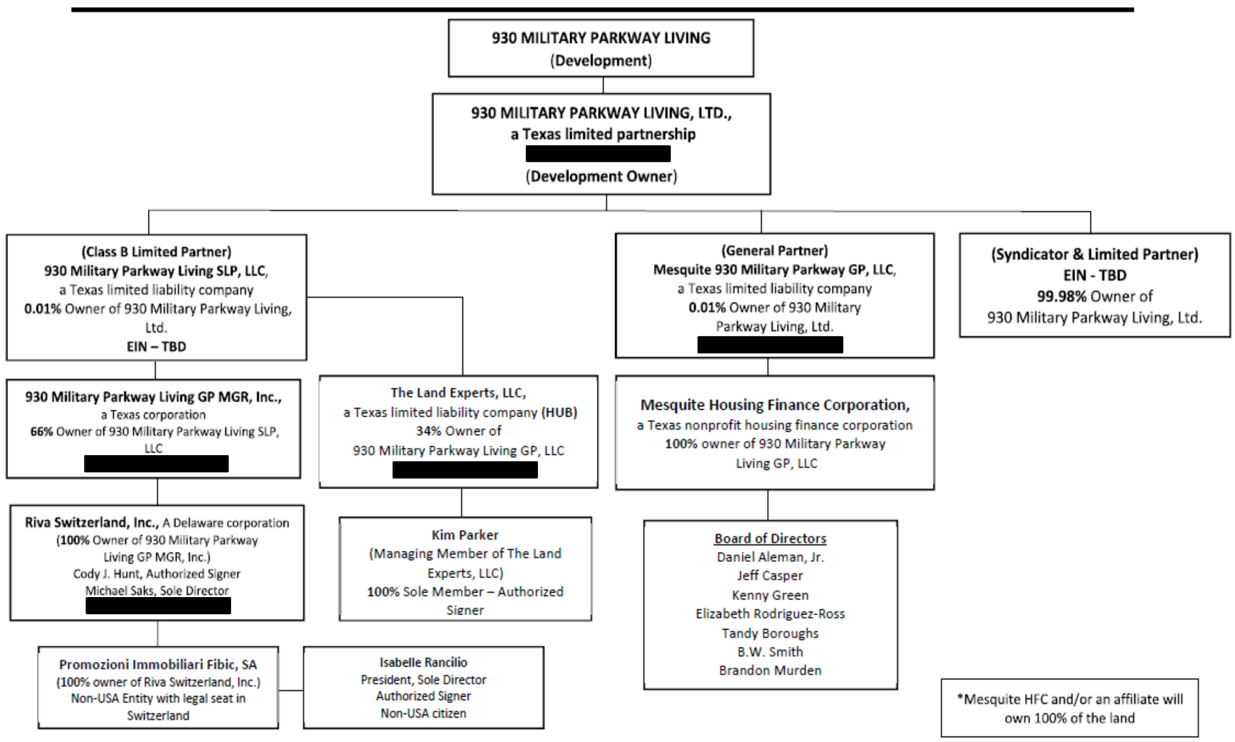
Cody J. Hunt has Ability to Exercise Control

930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE
(2024 9% Housing Tax Credit Application)



NEW OWNERSHIP STRUCTURE

930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE
(2024 9% Housing Tax Credit Application)



Operating Pro Forma

Underwriter is using the most current 2025 program rent limits for 9% HTC and 2025 limits for NHTF.
The Applicant submitted a rent schedule using the 2024 program rent limits for 9% HTC however, the Underwriter updated the Applicant's rent schedule with the 2025 HTC rents.

Effective Gross Income increased by $113K, Total expenses decreased by $93K, and as a result, Net Operating Income increased by $207K.

Applicant is not expecting to collect full market rate for their market rent units which also affects the 80% units not collecting max program limits.

The Applicant is discounting their TC80 units by 8% two-bedroom and 6% three-bedroom units to the maximum net program rent collected.

Tax exemption is now expected for this property because of the inclusion of the Mesquite Housing Finance Corporation as the General Partner in the ownership structure.

Without the tax exemption, DCR falls to 0.84 resulting in negative cash flow which would characterize the development as infeasible.

Insurance quote provided for $700/per unit.

Development Cost

Site work costs were most affected from previous underwriting with an increase of $2.46M

Total Housing Development Costs have increased by $3.1M

Developer Fee has decreased by $11K.

A Schedule of Values or contract bid was not provided, therefore, the Underwriter re-costed out the building using the Architectural Drawings provided in the application with the 2025 Marshall and Swift's costs.

Underwriter adjusted the base cost for a 5-story build.
Building cost decreased by $187k.

Sources of Funds

The construction to perm loan lender did not change (Regions Bank - HUD 221(d)4) but the Construction to Perm loan increased from $13M to $14.3M and the interest rate increased from 5.25% to 5.75%.

The senior financing is a FHA 221(d)4 construction-to-permanent loan and has a separate MIP fee of 0.25%.

Application was submitted with MDL construction interest of 2% - per Multifamily Direct Loan rule 13.8(b)(2) "No interest will accrue during the construction term;"

Underwriter adjusted construction interest from 2% to 0%.

The equity bridge loan lender did not change (Regions Bank). Equity bridge loan decreased from $14.5M to $12.9M and the interest rate increased from 5% to 6.85%.

The equity investor remains Region Bank and the capital contribution decreased by $600K and the credit price decreasing from $0.91 to $0.88.

Applicant is now including $4M MDL NHTF loan construction to permanent loan 0% during construction and 2% in the permanent period. TDHCA will be in the third lien position during construction and in the second lien during the permanent period.

The deferred developer fee has decreased by $1.5M and pays off in three years.

The Debt Coverage Ratio on the senior debt is 1.20. The Combined DCR for a Multifamily Direct Loan subordinate to FHA debt is determined based on 75% of Surplus Cash remaining after the senior debt service. The Combined DCR is 1.00 as required by the QAP.

Underwriter adjusted the amortization period from 40 to 35 years because the DCR exceeded the maximum allowable 1.50 during years 36-40, per §11.302(g)(4). We cannot reduce the MDL term to 35, as it must mature within 6 months of the senior loan.

If at Direct Loan Closing the DCR is above 1.50 after the MDL pays off in year 35, the Applicant must commit to depositing 25% of annual cash flow into a special reserve to remain with the property until the 40 year maturity, sale, or refinance. Since the MDL will be repaid in year 35, the special reserve deposits can be made from the 75% surplus cash after senior debt service payment.

Underwriter recommends a construction-to-permanent Multifamily Direct Loan of $4,000,000 at 2% interest, 40 year term, and a 35 year amortization period; loan payments will be calculated using 75% of Surplus Cash, as defined by FHA. Any portion of the loan not repaid will be due the earlier of the end of the Loan Term or upon sale, refinance, or transfer of the Property. Annualized monthly debt service for full amortization is $159,006. The construction term is assumed at 24 months.
The MDL funding is 2025-1 NHTF funds.

The original annual 9% HTC allocation of $2,000,000 is still recommended.

Underwriter:	*Travis Mason*
Manager of Real Estate Analysis:	*Robert Castillo*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

LOCATION DATA	
CITY:	Mesquite
COUNTY:	Dallas
Area Median Income	$117,300
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2025

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	NHTF	ARP	Match
Eff	-	0.0%	0	0	0	0
1	30	27.0%	0	6	0	3
2	62	55.9%	0	9	0	6
3	19	17.1%	0	3	0	1
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	111	100.0%	-	18	-	10

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	83.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	940 sf

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	19	-	38	13	12	13	16	111
	% Total	0.0%	17.1%	0.0%	34.2%	11.7%	10.8%	11.7%	14.4%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		MFDL NHTF Units		Match Units	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Match Units	# 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%	$660	NHTF 30%	$660		6	1	1	750	$660	$65	$595	$0	$0.79	$595	**$3,570**	**$3,570**	$595	$0.79	$0	$1,624	$2.17	$1,804
TC 30%	$660				1	1	1	750	$660	$65	$595	$0	$0.79	$595	**$595**	**$595**	$595	$0.79	$0	$1,624	$2.17	$1,804
TC 50%	$1,100			3	22	1	1	750	$1,100	$65	$1,035	$0	$1.38	$1,035	**$22,770**	**$22,770**	$1,035	$1.38	$0	$1,624	$2.17	$1,804
MR					1	1	1	750	$0	$65		NA	$2.17	$1,624	**$1,624**	**$1,624**	$1,624	$2.17	NA	$1,624	$2.17	$1,804
TC 30%	$792	NHTF 30%	$792		8	2	2	960	$792	$86	$706	$0	$0.74	$706	**$5,648**	**$5,648**	$706	$0.74	$0	$1,869	$1.95	$2,077
TC 30%	$792	NHTF 30%	$792		1	2	2	1,005	$792	$86	$706	$0	$0.70	$706	**$706**	**$706**	$706	$0.70	$0	$1,869	$1.86	$2,077
TC 50%	$1,320			1	16	2	2	960	$1,320	$86	$1,234	$0	$1.29	$1,234	**$19,744**	**$19,744**	$1,234	$1.29	$0	$1,869	$1.95	$2,077
TC 60%	$1,584			5	12	2	2	960	$1,584	$86	$1,498	$0	$1.56	$1,498	**$17,976**	**$17,976**	$1,498	$1.56	$0	$1,869	$1.95	$2,077
TC 70%	$1,848				12	2	2	960	$1,848	$86	$1,762	$0	$1.84	$1,762	**$21,144**	**$21,144**	$1,762	$1.84	$0	$1,869	$1.95	$2,077
TC 80%	$2,112				10	2	2	960	$2,112	$86	$2,026	($157)	$1.95	$1,869	**$18,690**	**$18,690**	$1,869	$1.95	($157)	$1,869	$1.95	$2,077
MR					3	2	2	1,005	$0	$86		NA	$1.86	$1,869	**$5,607**	**$5,607**	$1,869	$1.86	NA	$1,869	$1.86	$2,077
TC 30%	$915	NHTF 30%	$915		3	3	2	1,164	$915	$107	$808	$0	$0.69	$808	**$2,424**	**$2,424**	$808	$0.69	$0	$2,182	$1.87	$2,424
TC 60%	$1,830			1	1	3	2	1,164	$1,830	$107	$1,723	$0	$1.48	$1,723	**$1,723**	**$1,723**	$1,723	$1.48	$0	$2,182	$1.87	$2,424
TC 80%	$2,440				3	3	2	1,164	$2,440	$107	$2,333	($151)	$1.87	$2,182	**$6,546**	**$6,546**	$2,182	$1.87	($151)	$2,182	$1.87	$2,424
MR					12	3	2	1,164	$0	$107		NA	$1.87	$2,182	**$26,184**	**$26,184**	$2,182	$1.87	NA	$2,182	$1.87	$2,424
TOTALS/AVERAGES:					**111**			**104,316**				**($18)**	**$1.49**	**$1,396**	**$154,951**	**$154,951**	**$1,396**	**$1.49**	**($18)**	**$1,856**	**$1.98**	**$2,063**

ANNUAL POTENTIAL GROSS RENT:	**$1,859,412**	**$1,859,412**

*MFDL units float among Unit Types

** Match Units will be restricted at 50 percent income / LOW HOME rents, and 60 percent income/HIGH HOME rents.

STABILIZED PRO FORMA

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

	STABILIZED FIRST YEAR PRO FORMA															
	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		Dallas County Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.49	$1,396	$1,859,412	**$1,737,012**	**$1,737,012**	$1,859,412	$1,396	$1.49		0.0%	$0
Application, Pet, Late, and NSF Fees							$25.00	$33,300	21,108							
Laundry, Vending, Cable							$0.00	$0	12,120							
Total Secondary Income							$25.00			33,228	$33,300	$25.00			0.0%	$0
POTENTIAL GROSS INCOME								$1,892,712	$1,770,240	$1,770,240	$1,892,712				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(141,953)	(132,768)	(132,768)	(141,953)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$1,750,759	$1,637,472	$1,637,472	$1,750,759				0.0%	$0
General & Administrative	$66,963	$603/Unit	$85,414	$769	4.49%	$0.75	$708	$78,570	$48,094	$59,748	$85,414	$769	$0.82	4.88%	-8.0%	(6,844)
Management	$54,409	3.1% EGI	$58,548	$527	4.00%	$0.67	$631	$70,030	$81,874	$81,874	$70,030	$631	$0.67	4.00%	0.0%	-
Payroll & Payroll Tax	$160,404	$1,445/Unit	$176,172	$1,587	9.87%	$1.66	$1,556	$172,769	$161,969	$160,404	$176,172	$1,587	$1.69	10.06%	-1.9%	(3,403)
Repairs & Maintenance	$89,442	$806/Unit	$78,508	$707	4.32%	$0.73	$682	$75,655	$75,654	$72,150	$72,150	$650	$0.69	4.12%	4.9%	3,505
Electric/Gas	$31,611	$285/Unit	$15,166	$137	1.21%	$0.20	$191	$21,241	$21,241	$19,221	$15,166	$137	$0.15	0.87%	40.1%	6,075
Water, Sewer, & Trash	$95,238	$858/Unit	$95,033	$856	4.51%	$0.76	$711	$78,973	$63,373	$77,255	$95,033	$856	$0.91	5.43%	-16.9%	(16,060)
Property Insurance	$75,197	$0.72 /sf	$99,596	$897	4.44%	$0.74	$700	$77,700	$77,700	$77,700	$77,700	$700	$0.74	4.44%	0.0%	-
Property Tax (@ 0%) 2.334446	$130,498	$1,176/Unit	$118,297	$1,066	0.00%	$0.00	$0	$0	$138,750	$138,750	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements					1.59%	$0.27	$250	$27,750	$27,750	$27,750	$27,750	$250	$0.27	1.59%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.22%	$0.04	$34	$3,800	$3,520	$3,520	$3,800	$34	$0.04	0.22%	0.0%	-
TOTAL EXPENSES					**34.64%**	**$5.81**	**$5,464**	**$606,488**	**$699,925**	**$718,373**	**$623,215**	**$5,615**	**$5.97**	**35.60%**	**-2.7%**	**$ (16,726)**
NET OPERATING INCOME ("NOI")					**65.36%**	**$10.97**	**$10,309**	**$1,144,270**	**$937,547**	**$919,099**	**$1,127,544**	**$10,158**	**$10.81**	**64.40%**	**1.5%**	**$ 16,726**
CONTROLLABLE EXPENSES							$3,849/Unit					$3,999/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR														Cumulative	
DEBT (Must Pay)	**Fee**	UW	App	Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Regions Bank - HUD 221(d)(4)	0.25%	1.19	1.20	950,186	5.75%	40	40.0	$14,300,000	$13,072,400	$13,072,400	$14,300,000	40.0	40.0	5.75%	$950,185	1.20	39.7%
TDHCA MFDL 2025-1		1.03	1.04	$145,356	2.00%	40	40.0	$4,000,000			$4,000,000	40.0	35.0	2.00%	$159,006	1.00	11.1%
CASH FLOW DEBT / GRANTS																	
City of Mesquite		1.03	1.04		0.00%	0	0.0	$500	$500	$500	$500	0.0	0.0	0.00%		1.00	0.0%
				$1,095,542			**TOTAL DEBT / GRANT SOURCES**	**$18,300,500**	**$13,072,900**	**$13,072,900**	**$18,300,500**			**TOTAL DEBT SERVICE**	**$1,109,191**	**1.00**	50.8%

NET CASH FLOW	$32,002	$48,728	**APPLICANT**	**NET OPERATING INCOME**	**$1,144,270**	**$35,079** **NET CASH FLOW**

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Regions Bank	LIHTC Equity	48.8%	$2,000,000	$0.88	$17,598,240	$18,198,180	$18,198,180	$17,598,240	$0.88	$2,000,000	48.8%	$18,018	Previous Allocation
GP Equity	GP Equity	0.0%			$100	$100	$100	$100			0.0%		
RIVA, MHFC, and TLE HUB	Deferred Developer Fees	0.4%	(4% Deferred)		$134,475	$1,639,669	$1,628,426	$134,475	(4% Deferred)		0.4%	**Total Developer Fee:**	**$3,719,186**
Additional (Excess) Funds Req'd		0.0%						$0			0.0%		
TOTAL EQUITY SOURCES		49.2%			$17,732,815	$19,837,949	$19,826,706	$17,732,815			49.2%		

TOTAL CAPITALIZATION	**$36,033,315**	**$32,910,849**	**$32,899,606**	**$36,033,315**	**15-Yr Cash Flow after Deferred Fee:**	**$2,348,145**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					Prior Underwriting		TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis										Eligible Basis			
	Acquisition	New Const. Rehab	Total Costs			Applicant	TDHCA	Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$14,414 / Unit	$1,600,000	$1,600,000	$1,600,000	$1,600,000	$14,414 / Unit				0.0%	$0
Broker Fees					$48,000	$48,000	$48,000	$48,000					0.0%	$0
Off-Sites		$0		$ / Unit	$0	$0	$0	$0	$ / Unit		$0		0.0%	$0
Site Work		$3,751,471		$33,797 / Unit	$3,751,471	$1,293,473	$1,293,473	$3,751,471	$33,797 / Unit		$3,751,471		0.0%	$0
Site Amenities		$973,430		$8,770 / Unit	$973,430	$967,242	$967,242	$973,430	$8,770 / Unit		$973,430		0.0%	$0
Building Cost		$15,444,231	$148.05 /sf	$139,137/Unit	$15,444,231	$15,630,948	$15,453,840	$13,859,348	$124,859/Unit	$132.86 /sf	$13,859,348		11.4%	$1,584,883
Contingency		$862,175	4.27%	4.27%	$862,175	$758,376	$758,376	$862,175	4.64%	4.64%	$862,175		0.0%	$0
Contractor Fees		$2,794,365	13.29%	13.29%	$2,794,365	$2,504,833	$2,504,833	$2,722,499	14.00%	14.00%	$2,722,499		2.6%	$71,866
Soft Costs	$0	$2,265,328		$22,717 / Unit	$2,521,578	$2,663,071	$2,663,071	$2,521,578	$22,717 / Unit		$2,265,328	$0	0.0%	$0
Financing	$0	$1,416,813		$26,654 / Unit	$2,958,543	$2,423,992	$2,423,992	$2,958,543	$26,654 / Unit		$1,416,813	$0	0.0%	$0
Developer Fee	$0	$3,719,186	13.52%	13.52%	$3,719,186	$3,730,429	$3,692,620	$3,719,186	14.39%	14.39%	$3,719,186	$0	0.0%	$0
Reserves				10 Months	$1,360,336	$1,290,485	$1,290,485	$1,360,336	9 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$31,226,999**		$324,624 / Unit	**$36,033,315**	**$32,910,849**	**$32,695,932**	**$34,376,566**	$309,699 / Unit		**$29,570,250**	**$0**	**4.8%**	**$1,656,749**
Acquisition Cost	$0				$0	$0								
Contingency		$0			$0	$0								
Contractor's Fee		$0			$0	$0								
Financing Cost		$0												
Developer Fee	$0	$0			$0	($11,243)								
Reserves					$0	$0								
ADJUSTED BASIS / COST	**$0**	**$31,226,999**		$324,624/unit	**$36,033,315**	**$32,899,606**	**$32,695,932**	**$34,376,566**	$309,699/unit		**$29,570,250**	**$0**	**4.8%**	**$1,656,749**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):	**$36,033,315**

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

CREDIT CALCULATION ON QUALIFIED BASIS	Applicant		TDHCA	
	Acquisition	**Construction Rehabilitation**	**Acquisition**	**Construction**
ADJUSTED BASIS	$0	$31,226,999	$0	$29,570,250
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$31,226,999	$0	$29,570,250
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$40,595,099	$0	$38,441,326
Applicable Fraction	83.00%	83.00%	83%	83%
TOTAL QUALIFIED BASIS	$0	$33,694,212	$0	$31,906,566
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$3,032,479	$0	$2,871,591
CREDITS ON QUALIFIED BASIS	$3,032,479		$2,871,591	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8799	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$3,032,479	$26,683,147	----	----	----
Needed to Fill Gap	$2,015,283	$17,732,715	----	----	----
Previous Allocation	$2,000,000	$17,598,240	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE					
CATEGORY		**FACTOR**	**UNITS/SF**	**PER SF**	
Base Cost:	Elevator Served		104,316 SF	$102.72	10,714,911
Adjustments					
Exterior Wall Finish		3.60%		3.70	$385,737
Elderly		0.00%		0.00	0
9-Ft. Ceilings		3.45%		3.54	369,664
Roof Adjustment(s)				(0.25)	(26,079)
Subfloor				0.60	62,590
Floor Cover				3.68	383,883
Breezeways		$56.01	16,378	8.79	917,311
Balconies		$55.80	8,339	4.46	465,283
Plumbing Fixtures		$1,420	266	3.62	377,720
Rough-ins		$700	222	1.49	155,400
Built-In Appliances		$2,280	111	2.43	253,080
Exterior Stairs		$4,250	16	0.65	68,000
Heating/Cooling				3.12	325,466
Storage Space		$56.01	0	0.00	0
Carports		$21.40	3,240	0.66	69,336
Garages		$30.00	0	0.00	0
Common/Support Area		$125.67	5,325	6.42	669,214
Elevators		$247,819	2	4.75	495,638
Other:				0.00	0
Fire Sprinklers		$4.60	126,019	5.56	579,687
SUBTOTAL				**155.94**	**16,266,840**
Current Cost Multiplier		1.00		0.00	0
Local Multiplier		1.00		0.00	0
Reserved					0
TOTAL BUILDING COSTS				**155.94**	**$16,266,840**
Plans, specs, survey, bldg permits		3.30%		(5.15)	($536,806)
Contractor's OH & Profit		11.50%		(17.93)	(1,870,687)
NET BUILDING COSTS			$124,859/unit	$132.86/sf	$13,859,348

Long-Term Pro Forma

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

	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%	$1,750,759	$1,785,774	$1,821,489	$1,857,919	$1,895,077	$2,092,319	$2,310,089	$2,550,525	$2,815,985	$3,109,075	$3,432,670	$3,789,946
TOTAL EXPENSES	3.00%	$606,488	$623,983	$641,988	$660,519	$679,591	$783,649	$903,844	$1,042,703	$1,203,148	$1,388,561	$1,602,859	$1,850,575
NET OPERATING INCOME ("NOI")		**$1,144,270**	**$1,161,791**	**$1,179,501**	**$1,197,400**	**$1,215,486**	**$1,308,670**	**$1,406,244**	**$1,507,821**	**$1,612,837**	**$1,720,514**	**$1,829,811**	**$1,939,371**
EXPENSE/INCOME RATIO		34.6%	34.9%	35.2%	35.6%	35.9%	37.5%	39.1%	40.9%	42.7%	44.7%	46.7%	48.8%
MUST -PAY DEBT SERVICE													
Regions Bank - HUD 221(d)(4)		$950,185	$949,949	$949,698	$949,433	$949,151	$947,477	$945,246	$942,273	$938,314	$933,039	$926,013	$916,652
TDHCA MFDL 2025-1		$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	
TOTAL DEBT SERVICE		$1,109,191	$1,108,955	$1,108,704	$1,108,439	$1,108,158	$1,106,483	$1,104,252	$1,101,280	$1,097,320	$1,092,045	$1,085,019	$916,652
DEBT COVERAGE RATIO		1.00	1.00	1.01	1.02	1.04	1.10	1.17	1.24	1.32	1.40	1.48	2.12
ANNUAL CASH FLOW		**$35,079**	**$52,836**	**$70,797**	**$88,961**	**$107,329**	**$202,187**	**$301,993**	**$406,542**	**$515,517**	**$628,468**	**$744,792**	**$1,022,719**
Deferred Developer Fee Balance		$99,396	$46,560	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$24,238	$113,199	$220,528	$1,039,739	$2,348,145	$4,169,912	$6,527,856	$9,442,813	$12,932,920	$17,807,815

24023 930 Military Parkway Living - Application Summary

REAL ESTATE ANALYSIS DIVISION
August 5, 2024

PROPERTY IDENTIFICATION

Application #	24023
Development	930 Military Parkway Living
City / County	Mesquite / Dallas
Region/Area	3 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$2,000,000	$2,000,000	$18,018/Unit	$0.91

KEY PRINCIPALS / SPONSOR

- Cody Hunt / Riva Switzerland, Inc. (90%)
- Kim Parker / The Land Experts, LLC (10%)

Related Parties	Contractor - No	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

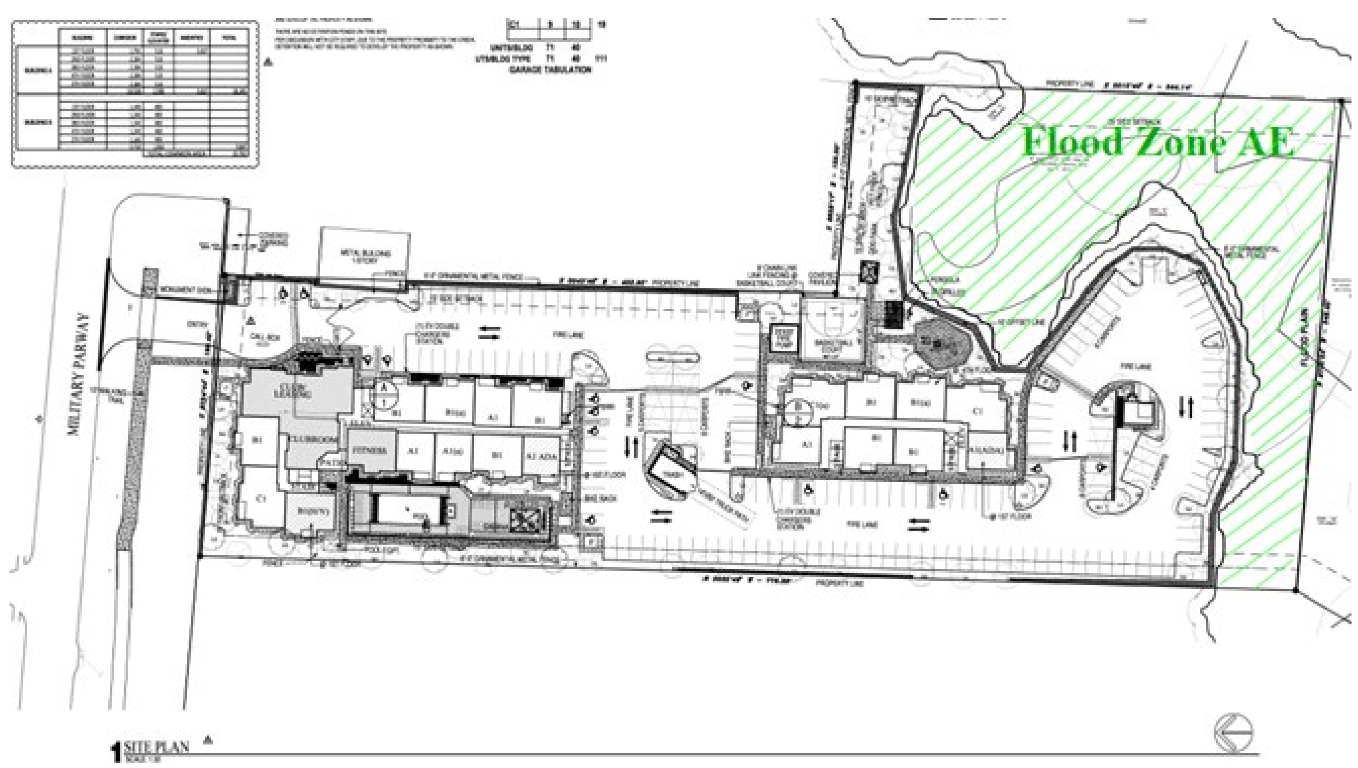
UNIT DISTRIBUTION / INCOME DISTRIBUTION

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	30	27%	30%	9	8%
2	62	56%	40%	-	0%
3	19	17%	50%	36	32%
4	-	0%	60%	35	32%
			70%	6	5%
			80%	2	2%
			MR	23	21%
TOTAL	111	100%	TOTAL	111	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	42.7%
Breakeven Occ.	85.6%	Breakeven Rent	$1,205
Average Rent	$1,304	B/E Rent Margin	$99
Property Taxes	$1,250/unit	Exemption/PILOT	0%
Total Expense	$6,306/unit	Controllable	$3,336/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			2.8%
Highest Unit Capture Rate	13%	3 BR/70%	2
Dominant Unit Cap. Rate	10%	2 BR/60%	27
Premiums (↑80% Rents)	Yes		$127/Avg.
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	940 SF	Density	12.7/acre
Acquisition		$15K/unit	$1,648K
Building Cost	$149.84/SF	$141K/unit	$15,631K
Hard Cost		$168K/unit	$18,650K
Total Cost		$296K/unit	$32,900K
Developer Fee	$3,719K	(44% Deferred)	Paid Year: 10
Contractor Fee	$2,505K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Regions Bank HUD 221(d)(4)	40/40	5.25%	$13,072,400	1.15
TOTAL DEBT (Must Pay)			$13,072,400	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Mesquite	0/0	0.00%	$500	1.15
CASH FLOW DEBT / GRANTS			$500	

EQUITY / DEFERRED FEES	
Source	Amount
Regions Bank	$18,198,180
GP Equity	$100
RIVA/The Land Experts	$1,628,426
TOTAL EQUITY SOURCES	**$19,826,706**
TOTAL DEBT SOURCES	**$13,072,900**
TOTAL CAPITALIZATION	**$32,899,606**

CONDITIONS

1 Receipt and acceptance by Commitment:

- Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.

2 Receipt and acceptance by Cost Certification:

a: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

b: For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.

c: If any portion of the site is determined to be a wetland area, certification that compliance with all federal, state and local wetland mitigation requirements has been met.

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

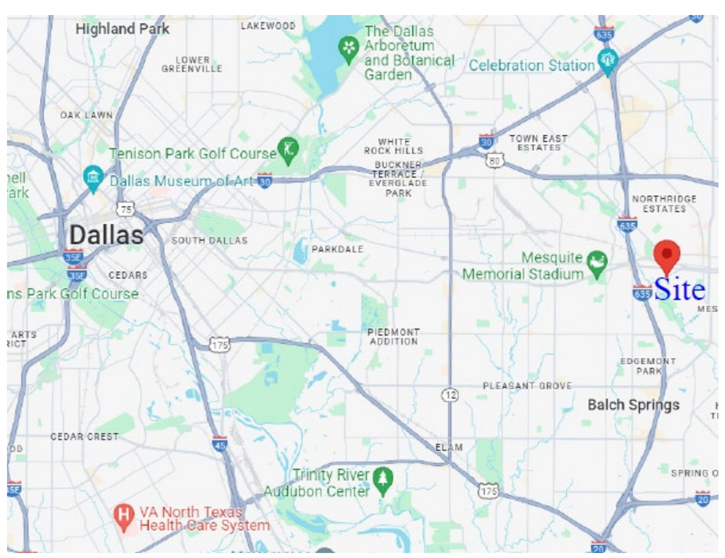
STRENGTHS/MITIGATING FACTORS

- Gross Capture Rate of 2.8%
- Low expense ratio
- Developer's construction and management experience with LIHTC properties in Texas

WEAKNESSES/RISKS

- DCR right at 1.15

AREA MAP



Real Estate Analysis Division
Underwriting Report
August 5, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24023** Program(s): **9% HTC**

930 Military Parkway Living

Address/Location:	940 Military Parkway				
City:	Mesquite	County:	Dallas	Zip:	75149
Population:	General	Program Set-Aside:	General	Area:	Urban
Activity:	New Construction	Building Type:	Elevator Served	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				**$2,000,000**						

CONDITIONS

1 Receipt and acceptance by Commitment:

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a: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

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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	9
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	35
70% of AMI	70% of AMI	6
80% of AMI	80% of AMI	2

DEVELOPMENT SUMMARY

930 Military Parkway Living will be an elevator served development that will offer 111 units. The development will consist of 1,2, and 3 bedroom units using income averaging. The development will serve incomes at 30% AMI to 80% AMI and will include a total of 23 market rate units (21% of total units). Site amenities offered will include a clubhouse, pool and a fenced dog park.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Gross Capture Rate of 2.8%
▫	Low expense ratio
▫	Developer's construction and management experience with LIHTC properties in Texas

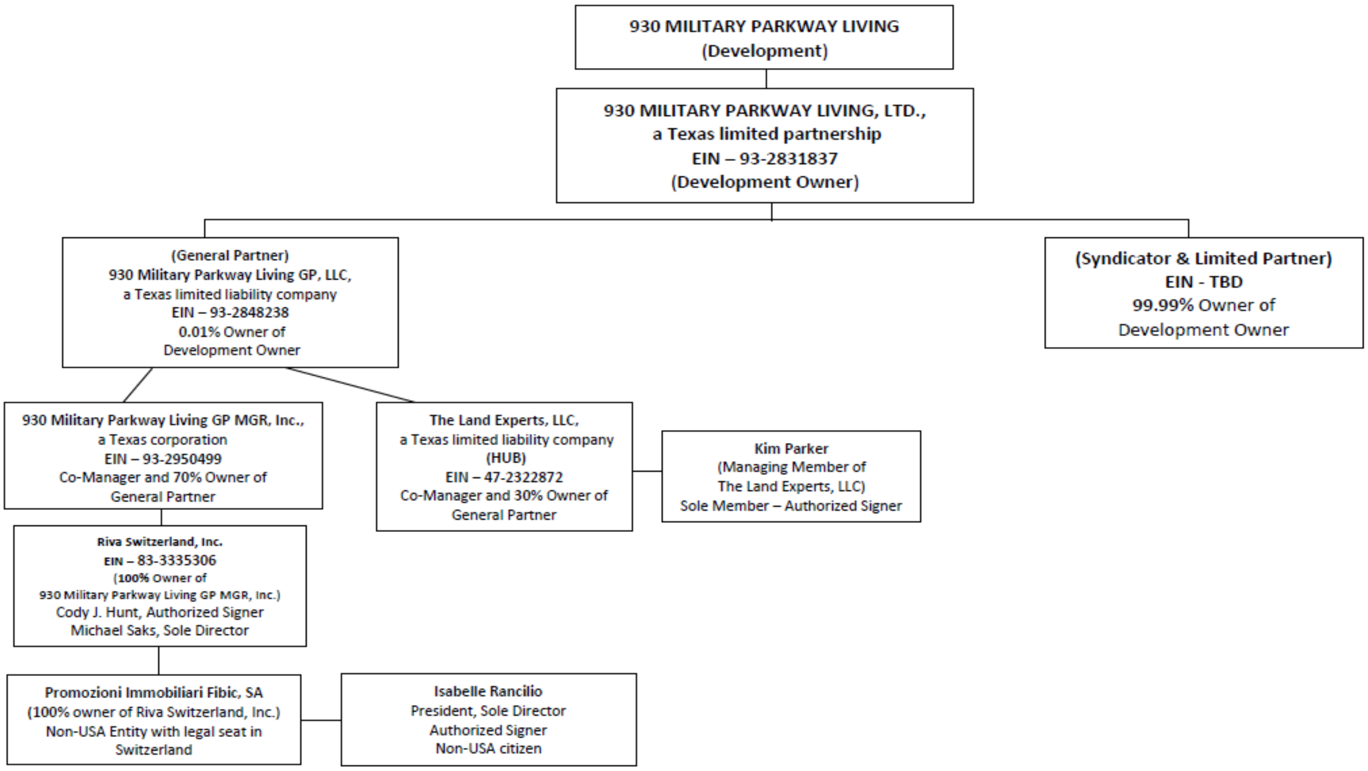
WEAKNESSES/RISKS	
▫	DCR right at 1.15
▫	
▫	

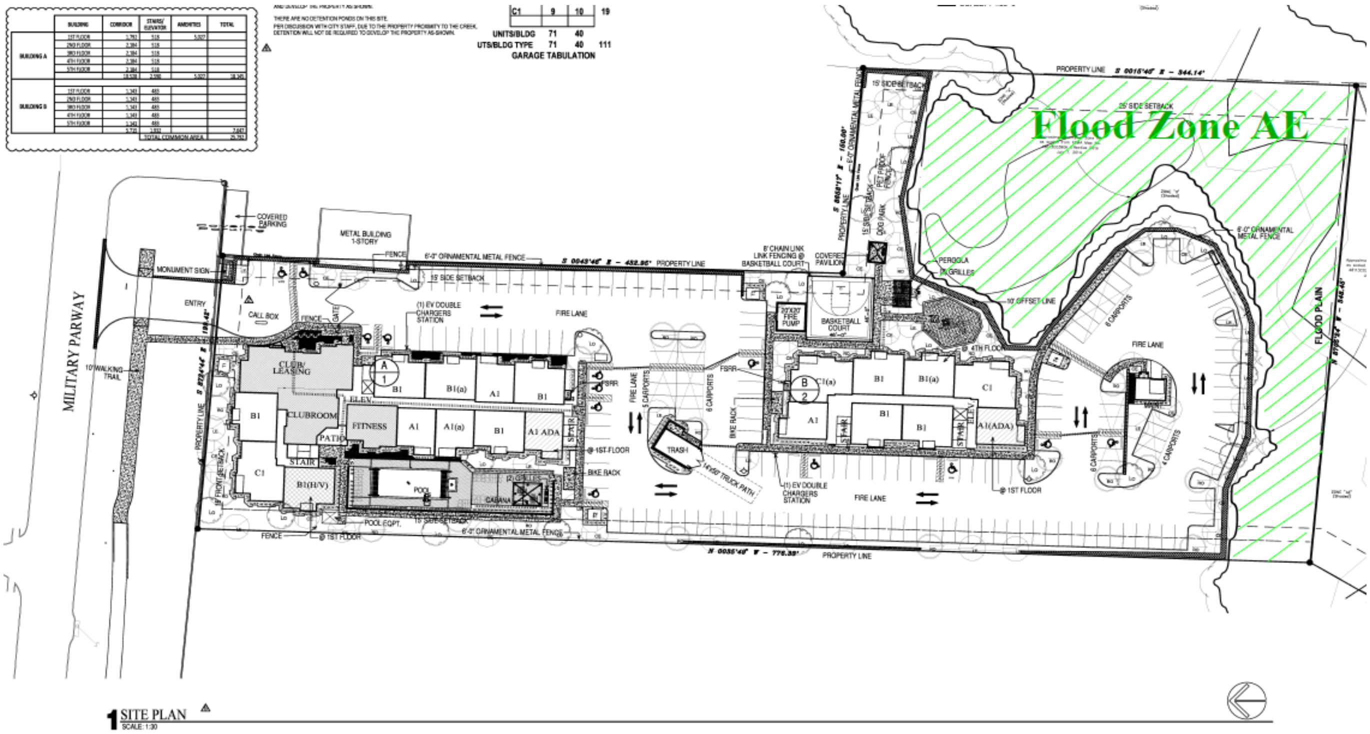
DEVELOPMENT TEAM

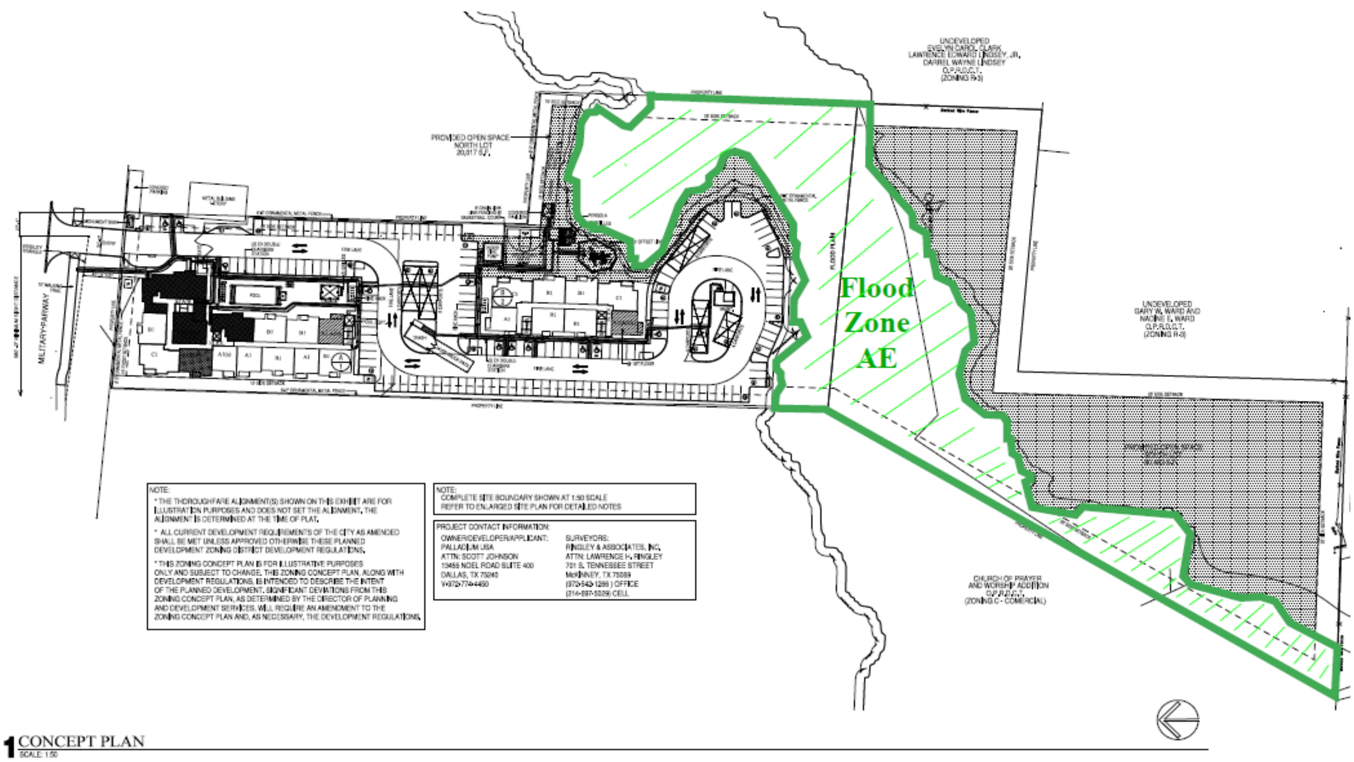
OWNERSHIP STRUCTURE

Cody J. Hunt has Ability to Exercise Control

930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE
(2024 9% Housing Tax Credit Application)




Flood Zone AE
MILITARY PARWAY
CLUB/ LEASING
CLUBROOM
FITNESS
POOL
FIRE LANE
BASKETBALL COURT
PERGOLA
FLOOD PLAIN
1 SITE PLAN


Flood Zone AE
MILITARY PARKWAY
UNDEVELOPED
CHURCH OF PRAYER AND WORSHIP ADDITION
1 CONCEPT PLAN

AERIAL

Parking	No Fee		Tenant-Paid		Total	
Open Surface	164	*1.5/unit*	0	--	164	*1.5/unit*
Carport	26	*0.2/unit*	0	--	26	*0.2/unit*
Garage	0	--	0	--	0	--
Total Parking	**190**	*1.7/unit*	**0**	--	**190**	*1.7/unit*

Comments:

Project has 190 parking spaces including 26 carport spaces. The project meets the City of Mesquite's minimum parking requirement for PD districts. All parking will be provided at no charge to the residents.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	A	B										Total Buildings
Floors/Stories	5	5										
Number of Bldgs	1	1										2
Units per Bldg	71	40										
Total Units	71	40										**111**

Avg. Unit Size (SF)	**940 sf**	**Total NRA (SF)**	**104,316**	**Common Area (SF)***	**25,792**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 8.73 acres Density: 12.7 units/acre

Site Control: 8.732 **Site Plan:** 8.732 **Appraisal:** 0 **ESA:** 8.732

Feasibility Report Survey: 8.732 **Feasibility Report Engineer's Plan:** 8.732 **Existing LURA:** 0

Control Type: Commercial Contracts - Unimproved Property

Tract 1: 4.74 acres Cost: $750,000 Seller: Duke and Dollar, LLC

Tract 2: 3.99 acres Cost: $750,000 Seller: Maggie Investment Holdings, LLC

Development Site: 8.73 acres Cost: $1,500,000 $13,514 per unit

Buyer: Palladium USA International Inc.

Assignee: 930 Military parkway Living, Ltd.

Related-Party Seller/Identity of Interest: No

Comments:

Project development will be on Tract 1 (4.74 acres), which is less constrained by Flood Zone AE. Tract 2 will be open space.

SITE INFORMATION

Flood Zone:	X/AE	Scattered Site?	No
Zoning:	- Multifamily Residen	Within 100-yr floodplain?	Yes
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	N/A	Title Issues?	No

Other Observations:

The subject property is an 8.732-acre, irregularly shaped, parcel of land. The property is made up of two separate tracts of land, the northern 4.74 acres referred to as the "Tutt Tract" and the southern 3.992 acres referred to as the "Ward Tract." The property is currently un-platted. Of the total acreage, only about 4 acres of the property is developable due to a creek and the associated floodplain running across the southern portion of the property from east to west. The stream has an associated Zone AE floodplain designation with base flood elevations determined, which takes up most of the developable space on the southern portion of the property.

The Conceptual Site Plan indicates that the proposed improvements currently encroach into the existing floodplain. If any development, construction, or fill takes place within the studied floodplain, additional permits and studies will be required. Modification and reclamation of the existing floodplain will likely be required to develop the property as shown.

Developer has noted that no building or parking areas will be located in the 100 year floodplain.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering   Date: 2/21/2023

Recognized Environmental Conditions (RECs) and Other Concerns:

- No evidence of recognized environmental conditions in connection with the property.
- Review of historical aerial photographs and topographic maps indicate a pond located on the northeast portion of the subject property, north of a stream. Further investigation is warranted to assess the property for wetland near the creek and within the 100-year floodplain. An onsite wetlands determination assessment is recommended to determine if all characteristics for a wetland are present at the subject property.
- The subject property is predominately in Unshaded Zone X (outside of the 100 and 500-year floodplains) with the exception of the southern and central portions and far eastern portion of the property which is in Zone AE (100-year floodplain) and Zone X500 (500-year floodplain) as shown on the FEMA FIRM Map Number 48113C0390K, with an effective date of July 7, 2014. The subject property is located in a FEMA-designated Special Flood Hazard Area and flood insurance or mitigation for flood impacts may be required.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC　　Date: 3/10/2024

Primary Market Area (PMA): 33 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
22061	Torrington Arcadia Trails	Yes	New Const.	General	208	250
Other Affordable Developments in PMA since 2017						
7602	Villas of Mesquite Creek			General	N/A	252
9189	Crestshire Village			General	N/A	74
12221	Riverstone Trails			General	N/A	96
14402	Sterlingshire Apartment Homes			General	N/A	264

Stabilized Affordable Developments in PMA		
	Total Units	2,599
	Total Developments	14
	Average Occupancy	96.5%

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	**Assisted**		
Total Households in the Primary Market Area	31,384			
Potential Demand from the Primary Market Area	9,488			
10% External Demand	949			
Potential Demand from Other Sources	0			
GROSS DEMAND	10,437			
Subject Affordable Units	88			
Unstabilized Competitive Units	208			
RELEVANT SUPPLY	296			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**2.8%**			

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	2,226	223	9	0	0.4%						
50% AMGI	2,968	297	36	91	3.9%						
60% AMGI	2,686	269	35	83	4.0%						
70% AMGI	882	88	6	34	4.1%						
80% AMGI	727	73	2	0	0.3%						

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%	307	31	6	0	1.8%						
1 BR/50%	469	47	21	42	12.2%						
2 BR/30%	565	57	2	0	0.3%						
2 BR/50%	602	60	15	49	9.7%						
2 BR/60%	727	73	27	49	9.5%						
2 BR/70%	468	47	4	0	0.8%						
2 BR/80%	499	50	1	0	0.2%						
3 BR/30%	635	64	1	0	0.1%						
3 BR/60%	744	74	8	34	5.1%						
3 BR/70%	258	26	2	34	12.7%						
3 BR/80%	258	26	1	0	0.4%						

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$937,547	Avg. Rent:	$1,304	Expense Ratio:	42.7%
Debt Service:	$815,253	B/E Rent:	$1,205	Controllable Expenses:	$3,336
Net Cash Flow:	$122,294	UW Occupancy:	92.5%	Property Taxes/Unit:	$1,250
Aggregate DCR:	1.15	B/E Occupancy:	85.6%	Program Rent Year:	2023

The project will contain 88 affordable units using income averaging and 23 market rate units, for a total of 111 units. Cumulative 15-year cash flow is $1.6M after deferred developer fee is paid off in year 10.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$183,234/ac	$14,847/unit	**$1,648,000**	Contractor Fee	**$2,504,833**
Off-site + Site Work		$20,367/unit	**$2,260,715**	Soft Cost + Financing	**$5,087,063**
Building Cost	$149.84/sf	$140,819/unit	**$15,630,948**	Developer Fee	**$3,719,186**
Contingency	4.24%	$6,832/unit	**$758,376**	Reserves	**$1,290,485**
Total Development Cost	$296,393/unit	**$32,899,606**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Non-Qualified Elderly not in QCT covered by Revitalization Plan [9% only]

Acquisition:

The original contract sales price of each of the two tracts being acquired is $750,000, totaling $1,500,000. However, Applicant's acquisition cost is reflected at $1,600,000, which include $100,000 in extension fees that were added to the total price according to the provisions stated in each of the contracts.

Building Cost:

Using Marshall & Swift's "Good Quality" base cost for an elevator served-building, building costs were underwritten at $139K/unit or $148/sf vs. Applicants budget of $141K/unit or $150/sf. The difference only equates to a 1.1% variance.

Developer Fee:

Applicant overstated developer fee by $11K.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$32,899,606	**$27,898,075**	**$2,542,584**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Regions Bank HUD 221(d)(4)	HUD 221(d)(4)	$13,072,400	5.25%	40%
Regions Bank	Equity Bridge Loan	$14,485,566	5.00%	44%
Regions Bank	HTC	$2,667,234	$0.91	8%
GP Equity	GP Equity	$100	$0.00	0%
City of Mesquite	§11.9(d)(2)LPS Contribution	$500	0.00%	0%
RIVA/The Land Experts	Dererred Developer Fee	$2,685,049	0.00%	8%
		$32,910,849	**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
Regions Bank HUD 221(d)(4)	$13,072,400	5.25%	40	40.0	$13,072,400	5.25%	40	40.0	40%
City of Mesquite	$500	0.00%	0	0.0	$500	0.00%	0	0.0	0%
Total	**$13,072,900**				**$13,072,900**				

Equity & Deferred Fees	PROPOSED Amount	PROPOSED Rate	PROPOSED % Def	UNDERWRITTEN Amount	UNDERWRITTEN Rate	UNDERWRITTEN % TC	UNDERWRITTEN % Def
Regions Bank	$18,198,180	$0.91		$18,198,180	$0.91	55%	
GP Equity	$100			$100		0%	
RIVA/The Land Experts	$1,639,669		44%	$1,628,426		5%	44%
Total	**$19,837,949**			**$19,826,706**			
				$32,899,606	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.991	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.831	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$32,899,606
Permanent Sources (debt + non-HTC equity)	$13,073,000
Gap in Permanent Financing	$19,826,606

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$23,135,200	$2,542,584
Needed to Balance Sources & Uses	$19,826,606	$2,178,966
Requested by Applicant	$18,198,180	$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$18,198,180**	**$2,000,000**

Deferred Developer Fee	**$1,628,426**	**(44% deferred)**
Repayable in	**10 years**	

Recommendation:

Underwriter recommends $2,000,000 in annual 9% housing tax credits as requested by Applicant.

Underwriter:	*Georgia Simmons*
Manager of Real Estate Analysis:	*Diamond Unique Thompson*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

930 Military Parkway Living , Mesquite, 9% HTC #24023

LOCATION DATA	
CITY:	Mesquite
COUNTY:	Dallas
Area Median Income	$105,600
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	30	27.0%	0	0	0	0
2	62	55.9%	0	0	0	0
3	19	17.1%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	**111**	**100.0%**	**-**	**-**	**-**	**-**

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	77.90%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	940 sf

54%	**Income**	20%	30%	40%	50%	60%	70%	80%	EO / MR	**TOTAL**
Average Income	**# Units**	-	9	-	36	35	6	2	23	**111**
	% Total	0.0%	8.1%	0.0%	32.4%	31.5%	5.4%	1.8%	20.7%	**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%	$580	6	1	1	750	$580	$69	$511	$0	$0.68	$511	**$3,066**	**$3,066**	$511	$0.68	$0	$1,624	$2.17	$1,804
TC 50%	$966	21	1	1	750	$966	$69	$897	$0	$1.20	$897	**$18,837**	**$18,837**	$897	$1.20	$0	$1,624	$2.17	$1,804
MR		3	1	1	750	$0	$69		NA	$2.17	$1,624	**$4,872**	**$4,872**	$1,624	$2.17	NA	$1,624	$2.17	$1,804
TC 30%	$696	2	2	2	960	$696	$92	$604	$0	$0.63	$604	**$1,208**	**$1,208**	$604	$0.63	$0	$1,869	$1.95	$2,077
TC 50%	$1,160	15	2	2	960	$1,160	$92	$1,068	$0	$1.11	$1,068	**$16,020**	**$16,020**	$1,068	$1.11	$0	$1,869	$1.95	$2,077
TC 60%	$1,392	27	2	2	960	$1,392	$92	$1,300	$0	$1.35	$1,300	**$35,100**	**$35,100**	$1,300	$1.35	$0	$1,869	$1.95	$2,077
TC 70%	$1,624	4	2	2	960	$1,624	$92	$1,532	$0	$1.60	$1,532	**$6,128**	**$6,128**	$1,532	$1.60	$0	$1,869	$1.95	$2,077
TC 80%	$1,856	1	2	2	960	$1,856	$92	$1,764	$0	$1.84	$1,764	**$1,764**	**$1,764**	$1,764	$1.84	$0	$1,869	$1.95	$2,077
MR		9	2	2	960	$0	$92		NA	$1.95	$1,869	**$16,821**	**$16,821**	$1,869	$1.95	NA	$1,869	$1.95	$2,077
MR		4	2	2	1,005	$0	$92		NA	$1.86	$1,869	**$7,476**	**$7,476**	$1,869	$1.86	NA	$1,869	$1.86	$2,077
TC 30%	$804	1	3	2	1,164	$804	$115	$689	$0	$0.59	$689	**$689**	**$689**	$689	$0.59	$0	$1,869	$1.61	$2,077
TC 60%	$1,608	8	3	2	1,164	$1,608	$115	$1,493	$0	$1.28	$1,493	**$11,944**	**$11,944**	$1,493	$1.28	$0	$2,182	$1.87	$2,424
TC 70%	$1,876	2	3	2	1,164	$1,876	$115	$1,761	$0	$1.51	$1,761	**$3,522**	**$3,522**	$1,761	$1.51	$0	$2,182	$1.87	$2,424
TC 80%	$2,145	1	3	2	1,164	$2,145	$115	$2,030	$0	$1.74	$2,030	**$2,030**	**$2,030**	$2,030	$1.74	$0	$2,182	$1.87	$2,424
MR		7	3	2	1,164	$0	$115		NA	$1.87	$2,182	**$15,274**	**$15,274**	$2,182	$1.87	NA	$2,182	$1.87	$2,424
TOTALS/AVERAGES:		**111**			**104,316**				**$0**	**$1.39**	**$1,304**	**$144,751**	**$144,751**	**$1,304**	**$1.39**	**$0**	**$1,854**	**$1.97**	**$2,059**

ANNUAL POTENTIAL GROSS RENT:	**$1,737,012**	**$1,737,012**

*MFDL units float among Unit Types

STABILIZED PRO FORMA

930 Military Parkway Living , Mesquite, 9% HTC #24023

	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						$1.39	$1,304	$1,737,012	$1,737,012	$1,304	$1.39		0.0%	$0
Application, Pet, Late and NSF Fees							$15.85	$21,108						
Laundry, Vending, Cable							$9.10	$12,120						
Total Secondary Income							$24.95		$33,228	$24.95			0.0%	$0
POTENTIAL GROSS INCOME								$1,770,240	$1,770,240				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(132,768)	(132,768)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$1,637,472	$1,637,472				0.0%	$0
General & Administrative	$66,963	$603/Unit	$59,748	$538	2.94%	$0.46	$433	$48,094	$59,748	$538	$0.57	3.65%	-19.5%	(11,654)
Management	$54,409	3.1% EGI	$45,710	$412	5.00%	$0.78	$738	$81,874	$81,874	$738	$0.78	5.00%	0.0%	-
Payroll & Payroll Tax	$160,404	$1,445/Unit	$169,748	$1,529	9.89%	$1.55	$1,459	$161,969	$160,404	$1,445	$1.54	9.80%	1.0%	1,565
Repairs & Maintenance	$89,442	$806/Unit	$53,286	$480	4.62%	$0.73	$682	$75,654	$72,150	$650	$0.69	4.41%	4.9%	3,504
Electric/Gas	$31,611	$285/Unit	$19,221	$173	1.30%	$0.20	$191	$21,241	$19,221	$173	$0.18	1.17%	10.5%	2,020
Water, Sewer, & Trash	$95,238	$858/Unit	$77,255	$696	3.87%	$0.61	$571	$63,373	$77,255	$696	$0.74	4.72%	-18.0%	(13,882)
Property Insurance	$75,197	$0.72 /sf	$18,603	$168	4.75%	$0.74	$700	$77,700	$77,700	$700	$0.74	4.75%	0.0%	-
Property Tax (@ 100%) 2.334446	$130,498	$1,176/Unit	$61,024	$550	8.47%	$1.33	$1,250	$138,750	$138,750	$1,250	$1.33	8.47%	0.0%	-
Reserve for Replacements					1.69%	$0.27	$250	$27,750	$27,750	$250	$0.27	1.69%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.21%	$0.03	$32	$3,520	$3,520	$32	$0.03	0.21%	0.0%	-
TOTAL EXPENSES					**42.74%**	**$6.71**	**$6,306**	**$699,925**	**$718,373**	**$6,472**	**$6.89**	**43.87%**	**-2.6%**	**$ (18,448)**
NET OPERATING INCOME ("NOI")					**57.26%**	**$8.99**	**$8,446**	**$937,547**	**$919,099**	**$8,280**	**$8.81**	**56.13%**	**2.0%**	**$ 18,448**

CONTROLLABLE EXPENSES	$3,336/Unit		$3,503/Unit	

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

930 Military Parkway Living , Mesquite, 9% HTC #24023

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
Regions Bank HUD 221(d)(4)	0.25%	1.13	1.15	815,253	5.25%	40	40.0	$13,072,400	$13,072,400	40.0	40.0	5.25%	$815,253	1.15	39.7%
CASH FLOW DEBT / GRANTS															
City of Mesquite		1.13	1.15		0.00%	0	0.0	$500	$500	0.0	0.0	0.00%		1.15	0.0%
				$815,253	**TOTAL DEBT / GRANT SOURCES**			**$13,072,900**	**$13,072,900**		**TOTAL DEBT SERVICE**		**$815,253**	**1.15**	39.7%
NET CASH FLOW		$103,846	$122,294						**APPLICANT**	**NET OPERATING INCOME**		**$937,547**	**$122,294**	**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
Regions Bank	LIHTC Equity	55.3%	$2,000,000	$0.91	$18,198,180	$18,198,180	$0.91	$2,000,000	55.3%	$18,018	Applicant Request
GP Equity	GP Equity	0.0%			$100	$100			0.0%		
RIVA/The Land Experts	Deferred Developer Fees	5.0%	(44% Deferred)		$1,639,669	$1,628,426	(44% Deferred)		4.9%	**Total Developer Fee:**	**$3,719,186**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		60.3%			$19,837,949	$19,826,706			60.3%		
TOTAL CAPITALIZATION					**$32,910,849**	**$32,899,606**				**15-Yr Cash Flow after Deferred Fee:**	**$1,582,336**

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				$14,414 / Unit	$1,600,000	$1,600,000	$14,414 / Unit				0.0%	$0
Broker Fees					$48,000	$48,000					0.0%	$0
Off-Sites		$0		$ / Unit	$0	$0	$ / Unit		$0		0.0%	$0
Site Work		$1,293,473		$11,653 / Unit	$1,293,473	$1,293,473	$11,653 / Unit		$1,293,473		0.0%	$0
Site Amenities		$967,242		$8,714 / Unit	$967,242	$967,242	$8,714 / Unit		$967,242		0.0%	$0
Building Cost		$15,095,568	$149.84 /sf	$140,819/Unit	$15,630,948	$15,453,840	$139,224/Unit	$148.14 /sf	$15,095,568		1.1%	$177,108
Contingency		$758,376	4.37%	4.24%	$758,376	$758,376	4.28%	4.37%	$758,376		0.0%	$0
Contractor Fees		$2,429,880	13.41%	13.43%	$2,504,833	$2,504,833	13.56%	13.41%	$2,429,880		0.0%	$0
Soft Costs	$0	$2,481,821		$23,992 / Unit	$2,663,071	$2,663,071	$23,992 / Unit		$2,481,821	$0	0.0%	$0
Financing	$0	$1,232,836		$21,838 / Unit	$2,423,992	$2,423,992	$21,838 / Unit		$1,232,836	$0	0.0%	$0
Developer Fee	$0	$3,638,879	15.00%	15.05%	$3,730,429	$3,692,620	15.00%	15.00%	$3,638,879	$0	1.0%	$37,809
Reserves				10 Months	$1,290,485	$1,290,485	10 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$27,898,075**		$296,494 / Unit	**$32,910,849**	**$32,695,932**	$294,558 / Unit		**$27,898,075**	**$0**	**0.7%**	**$214,917**
Acquisition Cost	$0				$0							
Contingency		$0			$0							
Contractor's Fee		$0			$0							
Financing Cost		$0										
Developer Fee	$0	$0		15.00%	($11,243)							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$27,898,075**		$296,393/unit	**$32,899,606**	**$32,695,932**	$294,558/unit		**$27,898,075**	**$0**	**0.6%**	**$203,674**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$32,899,606**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

930 Military Parkway Living , Mesquite, 9% HTC #24023

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$27,898,075	$0	$27,898,075
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$27,898,075	$0	$27,898,075
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$36,267,498	$0	$36,267,498
Applicable Fraction	77.90%	77.90%	78%	78%
TOTAL QUALIFIED BASIS	$0	$28,250,933	$0	$28,250,933
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$2,542,584	$0	$2,542,584
CREDITS ON QUALIFIED BASIS	$2,542,584		$2,542,584	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.9099	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$2,542,584	$23,135,200	----	----	----
Needed to Fill Gap	$2,178,966	$19,826,606	----	----	----
Applicant Request	$2,000,000	$18,198,180	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	104,316 SF	$120.73	12,593,963
Adjustments				
Exterior Wall Finish	3.60%		4.35	$453,383
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.45%		4.17	434,492
Roof Adjustment(s)			(0.25)	(26,079)
Subfloor			0.60	62,590
Floor Cover			3.68	383,883
Breezeways	$40.80	16,378	6.41	668,303
Balconies	$40.69	8,339	3.25	339,329
Plumbing Fixtures	$2,130	382	7.80	813,660
Rough-ins	$790	222	1.68	175,380
Built-In Appliances	$3,675	111	3.91	407,925
Exterior Stairs	$3,550	16	0.54	56,800
Heating/Cooling			3.12	325,466
Storage Space	$40.80	0	0.00	0
Carports	$16.05	3,120	0.48	50,076
Garages	$30.00	0	0.00	0
Common/Support Area	$134.13	4,510	5.80	604,945
Elevators	$168,600	2	3.23	337,200
Other:			0.00	0
Fire Sprinklers	$3.65	125,204	4.38	456,995
SUBTOTAL			**173.88**	**18,138,310**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**173.88**	**$18,138,310**
Plans, specs, survey, bldg permits	3.30%		(5.74)	($598,564)
Contractor's OH & Profit	11.50%		(20.00)	(2,085,906)
NET BUILDING COSTS		$139,224/unit	$148.14/sf	$15,453,840

Long-Term Pro Forma

930 Military Parkway Living , Mesquite, 9% HTC #24023

	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%	$1,637,472	$1,670,221	$1,703,626	$1,737,698	$1,772,452	$1,956,931	$2,160,610	$2,385,488	$2,633,771	$2,907,896	$3,210,552	$3,544,709
TOTAL EXPENSES	3.00%	$699,925	$720,104	$740,872	$762,246	$784,244	$904,263	$1,042,888	$1,203,031	$1,388,059	$1,601,872	$1,848,984	$2,134,620
NET OPERATING INCOME ("NOI")		**$937,547**	**$950,118**	**$962,754**	**$975,452**	**$988,208**	**$1,052,668**	**$1,117,721**	**$1,182,457**	**$1,245,712**	**$1,306,023**	**$1,361,568**	**$1,410,089**
EXPENSE/INCOME RATIO		42.7%	43.1%	43.5%	43.9%	44.2%	46.2%	48.3%	50.4%	52.7%	55.1%	57.6%	60.2%
MUST -PAY DEBT SERVICE													
Regions Bank HUD 221(d)(4)		$815,253	$815,006	$814,747	$814,473	$814,184	$812,492	$810,292	$807,434	$803,720	$798,894	$792,623	$784,474
TOTAL DEBT SERVICE		$815,253	$815,006	$814,747	$814,473	$814,184	$812,492	$810,292	$807,434	$803,720	$798,894	$792,623	$784,474
DEBT COVERAGE RATIO		1.15	1.17	1.18	1.20	1.21	1.30	1.38	1.46	1.55	1.63	1.72	1.80
ANNUAL CASH FLOW		**$122,294**	**$135,111**	**$148,008**	**$160,980**	**$174,024**	**$240,176**	**$307,429**	**$375,023**	**$441,992**	**$507,130**	**$568,945**	**$625,615**
Deferred Developer Fee Balance		$1,506,132	$1,371,020	$1,223,013	$1,062,033	$888,009	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$179,997	$1,582,336	$3,322,304	$5,398,799	$7,805,180	$10,527,941	$13,545,146

File #: 1083 | **Agenda Date:** 7/10/2025 | **Agenda #:** 11.

Report on legislation passed by the 89th Texas Legislature impacting the Department

BACKGROUND

Oral report

File #: 25-023 **Agenda Date:** 7/10/2025 **Agenda #:** 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

RECOMMENDED ACTION

Adopt attached resolution.

BACKGROUND

Chapter 394 of the Texas Local Government Code provides for the establishment of local housing finance corporations (HFCs) for, among other things, the issuance of single family mortgage revenue bonds (SFMRBs) or mortgage credit certificates (MCCs). Federal tax law limits issuance of SFMRBs or MCCs through the allocation of volume cap. Chapter 1372 of the Texas Government Code (the Allocation Act) sets out the rules for allocation of volume cap in Texas. Until August 6 of each year, of the total volume cap available for single family mortgage bond purposes in Texas, approximately 33% is set-aside for the Department, and 10% for the Texas State Affordable Housing Corporation (TSAHC), leaving approximately 57% of the single family volume cap available for use by HFCs for the purposes of issuing SFMRBs or MCCs. On August 7 of each year, these set-asides collapse into a single family pool, available to the Department, TSAHC, and HFCs on a first-come, first-served, basis. On August 15, any single family volume cap that has not been reserved by a housing issuer becomes available for reservation by any issuer of private activity bonds for any authorized purpose.

HFCs were once very active in financing single family homeownership for low and moderate income homebuyers. However, in recent years, it has been difficult for HFCs to successfully issue SFMRBs or to implement MCC programs due to the combination of the up-front investment, interest rate risk, administrative costs, and other factors. As such, for several years now, the single family volume cap set-aside for HFCs has been largely unreserved.

Pursuant to Tex. Local Gov't Code §394.032(e), an HFC can assign its volume cap to the Department ". . . to act on its behalf in the financing, refinancing, acquisition, leasing, ownership, improvement, and disposal of home mortgages or residential developments, within and outside the jurisdiction of the housing finance corporation, including its authority to issue bonds for those purposes."

Through the assignment of volume cap the Department originates, on the HFC's behalf, mortgage loans in the HFC's jurisdiction through the Department's My First Texas Home Program that are either financed by one or more of the Department's SFMRB issues or originated in combination with an MCC.

The Department received its first assignment of volume cap in 2020 from Harris County Housing Finance Corporation. Since that time 16 different HFCs have participated and TDHCA has received $956 million in volume cap assignments. This year, we anticipate 12 HFCs will assign approximately $331 million in volume cap to the Department.

The Assignment Agreement substantially in the form attached to the resolution will assign volume cap to the Department.

Approval of the Assignment Agreements benefit the HFCs and the Department. The HFCs benefit economically through an ongoing fee received against loans originated on their behalf, within the HFC's jurisdiction. More importantly, the HFC can actively and meaningfully participate in financing single-family affordable housing activity. The HFCs have indicated a desire to jointly market the program, including the coordination of outreach efforts to increase participation by low- and moderate-income homebuyers in HFC jurisdiction. The Assignment Agreements benefit the Department by expanding access to volume cap, which will assist the Department in maintaining current bond and MCC issuance levels. Ultimately, the benefit flows through to low- and moderate- income homebuyers in Texas that are able to access affordable financing options.

RESOLUTION NO. 25-023

RESOLUTION APPROVING ASSIGNMENT AGREEMENTS RELATING TO PRIVATE ACTIVITY BOND AUTHORITY; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas (the "Department"), was created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (together with other laws of the State applicable to the Department, collectively, the "Act"); and

WHEREAS, pursuant to Section 394.032(e), Texas Local Government Code (as it may be amended, the "HFC Statutory Provision") and resolutions adopted or expected to be adopted by the respective Board of Directors of each housing finance corporation identified on Exhibit A hereto (each individually referred to herein as the "HFC"), the HFC has determined or is expected to determine to delegate to the Department the authority to act on its behalf in the financing, refinancing, acquisition, leasing, ownership, improvement, and disposal of home mortgages or residential developments as permitted under the HFC Statutory Provision, including its authority to issue bonds for those purposes; and

WHEREAS, in connection with such delegation, Section 1372.044, Texas Government Code, authorizes the HFC to assign to the Department a reservation of a portion of the "State ceiling" as defined in Chapter 1372, Texas Government Code (the "Allocation Act"); and

WHEREAS, pursuant to the Act and the Allocation Act, the Governing Board of the Department (the "Board") desires to approve an Assignment Agreement with the HFC in substantially the form attached as Exhibit B (the "Assignment Agreement"); and

WHEREAS, the Board has examined the proposed form of the Assignment Agreement (which is attached to and comprises a part of this Resolution); has found the form and substance of such document to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article 1, to authorize the execution and delivery of the Assignment Agreement and the taking of such other actions as may be necessary or convenient in connection therewith;

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

ARTICLE 1

APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1 Approval, Execution and Delivery of Assignment Agreement. The Assignment Agreement, in substantially the form presented at this meeting and attached hereto as Exhibit B, is hereby approved and adopted by the Department, and the Authorized Representatives of the Department named in this Resolution are each hereby authorized and empowered to execute and deliver the Assignment Agreement on behalf of the Department, with such changes as may be approved by the Authorized Representative executing the same, such approval to be evidenced by such Authorized Representative's execution thereof.

Section 1.2 Taking of Any Action; Execution and Delivery of Other Documents. That the Authorized Representatives are each hereby authorized to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.3 Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the Authorized Representatives are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such Authorized Representative, and in the opinion of Bracewell LLP, Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the Authorized Representatives.

Section 1.4 Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit A - List of Participating HFCs

Exhibit B - Form of Assignment Agreement

Section 1.5 Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance of the Department and the Secretary or Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

Section 1.6 Ratifying Other Actions. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the execution of the Assignment Agreement are hereby ratified and confirmed.

ARTICLE 2

GENERAL PROVISIONS

Section 2.1 Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 2.2 Certification of the Minutes and Records. That the Secretary or Assistant Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.3 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with Section 2306.032 of the Texas Government Code regarding meetings of the Governing Board.

Section 2.4 Effective Date. This resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 10th day of July, 2025.

Exhibit A

Alamo Area HFC

City of Arlington HFC

City of Dallas HFC

East Texas HFC

City of Grand Prairie HFC

Harris County HFC

City of Houston HFC

Jefferson County HFC

Northeast Texas HFC

City of Rowlett HFC

Tarrant County HFC

Travis County HFC

<u>Exhibit B</u>

Form of Assignment Agreement

[continued next page]

Exhibits:
Exhibit A – Term Sheet

ASSIGNMENT AGREEMENT

This **ASSIGNMENT AGREEMENT** (this "**Agreement**") is made as of the _____day of ______________, 20__ by and between **[NAME OF ENTITY] HOUSING FINANCE CORPORATION** ("**HFC**"), a Texas non-profit housing finance corporation and the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS** ("**TDHCA**"), a public and official agency of the State of Texas.

RECITALS:

A. HFC has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Texas Local Government Code, Chapter 394 (as it may be amended, the "**Act**"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices they can afford.

B. The Act authorizes HFC to issue bonds for the purpose of obtaining funds to finance home mortgage loans (or participation interests therein) for persons of low and moderate income for homes within the geographic limits of [**JURISDICTION**].

C. Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "**Code**"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code.

D. Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes.

E. The private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State of Texas (the "**State**") is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "**Allocation Act**").

F. The Allocation Act requires HFC, in order to reserve a portion of the State ceiling for qualified mortgage bonds and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (an "**Application for Reservation**") with the Texas Bond Review Board (the "**Bond Review Board**"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds.

G. The Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "**Allocation Rules**") require that an Application for Reservation be accompanied by a copy of the certified resolution of the issuer authorizing the filing of the Application for Reservation.

H. By resolution adopted on [**DATE OF RESOLUTION APPROVING FILING VOLUME CAP APPLICATION**], HFC authorized the filing of an Application for Reservation with the Bond Review Board in the maximum amount of $[**RESERVATION AMOUNT**] with respect to qualified mortgage bonds, and the Bond Review Board has issued or is expected to issue a reservation of "State Ceiling" in connection with such Application for Reservation (the "**Reservation**").

I. HFC has determined to (a) delegate to TDHCA HFC's authority to issue bonds or mortgage credit certificates ("**MCCs**") for the purposes specified above, pursuant to Section 394.032(e) of the Act, which provides that a housing finance corporation may delegate to the Texas Department of Housing and Community Affairs the authority to act on its behalf in the financing, refinancing, acquisition, leasing, ownership, improvement, and disposal of home mortgages or residential developments as permitted under the Act, including its authority to issue bonds for those purposes, and (b) assign the Reservation to TDHCA, pursuant to Section 1372.044 of the Texas Government Code.

J. HFC was created by [**NAME OF SPONSOR**] (the "Sponsor") pursuant to the Act.

K. As the governmental unit that created HFC, the Sponsor has approved the assignment of the Reservation to TDHCA in accordance with Section 1372.044 of the Texas Government Code.

NOW THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and conditions contained herein, the parties hereto hereby agree as follows:

1. **Assignment**. HFC hereby assigns, conveys and transfers to TDHCA, to the full extent assignable under applicable law, all of HFC's right, title and interest in, to and under the Reservation (the "**Assignment**"), including without limitation, the right to file a carryforward designation request and to elect to use the Reservation to issue MCCs. The Assignment is irrevocable and applies only to the Reservation for the 2025 program year.

2. **Consents**. HFC agrees to obtain and deliver to TDHCA, such consents to the Assignment of the Reservation as may be required.

3. **Expenses**. TDHCA shall be responsible for payment of all fees and expenses incurred from and after the date of this Agreement with respect to the Reservation, including any carryforward application fee and/or closing fees payable to the Bond Review Board; and TDHCA will pay all costs associated with the issuance of the bonds.

4. **Agreement**. In exchange for the Assignment, TDHCA agrees to originate in the geographic service area of HFC (a) mortgage loans that are eligible for pooling into mortgage certificates and purchase by the trustee for one or more series of tax-exempt bonds issued by TDHCA ("Pooled Loans"), and/or (b) My First Texas Home Combo Loans with MCCs ("Combo Loans", and referred to herein together with the Pooled Loans collectively as "HFC Loans"), until an aggregate amount of $[AMOUNT] of HFC Loans (accounting for the amount of Pooled Loans originated, pooled and purchased by the trustee, and the amount of volume cap used to originate the Combo Loans) have been originated or issued, respectively. HFC Loans will be originated on a first-in, first-out basis. The provisions in the Term Sheet attached hereto as Exhibit A are incorporated herein and supplement the provisions of this Agreement; however, in the event of any inconsistency between the provisions of this Agreement and the Term Sheet, the provisions of this Agreement shall supersede those of the Term Sheet.

5. **Fees**. TDHCA will pay an ongoing fee of 4.75 basis points (collectively, "HFC Fees") of the aggregate outstanding balance of HFC Loans that have been pooled into mortgage-backed securities or for which an MCC has been issued. HFC Fees will be paid for a period of 10 years for each HFC Loan originated under this Agreement and purchased by the trustee that is not more than 30-days delinquent at the time an HFC Fee is calculated. The outstanding balance of HFC Loans will be reduced monthly to reflect principal repayments and prepayments (including foreclosures of HFC Loans). HFC Fees cease to accrue with respect to any HFC Loan once that HFC Loan has been repaid or prepaid. HFC Fees will be paid annually, in accordance with payment instructions to be provided by HFC.

6. **Reporting**. Once HFC Loans have been pooled into mortgage-backed securities or an MCC has been issued, TDHCA will provide quarterly loan level detail with respect to the outstanding loan balances; no personally identifiable information will be included.

7. **Governing Law**. This Agreement shall be governed by and enforced in accordance with the laws of the State of Texas.

8. **Severability**. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

9. **Entire Agreement; Amendment and Waiver**. This Agreement contains the complete and entire understanding of the parties with respect to the matters covered herein. This Agreement may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Agreement shall be considered as a general waiver.

10. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which is an original and all of which together constitute one and the same Agreement. Electronically transmitted counterparts shall be deemed originals.

[*Execution pages follow*]

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement to be effective as of the date first set forth above.

[NAME OF ENTITY] HOUSING FINANCE CORPORATION

By: ____________________________________
Name: ____________________________________
Title: ____________________________________

[signatures continue next page]

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

By: ____
Name: ____
Title: ____

EXHIBIT A – TERM SHEET

2025 Term Sheet
Housing Finance Corporation Volume Cap Assignment

Issuer:	Texas Department of Housing and Community Affairs ("TDHCA")
HFC Partner:	Housing Finance Corporation ("HFC")
Volume Cap:	To be reserved by the HFC for subsequent assignment to TDHCA ("Reservation").
Assignment:	TDHCA and the HFC will execute an Assignment Agreement to assign the Reservation to TDHCA. The HFC's governing body will be required to approve the Assignment.
Assignment Purpose:	To be used by TDHCA to originate (a) My First Texas Home Bond Loans that are eligible for pooling into mortgage backed securities and purchased by tax-exempt bonds issued by TDHCA ("Pooled Loans"), and/or (b) My First Texas Home Combo Loans with MCCs ("Combo Loans", collectively "HFC Loans").
Loan Prioritization	The HFC Loans shall be recorded on a first in first out ("FIFO") basis until the equivalent of the assigned volume cap has been exhausted.
Volume Cap Utilization:	Pooled Loans will be credited at par. Combo Loans will be credited in accordance with the volume cap used to originate such loan.
HFC Fees:	TDHCA will pay an ongoing fee of 4.75 basis points against the aggregate outstanding balance of HFC Loans that have been pooled into mortgage-backed securities or for which an MCC has been issued. The HFC Fees will be paid for a period of ten years for each loan originated under the Assignment Agreement that is not more than 30-days delinquent at the time the Pooled Loan Fee is calculated. The outstanding balance will be reduced monthly to reflect principal repayments and prepayments (including foreclosures). HFC Fees cease to accrue with respect to any HFC Loan once that loan has been repaid or prepaid. HFC Fees will be paid annually, in accordance with payment instructions to be provided by the HFC.
Related Costs:	TDHCA shall be responsible for payment of all fees and expenses incurred from and after the date of the Assignment Agreement with respect to the Reservation, including any carryforward application fee and/or closing fees payable to the Bond Review Board; and will pay all costs associated with the issuance of the bonds.

Reporting: Once HFC Loans have been pooled into mortgage-backed securities or an MCC has been issued, TDHCA will provide quarterly loan level detail with respect to the outstanding loan balances; no personally identifiable information will be included.

Mortgage Loan Program

While TDHCA may originate more loans within the HFC's jurisdiction, the maximum amount of HFC Loans is limited to the volume cap assigned.

Loans originated through a bond issue include FHA, VA, and USDA loans (no conventional loans). All loans must have a term of 30 years.

File #: 25-025 **Agenda Date:** 7/10/2025 **Agenda #:** 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

RECOMMENDED ACTION

Adopt attached resolution.

BACKGROUND

An allocation of private activity bond authority, also known as volume cap, is required for the issuance of tax-exempt, single family mortgage revenue bonds (SFMRBs) and for the issuance of mortgage credit certificates (MCCs). In 2025, the State of Texas received approximately $4.067 billion in volume cap for all private activity purposes. Pursuant to Chapter 1372, Texas Government Code (the Allocation Act), 32.25% of the State's volume cap is available exclusively for single family activity. The Allocation Act creates the following set-asides for Mortgage Revenue Bonds (MRB) aka single family volume cap, which remain in effect through August 6, 2025:

Texas Department of Housing and Community Affairs	$437,376,821
Texas State Affordable Housing Corporation (TSAHC)	$131,186,809
Local Housing Finance Corporations (HFCs)	$743,304,460
Total Single Family Volume Cap Set-Asides	**$1,311,868,090**

On Thursday, August 7, these set-asides collapse and the remaining aggregate balance is available for reservation by any of the above-described entities for single family activity on a first-come, first-served basis through August 14, 2025. Single family volume cap that remains available on August 15, 2025, is collapsed and made available for reservation by any eligible issuer for all private activity purposes beginning on Friday, August 15, 2025.

The demand for affordable financing options for low- and moderate-income homebuyers in Texas remains very strong, particularly in light or rising interest rates and the scarcity of affordable home inventory. Market conditions remain conducive to the issuance of tax-exempt, single family mortgage revenue bonds (SFMRBs) to finance mortgage loans. The Department, as a statewide issuer, leverages economies of scale and uses single family volume cap to provide an assortment of financing options to low- and moderate-income homebuyers throughout the state, allowing potential homeowners to compete in an increasingly competitive market.

It has been difficult for Housing Finance Corporations (HFCs) to successfully issue SFMRBs or to implement MCC programs due to the combination of the up-front investment, financial risk management, administrative costs, compliance requirements, and other factors. As a result, TDHCA has developed partnerships and works cooperatively with several local HFCs to increase homeownership. An assignment of volume cap to TDHCA from 11 local HFCs is being considered by the Board under Item 25-023.

During the past five fiscal years, the Department has used single family volume cap to serve 15,225 households through the origination of $2.65 billion in bond funded first mortgages and $736 million first mortgages receiving MCCs. In order to continue to meet the needs of low- and moderate-income homebuyers throughout the state, staff is requesting authorization to submit applications for reservation of volume cap, to include one or more of the following, up to the aggregate amounts below:

TDHCA's 2025 Single Family Set-Aside prior to August 7	$ 437,376,821
Unused Single-Family Set-Aside between August 8 and August 14	$ 812,623,179
Total Single Family Volume Cap Reservations	$1,250,000,000

Staff will return to the Board at a later date with requests for approval to use awarded volume cap in connection with additional bond or MCC transactions.

RESOLUTION NO. 25-025

RESOLUTION AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR RESERVATION WITH THE TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AUTHORIZING STATE DEBT APPLICATION; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended from time to time (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (a) to make, acquire and finance, and to enter into advance commitments to make, acquire and finance, mortgage loans and participating interests therein, secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds, for the purpose, among others, of 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 or participating interests, and to mortgage, pledge or grant security interests in such mortgages or participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and (d) to issue its revenue bonds for the purpose of refunding any bonds theretofore issued by the Department; and

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences will be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the State ceiling for qualified mortgage bonds (the "Reservation") and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (the "Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "Allocation Rules") require that the Application for Reservation be accompanied by a certified copy of the resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Board has determined to authorize the filing of one or more Applications for Reservation in the maximum aggregate amount of $1,250,000,000 with respect to qualified mortgage bonds; and

WHEREAS, the Board further desires to approve one or more applications to the Bond Review Board for approval of state bonds;

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

ARTICLE 1

APPROVAL OF CERTAIN ACTIONS

Section 1.1 Applications for Reservation. The Board hereby authorizes Bracewell LLP, as Bond Counsel to the Department, to file on its behalf with the Bond Review Board one or more Applications for Reservation in the maximum aggregate amount of $1,250,000,000 with respect to qualified mortgage bonds, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of one or more Reservations.

Section 1.2 State Debt Applications. The Board hereby authorizes and approves the submission of one or more applications for approval of state bonds to the Bond Review Board on behalf of the Department in accordance with Chapter 1231, Texas Government Code.

Section 1.3 Authorization of Certain Actions. The Authorized Representatives of the Department named in this Resolution are hereby authorized to take such actions on behalf of the Department as may be necessary to carry out the purposes of this Resolution, including the submission of any carryforward designation requests for such Reservations.

Section 1.4 Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the

Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

GENERAL PROVISIONS

Section 2.1 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with Section 2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 2.2 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 10th day of July, 2025.

File #: 1071 **Agenda Date:** 7/10/2025 **Agenda #:** 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)

RECOMMENDED ACTION

WHEREAS, 930 Military Parkway Living (the Development) received a 9% Housing Tax Credit (HTC) award in 2024 for the construction of 111 units, of which 88 are designated as low income units, in Mesquite, Dallas County;

WHEREAS, due to the need to fill a funding gap, which is expected to be filled by obtaining Multifamily Direct Loan (MFDL) funding from the Department, 930 Military Parkway Living, Ltd. (the Applicant) requests approval to change the income and rent restrictions in order to qualify for the National Housing Trust Fund loan;

WHEREAS, the income targeting of the Development had to shift significantly to make way for 10 additional units restricted at the higher of the poverty line or 30% of Area Median Income (AMI), decrease the number of market units from 23 to 16, and still maintain an average income of 54% or lower, as per 10 TAC §13.3(d)(2)(a), if average income is elected no more than 15% of the total units can be designated market rate and still remain eligible for MFDL funds;

WHEREAS, in lieu of a Parkland Dedication fee, the City of Mesquite (the City) has agreed to the donation of an undeveloped parcel of 3.992 acres as parkland, which will result in a 45.72% decrease to the acreage of the Development, from 8.732 acres to 4.74 acres, and an 84.22% increase to the residential density, going from 12.71 units per acre to 23.42 units per acre;

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

WHEREAS, to improve the financial feasibility of the Development by obtaining a property tax exemption, the Applicant is seeking to replace the originally proposed General Partner, Mesquite 930 Military Parkway Living GP, LLC, with Mesquite 930 Military Parkway GP, LLC, of which the Mesquite Housing Finance Corporation will be the sole member;

WHEREAS, the HTC Application for the Development received two points for agreeing to include a certified Historically Underutilized Business (HUB) in the ownership structure of the General Partner and materially participating in the development and operation of the Development throughout the Compliance Period, and receiving a 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;

WHEREAS, Applicant is seeking to revise the ownership structure by adding a Class B Limited Partner, 930 Military Parkway Living SLP, LLC, and moving the HUB, The Land Experts, LLC, from the ownership structure of the originally proposed general partner to the newly formed Class B Limited Partner, 930 Military Parkway Living SLP, LLC, which will be 34% owned by the HUB as well as 66% owned by 930 Military Parkway Living GP MGR, Inc.;

WHEREAS, the Applicant requests a waiver of the specific requirement in 10 TAC §11.9(b)(2)(A) that states the HUB must have an ownership interest in the General Partner, allowing the Development to continue to qualify for the two points for Sponsor Characteristics with the HUB in the ownership structure of the Class B Limited Partner and continuing to meet the intent of 10 TAC §11.9(b)(2)(A) to have a HUB materially participate in the Development; and

WHEREAS, the requested changes and waiver 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, changes to the ownership structure, and a waiver of the 10 TAC §11.9(b)(2)(A) for 930 Military Parkway Living are each approved, subject to clearance of the previous participation review, 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

930 Military Parkway Living (HTC #24023) was approved for a 9% HTC award in 2024 for the new construction of 111 units, of which 88 are designated as low-income units, for the general population in Mesquite, Dallas County. Construction of the Development has not begun. The Applicant elected Average Income as the Qualified Low Income Housing Development Election, with an average income of 54% or lower.

In a letter as of May 20, 2025, Cody Hunt, the representative for the Applicant, requested approval for a material amendment to the Application to revise the income targeting in order to qualify for the National Housing Trust Fund loan. With this change, the Development would still have an average income of under 54%, but would have 19 units at 30% AMI and 16 market units instead of the nine units at 30% AMI and 23 market units proposed at application.

Additionally, in lieu of a Parkland Dedication fee, the City of Mesquite has agreed to the donation and dedication of 3.992 acres of an undeveloped portion of the Development site as parkland. The change of site acreage will increase residential density by 84.22%, from 12.71 units per acre to 23.42 units per acre. Despite this change, the site plan remains the same as in the initial Application. The Applicant stated that when the initial Application was submitted, the Applicant did not have confirmation that the City of Mesquite would allow them to dedicate the back parcel of the site in lieu of Parkland Dedication fees. Now that they have confirmation, the Applicant can move forward developing on solely the front portion of the site. It was not reasonably foreseeable that the City would agree to this structure, but is now essential to the financial feasibility of the Development.

In addition to the amendment for the change in income targeting and residential density, the Applicant is requesting approval for changes to the ownership structure, which will require a waiver for a requirement related to ownership by a Historically Underutilized Business (HUB), as the HTC Application for the Development received two points because the Development was structured to include a Historically Underutilized Business (HUB) in the ownership structure that would have some combination of ownership interest in the General Partner of the Owner, cash flow from operations, and Developer Fee, which taken together equal at least 50% and no less than 5% for any category. The HUB was also required to materially participate in the development and operation of the Development throughout the Compliance Period.

In a letter dated May 21, 2025, Michelle Snedden, on behalf of the Applicant, proposed changes to the ownership structure for the Development, which requires a waiver of the provision in 10 TAC §11.9(b)(2)(A) that specifies the HUB is required to have an ownership interest in the General Partner. The Applicant is seeking to add a Class B Limited Partner, 930 Military Parkway Living SLP, LLC, and move the HUB, The Land Experts, LLC, from the ownership structure of the General Partner to the newly formed Class B Limited Partner, which will be 34% owned by the HUB as well as 66% owned by 930 Military Parkway living GP MGR, Inc. Mesquite 930 Military Parkway GP, LLC will be added as the new General Partner, of which the sole member will be the Mesquite Housing Finance Corporation. The requested changes to the ownership structure, along with a ground lease structure, will improve the financial feasibility of the Development by providing an ad valorem tax exemption.

However, this change to the ownership structure would result in the HUB no longer meeting the requirements for the two Sponsor Characteristics points awarded at Application because it will no longer be in the ownership structure of the General Partner. Therefore, the Applicant requests to waive this specific requirement and to allow the Development to continue to qualify for the two Sponsor Characteristics points with the HUB in the ownership structure of the Class B Limited Partner. The Applicant states that the Class B Limited Partner will perform the same duties, materially participate, and be functionally equivalent to the general partner. The HUB would continue to be required to meet all other requirements in 10 TAC §11.9(b)(2)(A), including the requirement to materially participate in the development and operation of the Development throughout the Compliance Period. This revised ownership requirement would be codified in the LURA for the Development.

The Applicant provided Resolution No. 07-2025, as of February 17, 2025, from the City of Mesquite stating that the City continues to support the Development, including the change in structure to allow for a property tax exemption.

The Development was re-underwritten with the proposed amendment and revised financial information. The analysis supports no change to the HTC allocation and demonstrates the Development remains feasible with the additional proposed changes to the financing structure. 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. The recommendation for the direct loan funds from the Department will be presented separately from this amendment to the HTC Application.

Staff recommends approval of the Application amendment, changes to the ownership structure subject to clearance of the previous participation review, and the waiver of 10 TAC §11.9(b)(2)(A) as presented herein.

Real Estate Analysis Division
June 23, 2025

Addendum to Underwriting Report

TDHCA Application #: **25504_24023** Program(s): **9% HTC/MDL**

930 Military Parkway Living

Address/Location: 940 Military Parkway

City: Mesquite County: Dallas Zip: 75149

	APPLICATION HISTORY
Report Date	**PURPOSE**
06/23/25	**Amendment & MDL Award - 2025-1 NOFA - NHTF**
08/05/24	Initial Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION						
TDHCA Program	**Amount**	**Int. Rate**	Amort	**Term**	**Amount**	**Int. Rate**	Amort	**Perm. Term**	**Perm. Lien**	**Const. Term**	Const. Lien
MF Direct Loan Const. to Perm. (Repayable)					**$4,000,000**	2.00%	**35**	**40.0 yrs**	**2**	**24M**	**3**
LIHTC (9% Credit)	$2,000,000				**$2,000,000**						

* Multifamily Direct Loan and HOME ARP Terms:

* The term of a Multifamily Direct Loan or HOME ARP loan should match the term of any superior loan (within 6 months).

** Construction loan term cannot exceed the recommendation above, but may be less depending on actual closing date. Final construction term will be noted in the loan documents

CONDITIONS STATUS

1 Receipt and acceptance before Direct Loan Contract:

a: Board approval of a new ownership structure, or written confirmation from Borrower than no organizational changes will be made.

Status: To be cleared by Program Staff

b: Board approval to reduce the development site acreage from 8.732 acres down to 4.74 acres.

Status: To be cleared by Program Staff

2 Receipt and acceptance before Direct Loan Closing:

a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

b: Substantially final construction contract with Schedule of Values.

c: Updated term sheets with substantially final terms from all lenders.

d: Substantially final draft of limited partnership agreement.

e: Senior loan documents and/or partnership documents must contain a provision that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.0 DCR.

f: Substantially final ground lease.

3 Receipt and acceptance by Commitment:

- Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.

4 Receipt and acceptance by Cost Certification:

a: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

b: For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.

c: If any portion of the site is determined to be a wetland area, certification that compliance with all federal, state and local wetland mitigation requirements has been met.

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.

PREVIOUS SET-ASIDE

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	9
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	35
70% of AMI	70% of AMI	6
80% of AMI	80% of AMI	2

CURRENT SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	19
50% of AMI	50% of AMI	38
60% of AMI	60% of AMI	13
70% of AMI	70% of AMI	12
80% of AMI	80% of AMI	13

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	18

ANALYSIS

The development originally received a 9% HTC allocation of $2,000,000 in August 2024.

The applicant is now applying for a MDL 2025-1 NHTF loan of $4,000,000. The MDL loan will have an interest rate of 2% and amortization period of 35 years allowing this Project to be feasible under DCR requirements.

The Applicant added Mesquite Housing Finance Corporation to the ownership structure. There is going to be a ground lease which will allow for a property tax exemption.

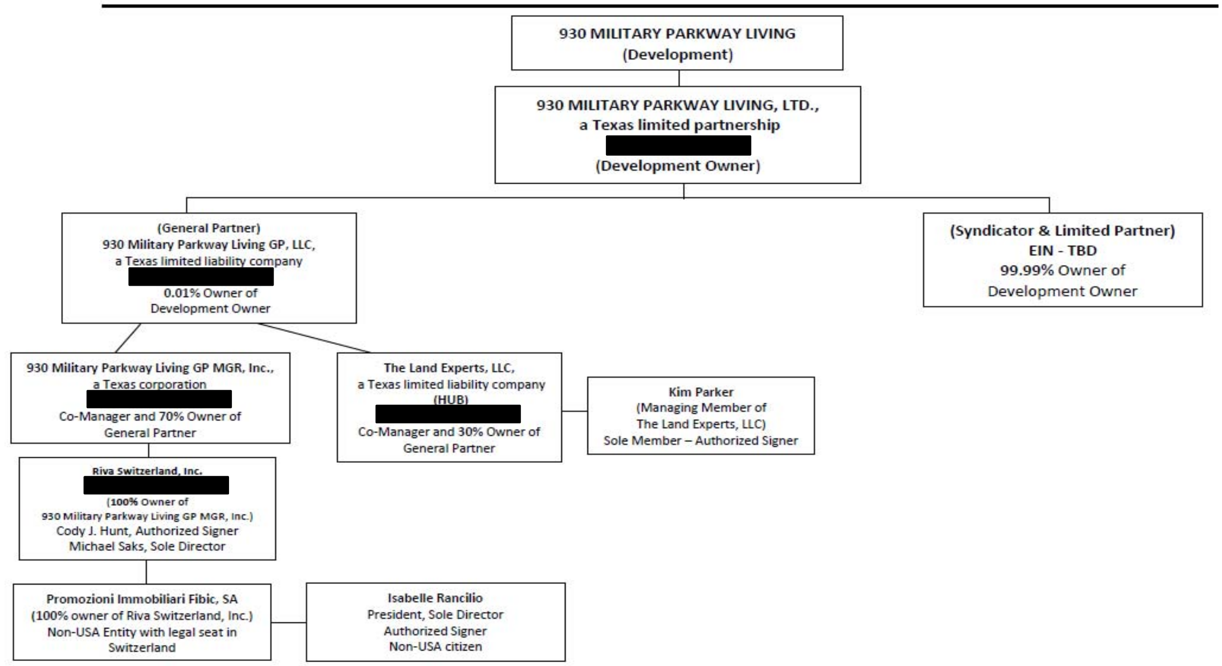
In addition, the Applicant is submitting a material amendment to change the development acreage from 8.732 acres down to 4.74 acres. Per the applicant, this change does not alter the development in any way other than the residential density. The residential density will increase from approximately 13 units per acre to 24 units per acre.

The 3.99 acres of undeveloped land will be dedicated to the city.

PREVIOUS OWNERSHIP STRUCTURE

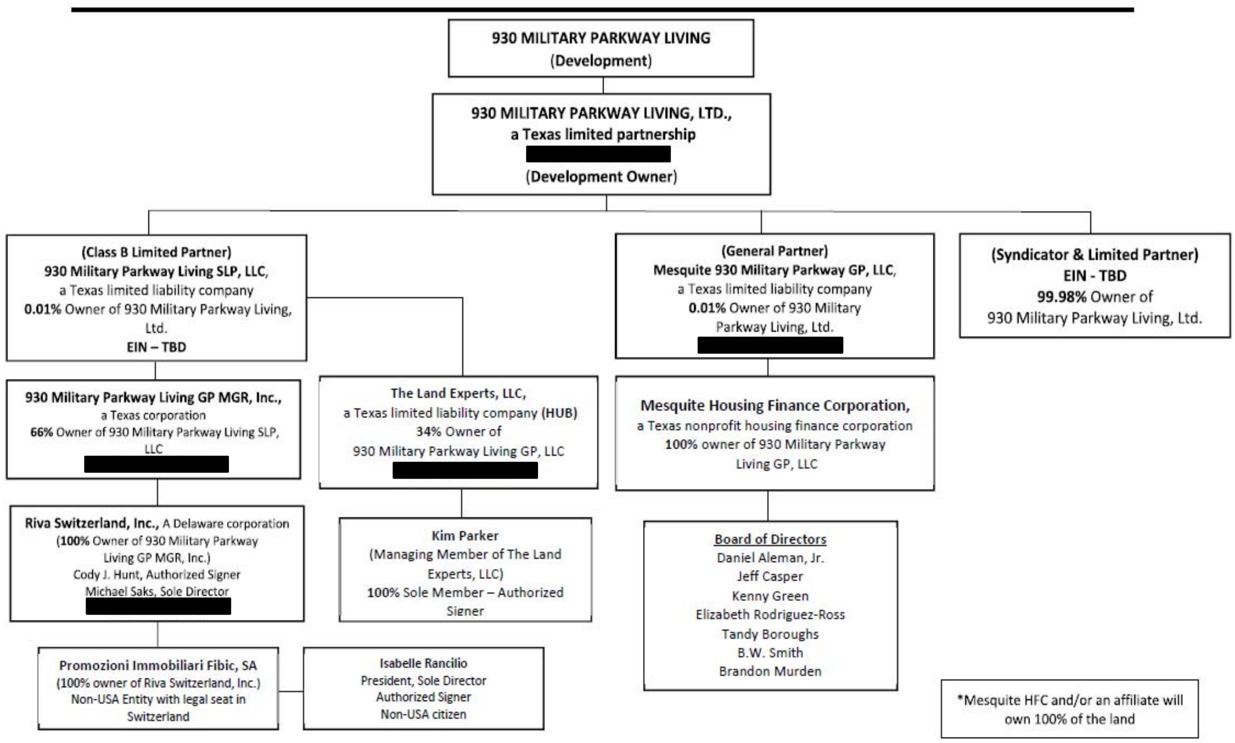
Cody J. Hunt has Ability to Exercise Control

930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE
(2024 9% Housing Tax Credit Application)



NEW OWNERSHIP STRUCTURE

930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE
(2024 9% Housing Tax Credit Application)



Operating Pro Forma

Underwriter is using the most current 2025 program rent limits for 9% HTC and 2025 limits for NHTF.

The Applicant submitted a rent schedule using the 2024 program rent limits for 9% HTC however, the Underwriter updated the Applicant's rent schedule with the 2025 HTC rents.

Effective Gross Income increased by $113K, Total expenses decreased by $93K, and as a result, Net Operating Income increased by $207K.

Applicant is not expecting to collect full market rate for their market rent units which also affects the 80% units not collecting max program limits.

The Applicant is discounting their TC80 units by 8% two-bedroom and 6% three-bedroom units to the maximum net program rent collected.

Tax exemption is now expected for this property because of the inclusion of the Mesquite Housing Finance Corporation as the General Partner in the ownership structure.

Without the tax exemption, DCR falls to 0.84 resulting in negative cash flow which would characterize the development as infeasible.

Insurance quote provided for $700/per unit.

Development Cost

Site work costs were most affected from previous underwriting with an increase of $2.46M

Total Housing Development Costs have increased by $3.1M

Developer Fee has decreased by $11K.

A Schedule of Values or contract bid was not provided, therefore, the Underwriter re-costed out the building using the Architectural Drawings provided in the application with the 2025 Marshall and Swift's costs.

Underwriter adjusted the base cost for a 5-story build.

Building cost decreased by $187k.

Sources of Funds

The construction to perm loan lender did not change (Regions Bank - HUD 221(d)4) but the Construction to Perm loan increased from $13M to $14.3M and the interest rate increased from 5.25% to 5.75%.

The senior financing is a FHA 221(d)4 construction-to-permanent loan and has a separate MIP fee of 0.25%.

Application was submitted with MDL construction interest of 2% - per Multifamily Direct Loan rule 13.8(b)(2) "No interest will accrue during the construction term;"

Underwriter adjusted construction interest from 2% to 0%.

The equity bridge loan lender did not change (Regions Bank). Equity bridge loan decreased from $14.5M to $12.9M and the interest rate increased from 5% to 6.85%.

The equity investor remains Region Bank and the capital contribution decreased by $600K and the credit price decreasing from $0.91 to $0.88.

Applicant is now including $4M MDL NHTF loan construction to permanent loan 0% during construction and 2% in the permanent period. TDHCA will be in the third lien position during construction and in the second lien during the permanent period.

The deferred developer fee has decreased by $1.5M and pays off in three years.
The Debt Coverage Ratio on the senior debt is 1.20. The Combined DCR for a Multifamily Direct Loan subordinate to FHA debt is determined based on 75% of Surplus Cash remaining after the senior debt service. The Combined DCR is 1.00 as required by the QAP.

Underwriter adjusted the amortization period from 40 to 35 years. During the 40-year period, the DCR exceeded the maximum allowable 1.5x and adjusting the amortization to 35 years resolved the issue.

Underwriter recommends a second lien, fully amortized Multifamily Direct Loan of $4,000,000 at 2% interest, 40 year term, and a 35 year amortization period. Under these terms, the annualized debt service payment is $159,006. The construction term is assumed at 24 months.
The MDL funding is 2025-1 NHTF funds.

The original annual 9% HTC allocation of $2,000,000 is still recommended.

Underwriter:	*Travis Mason*
Manager of Real Estate Analysis:	*Robert Castillo*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

LOCATION DATA

CITY:	Mesquite
COUNTY:	Dallas
Area Median Income	$117,300
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2025

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	NHTF	ARP	Match
Eff	-	0.0%	0	0	0	0
1	30	27.0%	0	6	0	3
2	62	55.9%	0	9	0	6
3	19	17.1%	0	3	0	1
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	**111**	**100.0%**	**-**	**18**	**-**	**10**

PRO FORMA ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	83.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	940 sf

54%	**Income**	20%	30%	40%	50%	60%	70%	80%	EO / MR	**TOTAL**
Average Income	**# Units**	-	19	-	38	13	12	13	16	**111**
	% Total	0.0%	17.1%	0.0%	34.2%	11.7%	10.8%	11.7%	14.4%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		MFDL NHTF Units		Match Units	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Match Units	# 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%	$660	NHTF 30%	$660		6	1	1	750	$660	$65	$595	$0	$0.79	$595	**$3,570**	**$3,570**	$595	$0.79	$0	$1,624	$2.17	$1,804
TC 30%	$660				1	1	1	750	$660	$65	$595	$0	$0.79	$595	**$595**	**$595**	$595	$0.79	$0	$1,624	$2.17	$1,804
TC 50%	$1,100			3	22	1	1	750	$1,100	$65	$1,035	$0	$1.38	$1,035	**$22,770**	**$22,770**	$1,035	$1.38	$0	$1,624	$2.17	$1,804
MR					1	1	1	750	$0	$65		NA	$2.17	$1,624	**$1,624**	**$1,624**	$1,624	$2.17	NA	$1,624	$2.17	$1,804
TC 30%	$792	NHTF 30%	$792		8	2	2	960	$792	$86	$706	$0	$0.74	$706	**$5,648**	**$5,648**	$706	$0.74	$0	$1,869	$1.95	$2,077
TC 30%	$792	NHTF 30%	$792		1	2	2	1,005	$792	$86	$706	$0	$0.70	$706	**$706**	**$706**	$706	$0.70	$0	$1,869	$1.86	$2,077
TC 50%	$1,320			1	16	2	2	960	$1,320	$86	$1,234	$0	$1.29	$1,234	**$19,744**	**$19,744**	$1,234	$1.29	$0	$1,869	$1.95	$2,077
TC 60%	$1,584			5	12	2	2	960	$1,584	$86	$1,498	$0	$1.56	$1,498	**$17,976**	**$17,976**	$1,498	$1.56	$0	$1,869	$1.95	$2,077
TC 70%	$1,848				12	2	2	960	$1,848	$86	$1,762	$0	$1.84	$1,762	**$21,144**	**$21,144**	$1,762	$1.84	$0	$1,869	$1.95	$2,077
TC 80%	$2,112				10	2	2	960	$2,112	$86	$2,026	($157)	$1.95	$1,869	**$18,690**	**$18,690**	$1,869	$1.95	($157)	$1,869	$1.95	$2,077
MR					3	2	2	1,005	$0	$86		NA	$1.86	$1,869	**$5,607**	**$5,607**	$1,869	$1.86	NA	$1,869	$1.86	$2,077
TC 30%	$915	NHTF 30%	$915		3	3	2	1,164	$915	$107	$808	$0	$0.69	$808	**$2,424**	**$2,424**	$808	$0.69	$0	$2,182	$1.87	$2,424
TC 60%	$1,830			1	1	3	2	1,164	$1,830	$107	$1,723	$0	$1.48	$1,723	**$1,723**	**$1,723**	$1,723	$1.48	$0	$2,182	$1.87	$2,424
TC 80%	$2,440				3	3	2	1,164	$2,440	$107	$2,333	($151)	$1.87	$2,182	**$6,546**	**$6,546**	$2,182	$1.87	($151)	$2,182	$1.87	$2,424
MR					12	3	2	1,164	$0	$107		NA	$1.87	$2,182	**$26,184**	**$26,184**	$2,182	$1.87	NA	$2,182	$1.87	$2,424
TOTALS/AVERAGES:					**111**			**104,316**				**($18)**	**$1.49**	**$1,396**	**$154,951**	**$154,951**	**$1,396**	**$1.49**	**($18)**	**$1,856**	**$1.98**	**$2,063**
ANNUAL POTENTIAL GROSS RENT:															**$1,859,412**	**$1,859,412**						

*MFDL units float among Unit Types

** Match Units will be restricted at 50 percent income / LOW HOME rents, and 60 percent income/HIGH HOME rents.

STABILIZED PRO FORMA

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

	STABILIZED FIRST YEAR PRO FORMA															
	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		Dallas County Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.49	$1,396	$1,859,412	**$1,737,012**	**$1,737,012**	$1,859,412	$1,396	$1.49		0.0%	$0
Application, Pet, Late, and NSF Fees							$25.00	$33,300	21,108							
Laundry, Vending, Cable							$0.00	$0	12,120							
Total Secondary Income							$25.00			33,228	$33,300	$25.00			0.0%	$0
POTENTIAL GROSS INCOME								$1,892,712	$1,770,240	$1,770,240	$1,892,712				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(141,953)	(132,768)	(132,768)	(141,953)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$1,750,759	$1,637,472	$1,637,472	$1,750,759				0.0%	$0
General & Administrative	$66,963	$603/Unit	$85,414	$769	4.49%	$0.75	$708	$78,570	$48,094	$59,748	$85,414	$769	$0.82	4.88%	-8.0%	(6,844)
Management	$54,409	3.1% EGI	$58,548	$527	4.00%	$0.67	$631	$70,030	$81,874	$81,874	$70,030	$631	$0.67	4.00%	0.0%	-
Payroll & Payroll Tax	$160,404	$1,445/Unit	$176,172	$1,587	9.87%	$1.66	$1,556	$172,769	$161,969	$160,404	$176,172	$1,587	$1.69	10.06%	-1.9%	(3,403)
Repairs & Maintenance	$89,442	$806/Unit	$78,508	$707	4.32%	$0.73	$682	$75,655	$75,654	$72,150	$72,150	$650	$0.69	4.12%	4.9%	3,505
Electric/Gas	$31,611	$285/Unit	$15,166	$137	1.21%	$0.20	$191	$21,241	$21,241	$19,221	$15,166	$137	$0.15	0.87%	40.1%	6,075
Water, Sewer, & Trash	$95,238	$858/Unit	$95,033	$856	4.51%	$0.76	$711	$78,973	$63,373	$77,255	$95,033	$856	$0.91	5.43%	-16.9%	(16,060)
Property Insurance	$75,197	$0.72 /sf	$99,596	$897	4.44%	$0.74	$700	$77,700	$77,700	$77,700	$77,700	$700	$0.74	4.44%	0.0%	-
Property Tax (@ 0%) 2.334446	$130,498	$1,176/Unit	$118,297	$1,066	0.00%	$0.00	$0	$0	$138,750	$138,750	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements					1.59%	$0.27	$250	$27,750	$27,750	$27,750	$27,750	$250	$0.27	1.59%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.22%	$0.04	$34	$3,800	$3,520	$3,520	$3,800	$34	$0.04	0.22%	0.0%	-
TOTAL EXPENSES					**34.64%**	**$5.81**	**$5,464**	**$606,488**	**$699,925**	**$718,373**	**$623,215**	**$5,615**	**$5.97**	**35.60%**	**-2.7%**	**$ (16,726)**
NET OPERATING INCOME ("NOI")					**65.36%**	**$10.97**	**$10,309**	**$1,144,270**	**$937,547**	**$919,099**	**$1,127,544**	**$10,158**	**$10.81**	**64.40%**	**1.5%**	**$ 16,726**

CONTROLLABLE EXPENSES	$3,849/Unit		$3,999/Unit

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR														Cumulative	
DEBT (Must Pay)	**Fee**	UW	App	Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Regions Bank - HUD 221(d)(4)	0.25%	1.19	1.20	950,186	5.75%	40	40.0	$14,300,000	$13,072,400	$13,072,400	$14,300,000	40.0	40.0	5.75%	$950,185	1.2	39.7%
TDHCA MFDL 2025-1		1.03	1.04	$145,356	2.00%	40	40.0	$4,000,000			$4,000,000	40.0	35.0	2.00%	$159,006	1.0	11.1%
CASH FLOW DEBT / GRANTS																	
City of Mesquite		1.03	1.04		0.00%	0	0.0	$500	$500	$500	$500	0.0	0.0	0.00%		1.0	0.0%
				$1,095,542	**TOTAL DEBT / GRANT SOURCES**			**$18,300,500**	**$13,072,900**	**$13,072,900**	**$18,300,500**	**TOTAL DEBT SERVICE**			**$1,109,191**	**1.0**	50.8%
NET CASH FLOW		$32,002	$48,728								**APPLICANT**	**NET OPERATING INCOME**		**$1,144,270**	**$35,079**	**NET CASH FLOW**	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Regions Bank	LIHTC Equity	48.8%	$2,000,000	$0.88	$17,598,240	$18,198,180	$18,198,180	$17,598,240	$0.88	$2,000,000	48.8%	$18,018	Previous Allocation
GP Equity	GP Equity	0.0%			$100	$100	$100	$100			0.0%		
RIVA, MHFC, and TLE HUB	Deferred Developer Fees	0.4%	(4% Deferred)		$134,475	$1,639,669	$1,628,426	$134,475	(4% Deferred)		0.4%	**Total Developer Fee:**	**$3,719,186**
Additional (Excess) Funds Req'd		0.0%						$0			0.0%		
TOTAL EQUITY SOURCES		49.2%			$17,732,815	$19,837,949	$19,826,706	$17,732,815			49.2%		
TOTAL CAPITALIZATION					**$36,033,315**	**$32,910,849**	**$32,899,606**	**$36,033,315**			**15-Yr Cash Flow after Deferred Fee:**		**$2,348,145**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					Prior Underwriting		TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis										Eligible Basis			
	Acquisition	New Const. Rehab	Total Costs			Applicant	TDHCA	Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$14,414 / Unit	$1,600,000	$1,600,000	$1,600,000	$1,600,000	$14,414 / Unit				0.0%	$0
Broker Fees					$48,000	$48,000	$48,000	$48,000					0.0%	$0
Off-Sites		$0		$ / Unit	$0	$0	$0	$0	$ / Unit		$0		0.0%	$0
Site Work		$3,751,471		$33,797 / Unit	$3,751,471	$1,293,473	$1,293,473	$3,751,471	$33,797 / Unit		$3,751,471		0.0%	$0
Site Amenities		$973,430		$8,770 / Unit	$973,430	$967,242	$967,242	$973,430	$8,770 / Unit		$973,430		0.0%	$0
Building Cost		$15,444,231	$148.05 /sf	$139,137/Unit	$15,444,231	$15,630,948	$15,453,840	$13,859,348	$124,859/Unit	$132.86 /sf	$13,859,348		11.4%	$1,584,883
Contingency		$862,175	4.27%	4.27%	$862,175	$758,376	$758,376	$862,175	4.64%	4.64%	$862,175		0.0%	$0
Contractor Fees		$2,794,365	13.29%	13.29%	$2,794,365	$2,504,833	$2,504,833	$2,722,499	14.00%	14.00%	$2,722,499		2.6%	$71,866
Soft Costs	$0	$2,265,328		$22,717 / Unit	$2,521,578	$2,663,071	$2,663,071	$2,521,578	$22,717 / Unit		$2,265,328	$0	0.0%	$0
Financing	$0	$1,416,813		$26,654 / Unit	$2,958,543	$2,423,992	$2,423,992	$2,958,543	$26,654 / Unit		$1,416,813	$0	0.0%	$0
Developer Fee	$0	$3,719,186	13.52%	13.52%	$3,719,186	$3,730,429	$3,692,620	$3,719,186	14.39%	14.39%	$3,719,186	$0	0.0%	$0
Reserves				10 Months	$1,360,336	$1,290,485	$1,290,485	$1,360,336	9 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$31,226,999**		$324,624 / Unit	**$36,033,315**	**$32,910,849**	**$32,695,932**	**$34,376,566**	$309,699 / Unit		**$29,570,250**	**$0**	**4.8%**	**$1,656,749**
Acquisition Cost	$0				$0	$0								
Contingency		$0			$0	$0								
Contractor's Fee		$0			$0	$0								
Financing Cost		$0												
Developer Fee	$0	$0			$0	($11,243)								
Reserves					$0	$0								
ADJUSTED BASIS / COST	**$0**	**$31,226,999**		$324,624/unit	**$36,033,315**	**$32,899,606**	**$32,695,932**	**$34,376,566**	$309,699/unit		**$29,570,250**	**$0**	**4.8%**	**$1,656,749**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$36,033,315**									

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$31,226,999	$0	$29,570,250
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$31,226,999	$0	$29,570,250
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$40,595,099	$0	$38,441,326
Applicable Fraction	83.00%	83.00%	83%	83%
TOTAL QUALIFIED BASIS	$0	$33,694,212	$0	$31,906,566
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$3,032,479	$0	$2,871,591
CREDITS ON QUALIFIED BASIS	$3,032,479		$2,871,591	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8799	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$3,032,479	$26,683,147	----	----	----
Needed to Fill Gap	$2,015,283	$17,732,715	----	----	----
Previous Allocation	$2,000,000	$17,598,240	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Elevator Served		104,316 SF	$102.72	10,714,911
Adjustments				
Exterior Wall Finish	3.60%		3.70	$385,737
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.45%		3.54	369,664
Roof Adjustment(s)			(0.25)	(26,079)
Subfloor			0.60	62,590
Floor Cover			3.68	383,883
Breezeways	$56.01	16,378	8.79	917,311
Balconies	$55.80	8,339	4.46	465,283
Plumbing Fixtures	$1,420	266	3.62	377,720
Rough-ins	$700	222	1.49	155,400
Built-In Appliances	$2,280	111	2.43	253,080
Exterior Stairs	$4,250	16	0.65	68,000
Heating/Cooling			3.12	325,466
Storage Space	$56.01	0	0.00	0
Carports	$21.40	3,240	0.66	69,336
Garages	$30.00	0	0.00	0
Common/Support Area	$125.67	5,325	6.42	669,214
Elevators	$247,819	2	4.75	495,638
Other:			0.00	0
Fire Sprinklers	$4.60	126,019	5.56	579,687
SUBTOTAL			**155.94**	**16,266,840**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**155.94**	**$16,266,840**
Plans, specs, survey, bldg permits	3.30%		(5.15)	($536,806)
Contractor's OH & Profit	11.50%		(17.93)	(1,870,687)
NET BUILDING COSTS		$124,859/unit	$132.86/sf	$13,859,348

Long-Term Pro Forma

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

	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%	$1,750,759	$1,785,774	$1,821,489	$1,857,919	$1,895,077	$2,092,319	$2,310,089	$2,550,525	$2,815,985	$3,109,075	$3,432,670	$3,789,946
TOTAL EXPENSES	3.00%	$606,488	$623,983	$641,988	$660,519	$679,591	$783,649	$903,844	$1,042,703	$1,203,148	$1,388,561	$1,602,859	$1,850,575
NET OPERATING INCOME ("NOI")		**$1,144,270**	**$1,161,791**	**$1,179,501**	**$1,197,400**	**$1,215,486**	**$1,308,670**	**$1,406,244**	**$1,507,821**	**$1,612,837**	**$1,720,514**	**$1,829,811**	**$1,939,371**
EXPENSE/INCOME RATIO		34.6%	34.9%	35.2%	35.6%	35.9%	37.5%	39.1%	40.9%	42.7%	44.7%	46.7%	48.8%
MUST -PAY DEBT SERVICE													
Regions Bank - HUD 221(d)(4)		$950,185	$949,949	$949,698	$949,433	$949,151	$947,477	$945,246	$942,273	$938,314	$933,039	$926,013	$916,652
TDHCA MFDL 2025-1		$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	$159,006	$159,006
TOTAL DEBT SERVICE		$1,109,191	$1,108,955	$1,108,704	$1,108,439	$1,108,158	$1,106,483	$1,104,252	$1,101,280	$1,097,320	$1,092,045	$1,085,019	$1,075,658
DEBT COVERAGE RATIO		0.99	1.00	1.01	1.02	1.04	1.10	1.17	1.24	1.32	1.40	1.48	1.80
ANNUAL CASH FLOW		**$35,079**	**$52,836**	**$70,797**	**$88,961**	**$107,329**	**$202,187**	**$301,993**	**$406,542**	**$515,517**	**$628,468**	**$744,792**	**$863,713**
Deferred Developer Fee Balance		$99,396	$46,560	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$24,238	$113,199	$220,528	$1,039,739	$2,348,145	$4,169,912	$6,527,856	$9,442,813	$12,932,920	$17,012,784

May 20th, 2025

Texas Department of Housing and Community Affairs

221 E. 11th Street

Austin, TX 78701

RE: 25504_24023 930 Military Parkway Living – Unit Mix and Site Acreage Change Material Amendment

To Whom it May Concern,

The purpose of this letter is to request approval of two changes to the originally proposed development. First, to change the unit mix to allow for the use of National Housing Trust Funds through THDCA's Multifamily Direct Loan Program. These additional funds are necessary to fill our financial gap that has come from increased construction costs, and rising interest rates. Second, to change the site acreage from 8.732 acres to 4.74 acres. This change is crucial to the success of the project and will greatly benefit the City of Mesquite.

UNIT MIX AMENDMENT

The Reason the Change is Necessary & Good Cause for the Change

930 Military Parkway has been in process since 2022. Due the site constraints mentioned below; to make the development work, it became necessary to increase the height of the development by one story before resubmitting our 9% housing tax credit application in March 2024. By increasing the development from four-stories to five-stories, the construction standards became one of a commercial development and became much more expensive. These expenses have continued to rise due to inflated construction pricing and interest rates continuing to rise. These factors resulted in a funding gap that we have been working to fill.

In March 2025, an application was submitted to TDHCA's 2025-1 NOFA. However, the NOFA is for National Housing Trust Funds which are only able to fund 30% units. To meet the minimum request amount of $4,000,000 the unit mix of the development had to shift significantly to make way for 10 additional 30% units. The development is now providing more affordable units than before and offering deeper affordability across the development.

Updated Exhibits

Please see attached updated rent schedule showing new unit mix. This has also been provided in the Multifamily Direct Loan application.

An explanation of whether the necessity of the amendment was reasonably foreseeable at the time of Application

When the initial application was submitted, we did not have National Housing Trust Funds layered into the financing structure. Once those funds were added into the capital stack, the unit mix had to change to account for the additional 30% units. There was no way to foresee the need for additional funding that required more deeply affordable units.

RESIDENTIAL DENSITY AMENDMENT

The Reason the Change is Necessary & Good Cause for the Change

930 Military Parkway has been in process since 2022. From initial communications with the landowners, it was clearly established that both parcels of the site must be acquired together. However, through the architectural and engineering process it was determined that only a portion of the front parcel was able to be developed due to the topography and flood zone of the back parcel. From the initial application submittal in March 2023, all improvements were located in the front parcel of the site out of the flood zone.

As mentioned in the previous amendment, these factors resulted in a funding gap that we have been working to fill. In addition to applying for MFDL funds through TDHCA, we have been working with the City of Mesquite on an impact fee waiver structure. In lieu of a Parkland Dedication fee, the City has agreed to the donation of the undeveloped second parcel as Parkland.

This change of site acreage does not fundamentally change the development in any way other than the residential density. The residential density will increase from approximately 13 units per acre to 24 units per acre. Despite this change, the site plan remains exactly the same as our initial application and MFDL application. The Parkland Dedication fee waiver is crucial to filling the financial gap of the development and the City of Mesquite is looking forward to maintaining the other parcel as Parkland.

Updated Exhibits

Please see attached letter from the City of Mesquite acknowledging the dedication of the second parcel of the site and the subsequent fee waiver. Also attached is the site plan and the map of the parcel that is being dedicated to show the site plan will not be changing.

An explanation of whether the necessity of the amendment was reasonably foreseeable at the time of Application

When the initial application was submitted, we did not have confirmation that the City of Mesquite would allow us to dedicate the back parcel of the site in lieu of Parkland Dedication fees. Now that we have confirmation, we can move forward developing on solely the front portion of the site. It was not reasonably foreseeable that the City would agree to this structure but is now essential to the financial feasibility of the development.

We have also sent the required application fee via FedEx with check #676 paid by Riva Switzerland, Inc.

We request that this amendment be approved. If you have any questions, please do not hesitate to contact me via email at chunt@rivaswitzerland.com.

Best Regards,

Cody Hunt

Authorized Representative

MESQUITE
TEXAS
Real. Texas. Flavor.

April 30, 2025

Cody J. Hunt
Authorized Representative
930 Military Parkway Living, Ltd.
13455 Noel Road, Suite 400
Dallas, Texas 75240

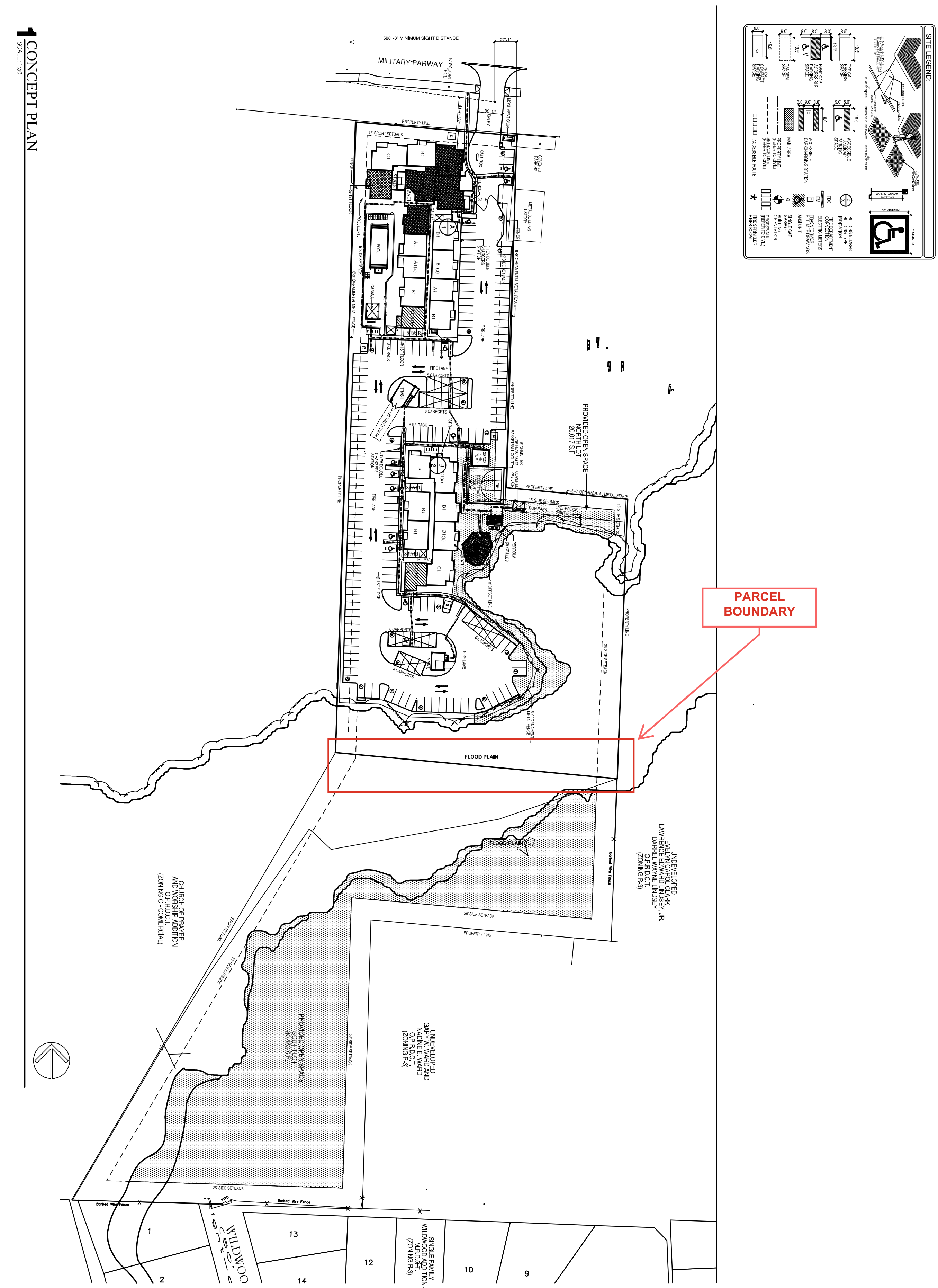
Dear Mr. Hunt,

Please accept this letter as formal acknowledgment that 930 Military Parkway Living, Ltd. will be dedicating a portion of their land to the City of Mesquite to address additional parkland needs for the community based on the impact of the Building Improvements as described in Article VI of the City of Mesquite's Subdivision Ordinance, Appendix B to the City's Code of Ordinances.

930 Military Parkway Living, Ltd. Is dedicating Dallas County Parcel ID 65034265410190100, approximately 3.998 acres, for City use. This land dedication will waive any Parkland Fee requirement for 930 Military Parkway Living, Ltd. As a property owner in Mesquite.

Sincerely,

Cliff Keheley, ICMA-CM
City Manager



SHEET NUMBER
A1-01a
CONCEPT PLAN
CASE NUMBER: Z0223-0296

PROJECT
22228

DATE
08-11-2023

HEDK ARCHITECTS
4595 EXCEL PARKWAY ADDISON, TX 75001
214.520.8878 hedk.com

TDHCA PACKAGE
01-11-2024

940 MILITARY PARKWAY LIVING

MESQUITE, TEXAS
940 MILITARY PARKWAY LIVING, LTD.

REVISIONS

NOT FOR REGULATORY APPROVAL, PERMITTING, OR CONSTRUCTION

Shackelford
A LIMITED LIABILITY PARTNERSHIP
ATTORNEYS & COUNSELORS

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Fourth Floor
Dallas, Texas 75231
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(214) 780-1401 (Fax
msnedden@shackelford.law

May 21, 2025

Ms. Lucy Weber
Texas Department of Housing and Community Affairs
Asset Management Division
221 East 11th Street
Austin, Texas 78701-2410

Re: TDHCA Project No. 24023; 930 Military Parkway Living (the "**Project**");
Our File No. 52265.1

Dear Ms. Weber:

This law firm represents 930 Military Parkway Living, Ltd. ("**Applicant**"). The Applicant has requested that I prepare this letter, pursuant to Section 10.406 of the Texas Administrative Code describing a proposed ownership transfer to the Texas Department of Housing and Community Affairs ("**TDHCA**") and requesting TDHCA's approval of the contemplated transfer.

On behalf of Applicant, we are also writing to the TDHCA to request a waiver of §11.9(b)(2), Sponsor. Due to extenuating circumstances out the Applicant's control, a change in the ownership structure is necessary. The waiver will allow the change in the ownership structure documented in this request to reflect the admission to Applicant of (i) a new general partner and (ii) a class b limited partner.

This waiver is needed because §11.9(b)(2) states the HUB (defined hereinafter) must have ownership interest in the general partner. Under the proposed structure the HUB will have interest in the lass b limited partner member, but will perform the same duties, materially participate and be functionally equivalent to the general partner.

In its tax credit Application to TDHCA, the Applicant identified its general partner as 930 Military Parkway Living GP, LLC (the "**Initial General Partner**"), owned 70% by 930 Military Parkway Living GP MGR, Inc. ("**GP MGR**") and 30% by The Land Experts, LLC ("**TLE**"), which is acting as the HUB in the transaction ("**HUB**") (collectively, the "**Initial GP Members**").

To protect the long-term feasibility of the Project, the Applicant now desires to make certain changes to utilize a 100% ad valorem tax exemption for the Project, including:

- Replacing the Initial General Partner with Mesquite 930 Military Parkway GP, LLC, a Texas limited liability company ("**Mesquite 930 GP**"), which is wholly owned by Mesquite Housing Finance Corporation ("**MHFC**") and MHFC will act as a co-developer. An affiliate of MHFC will also own the fee estate in the Project and act as the ground lessor under a Ground Lease to be entered into with the Applicant.

- Adding 930 Military Parkway Living SLP, LLC (the "**Class B Partner**") as the class b limited partner of the Applicant to accommodate the addition of Mesquite 930 GP and the 100% ownership of Mesquite 930 GP by MHFC. The Class B Limited Partner will be owned by the Initial GP Members. We have updated the organizational charts accordingly in the package.

We are submitting this letter and the enclosed change of ownership application to seek TDHCA's approval of the transfer of the Property. Per TDHCA's change of ownership requirements, we have enclosed the following documentation:

Tab 1.	Letter of Explanation.	Provided herein.
Tab 2.	Ownership Transfer Information.	Enclosed.
Tab 3.	Pre-Transfer and Post-Transfer Organizational Charts.	Enclosed.
Tab 4.	New Organizational Chart Information.	Enclosed.
Tab 5.	Uniform Previous Participation.	Enclosed.
Tab 6.	Agreements Among Parties to the Transfer.	Enclosed: Assignment & Assumption of Interests in General Partner. [The Partnership's Amended and Restated Limited Partnership Agreement and the Ground Lease will be provided upon receipt].
Tab 7.	Certificate of Tenant Notification.	N/A
Tab 8.	Credit Limit Certification Form.	Enclosed.
Tab 9.	Owner Certification Form.	Enclosed.
Tab 10.	Certification of Financial Statements	Not Applicable .
Exhibit A	Organizational Documents.	Enclosed.
Exhibit B	**through Exhibit G**	Not Applicable.

A material amendment request is being submitted simultaneously with the above request, along with a check for $2,500. We have been advised that the $1,000 transfer request fee can be waived in this instance. If you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

Michelle Snedden

R:\SHACKLAW\Military Parkway (52265)\1 - Organization & Maintenance\TDHCA Transfer\Tab 1 - Letter of Explanation.final.doc

Cody J. Hunt has Ability to Exercise Control

Pre-Transfer

930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE
(2023 9% Housing Tax Credit Application)

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930 MILITARY PARKWAY LIVING
(**Development**)

930 MILITARY PARKWAY LIVING, LTD., a to be formed Texas limited partnership
EIN - TBD
(**Development Owner**)

(General Partner)
930 Military Parkway Living GP, LLC,
a to be formed Texas limited liability company
EIN - TBD
0.01% Owner of
Development Owner

(Syndicator & Limited Partner)
EIN - TBD
99.99% Owner of
Development Owner

930 Military Parkway Living GP MGR, Inc.,
a to be formed Texas corporation
EIN – TBD
Co-Manager and **70%** Owner of
General Partner

The Land Experts, LLC,
a Texas limited liability company
(HUB)
EIN [redacted]
Co-Manager and **30%** Owner of
General Partner

Kim Parker
(Managing Member of
The Land Experts, LLC)
Sole Member – Authorized Signer

Riva Switzerland, Inc.
EIN – [redacted]
(**100%** Owner of
930 Military Parkway Living GP MGR, Inc.)
Cody J. Hunt, Authorized Signer
Michael Saks, Sole Director

Promozioni Immobiliari Fibic, SA
(**100%** owner of Riva Switzerland, Inc.)
Non-USA Entity with legal seat in
Switzerland

Isabelle Rancilio
50% Owner – a Non-USA citizen
Guido Rancilio
50% Owner – a Non-USA citizen

Cody J. Hunt has Ability to Exercise Control

930 MILITARY PARKWAY LIVING DEVELOPER STRUCTURE
(2023 9% Housing Tax Credit Application)

930 MILITARY PARKWAY LIVING
(**Development**)

930 Military Parkway Living Development, LLC,
a to be formed Texas limited liability company
EIN – TBD
(**90%** Co-Developer)

Riva Switzerland, Inc.
EIN – [redacted]
(**100%** Owner of
930 Military Parkway Living Development, LLC)
Cody J. Hunt, Authorized Signer
Michael Saks, Sole Director

Promozioni Immobiliari Fibic, SA
(100% owner of Riva Switzerland, Inc.)
Non-USA Entity with legal seat in
Switzerland

Isabelle Rancilio
50% Owner – a Non-USA citizen
Guido Rancilio
50% Owner – a Non-USA citizen

The Land Experts, LLC
(HUB)
EIN – [redacted]
Co-Manager and **30%** Owner of
General Partner
(**10%** Co-Developer)

Kim Parker
(Managing Member of
The Land Experts, LLC)
Sole Member – Authorized Signer

Post-Transfer Organization Chart

Cody J. Hunt has Ability to Exercise Control

930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE
(2024 9% Housing Tax Credit Application)

930 MILITARY PARKWAY LIVING
(**Development**)

930 MILITARY PARKWAY LIVING, LTD.,
a Texas limited partnership
EIN – [redacted]
(**Development Owner**)

(Class B Limited Partner)
930 Military Parkway Living SLP, LLC,
a Texas limited liability company
0.01% Owner of 930 Military Parkway Living, Ltd.
EIN – TBD

(General Partner)
Mesquite 930 Military Parkway GP, LLC,
a Texas limited liability company
0.01% Owner of 930 Military Parkway Living, Ltd.
EIN – [redacted]

(Syndicator & Limited Partner)
EIN - TBD
99.98% Owner of
930 Military Parkway Living, Ltd.

930 Military Parkway Living GP MGR, Inc.,
a Texas corporation
66% Owner of 930 Military Parkway Living SLP, LLC
EIN – [redacted]

The Land Experts, LLC,
a Texas limited liability company **(HUB)**
34% Owner of
930 Military Parkway Living SLP, LLC
EIN – [redacted]

Mesquite Housing Finance Corporation,
a Texas nonprofit housing finance corporation
100% owner of
Mesquite 930 Military Parkway GP, LLC

Riva Switzerland, Inc., A Delaware corporation
(**100%** Owner of 930 Military Parkway Living GP MGR, Inc.)
Cody J. Hunt, Authorized Signer
Michael Saks, Sole Director
EIN [redacted]

Kim Parker
(Managing Member of The Land Experts, LLC)
100% Sole Member – Authorized Signer

<u>**Board of Directors**</u>
Daniel Aleman, Jr.
Jeff Casper
Kenny Green
Elizabeth Rodriguez-Ross
Tandy Boroughs
B.W. Smith
Brandon Murden

Promozioni Immobiliari Fibic, SA
(**100%** owner of Riva Switzerland, Inc.)
Non-USA Entity with legal seat in Switzerland

Isabelle Rancilio
President, Sole Director
Authorized Signer
Non-USA citizen

*Mesquite HFC and/or an affiliate will own 100% of the land

Cody J. Hunt has Ability to Exercise Control

930 MILITARY PARKWAY LIVING DEVELOPER STRUCTURE
(2024 9% Housing Tax Credit Application)

930 MILITARY PARKWAY LIVING
(**Development**)

930 Military Parkway Living Development, LLC
a Texas limited liability company
EIN [redacted]
(**62%** Co-Developer)

Riva Switzerland, Inc., a Delaware corporation
(**100%** Owner of
930 Military Parkway Living Development, LLC)
Cody J. Hunt, Authorized Signer
Michael Saks, Sole Director
EIN [redacted]

Promozioni Immobiliari Fibic, SA
(**100%** owner of Riva Switzerland, Inc.)
Non-USA Entity with legal seat in
Switzerland

Isabelle Rancilio
President, Sole Director
Authorized Signer
Non-USA citizen

The Land Experts, LLC,
a Texas limited liability company **(HUB)**
EIN [redacted]
(**8%** Co-Developer)

Kim Parker
(Managing Member of
The Land Experts, LLC)
100% Sole Member – Authorized Signer

Mesquite Housing Finance Corporation,
a Texas nonprofit housing finance corporation
(**30%** Co-Developer)

Board of Directors
Daniel Aleman, Jr.
Jeff Casper
Kenny Green
Elizabeth Rodriguez-Ross
Tandy Boroughs
B.W. Smith
Brandon Murden

*Mesquite HFC and/or an affiliate will own 100% of the land

RESOLUTION NO. 07-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, SUPPORTING 930 MILITARY PARKWAY LIVING, LTD'S APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (THE "TDHCA"), FOR THE CONSTRUCTION OF AN APPROXIMATELY 111-UNIT AFFORDABLE MULTI-FAMILY RENTAL HOUSING DEVELOPMENT TO BE LOCATED AT 930 MILITARY PARKWAY, IN ACCORDANCE WITH CHAPTER 2306 OF THE TEXAS GOVERNMENT CODE; AND AUTHORIZING THE CITY SECRETARY TO CERTIFY THE RESOLUTION TO THE TDHCA.

WHEREAS, 930 Military Parkway Living, Ltd. (the "**Applicant**"), proposed the construction of an approximately 111-unit affordable multi-family rental housing development located at 930 Military Parkway in the City of Mesquite in Dallas County (the "**Development**") that was adopted on February 19, 2024, pursuant to Resolution No. 10-2024; and

WHEREAS, the Applicant submitted an application to the Texas Department of Housing and Community Affairs ("**TDHCA**") for 2024 Competitive 9% Housing Tax Credits for the Proposed Development (the "**Application**"); and

WHEREAS, the Applicant is currently seeking approval of an organizational change from TDHCA to allow for a public-private partnership with Mesquite Housing Finance Corporation (the "**TDHCA Approval**"); and

WHEREAS, the City of Mesquite ("**City**"), acting through its governing body ("**City Council**"), previously approved the following Resolutions in support of the Development: (a) Resolution No. 02-2023, dated January 17, 2023, for 2023 competitive 9% housing tax credits program; and (b) Resolution No. 10-2024, dated February 19, 2024, for 2024 competitive 9% housing tax credits program

WHEREAS, subject to receipt of the TDHCA Approval, the Applicant intends to structure the Development to allow for a 100% property tax exemption under Chapter 394 of the Texas Local Government Code (the "**Code**"); and

WHEREAS, the City, acting through its governing body, continues to express its support for the aforementioned Development, and the terms and conditions of the application to TDHCA, including for a change in structure to allow for a property tax exemption.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. After due consideration of the information provided by the Applicant and public comment at a duly called and noticed public hearing, the City Council, as the governing body of the City, continues supporting approval of Applicant's application to the TDHCA, and the restructure sought by the Applicant to apply for a 100% property tax exemption, as permitted under applicable law, for the Development.

SECTION 2. This resolution is solely related to potential TDHCA financing for the proposed Development and is not a statement of approval for any other matter, including, but not limited to requirements of the City's Subdivision Ordinance, Zoning Ordinance, and other applicable regulations; Applicant has made no application for any permit as defined in Chapter 245 of the Texas Local Government Code.

SECTION 3. The City Secretary of the City of Mesquite, Texas, is hereby authorized, empowered, and directed to certify this resolution to the TDHCA. The City Manager is hereby authorized to provide correspondence to the TDHCA confirming the continued support of the Development.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on this 17th day of February 2025.

Signed by:
Daniel Alemán, Jr.
D999585317D142B...

Daniel Alemán, Jr.
Mayor

ATTEST:

DocuSigned by:
Sonja Land
C2518095973F46A...

Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:

Signed by:
David L. Paschall
666E18891208434...

David L. Paschall
City Attorney

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1084 **Agenda Date:** 7/10/2025 **Agenda #:** 15.

Presentation, discussion, and possible action on authority for processing of amendments to extend elderly restrictions past the Compliance Period as non-material amendments

RECOMMENDED ACTION

WHEREAS, 10 TAC §10.405(b)(2)(C) states that changes to the Target Population are material amendments to the Land Use Restriction Agreement (LURA);

WHEREAS, 10 TAC §11.1(d)(47) defines an Elderly Development as 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;

WHEREAS, under 10 TAC §11.1(d)(126) Target Population is the designation of types of housing populations which include Elderly Developments and those that are Supportive Housing, and 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;

WHEREAS, the LURA must have an Elderly Restriction in it to be Elderly because otherwise tenants cannot enforce the restrictions as required by §2306.269 of the Tex. Gov't Code, which states that the Department shall set standards for tenant and management selection by a housing sponsor;

WHEREAS, LURAs for Housing Tax Credit (HTC) developments from several award years require that the Elderly Restriction be in place throughout the Compliance Period, which is usually 15 years, but may be longer, and the Elderly Restriction does not run until the end of the term of the LURA;

WHEREAS, the Department has received requests, after the end of the Compliance Period, to amend the LURAs for several developments to extend the Elderly Requirement throughout the term of the LURA; and

WHEREAS, staff requests that the Board grant staff the authority to process the requests to extend the Elderly requirement as non-material amendments where the Elderly restrictions have expired within two years of the request, but the Owner has certified that the property has continued to operate as Elderly;

NOW, therefore, it is hereby

RESOLVED, that the requested authority for staff to process amendments to extend the Elderly Restrictions as non-material amendments 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

Texas Gov't Code §2306.185(d) states that the development restrictions provided by Subsection (a) and by Texas Gov't Code §2306.269 be enforceable by the Department, by tenants of the development, or by private parties against the initial owner or any subsequent owner. The Department must require a Land Use Restriction Agreement (LURA) providing for enforcement of the restrictions by the Department, a tenant, or a private party that includes the right to recover reasonable attorney's fees if the party seeking enforcement of the restriction is successful.

10 TAC §10.405(b)(2)(C) states that changes to the target population are material amendments to the LURA, requiring Board approval. Development owners seeking a material LURA amendment must submit the request and all required documentation necessary for staff's review of the request to the Department at least 45 calendar days prior to the Board meeting at which the amendment is anticipated to be considered.

10 TAC §11.1(d)(47) defines Elderly Development as 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.

10 TAC §11.1(d)(126) defines Target Population as the designation of types of housing populations that 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.

A LURA must have an Elderly Restriction in it for the development to be for the Elderly. This is because otherwise tenants cannot enforce the restrictions as required by statute. When the Elderly Restrictions expire, the development becomes a general population development under the statute and regulations, except if there is a different federal restriction requiring an Elderly population where the Department has signed a subordination agreement. In this case, if the federal restriction was present at application, staff has historically processed this type of amendment as a mutual mistake.

Over the years, the Qualified Allocation Plans have required that the Elderly Restriction be throughout the Compliance Period, which is usually 15 years but may be longer, or throughout the term of the LURA, and this requirement is reflected in the LURA. As a result, after the expiration of the Compliance Period, a change back to the previous Elderly Restriction would be considered a material amendment to the LURA. If the amendment to extend the Elderly Restriction is processed during the Compliance Period, while the Development is still restricted for the Elderly, this has historically not been considered a material amendment for a change to the Target Population, and staff has historically approved these non-material amendments.

Staff is requesting permission from the Board, that for developments where the Elderly restrictions have expired within two years of the amendment request to extend the Elderly Restriction and that the owner has certified that the property has continued to operate as Elderly and meets the requirements of the Housing for Older Persons Act, that staff be given the authority to process the transactions as a non-material amendment.

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*

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
RISE RESIDENTIAL CONSTRUCTION	§	TEXAS DEPARTMENT OF HOUSING
RIVERSIDE, LLC, MELISSA FISHER,	§	AND COMMUNITY AFFAIRS
SONOMA HOUSING ADVISORS, LLC, AND	§	
JAMES R. (BILL) FISHER	§	

FINAL ORDER OF DEBARMENT

General Remarks and official action taken:

On this 10th day of July, 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, Melissa Fisher, 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. 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. 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 a Consultant, as defined by 10 TAC §2.102.

4. Entities eligible for debarment by the Department include Responsible Parties, Consultants, and Vendors, under 10 TAC §2.401(a)

5. 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, and 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. 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 and/or 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 January 10, 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.

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Approved by the Governing Board of TDHCA on July 10th, 2025.

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

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

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 10th day of July, 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 10th day of July, 2025, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

____
Notary Public, State of Texas

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.

Original third-party inspection report produced by CA Partners, Inc.

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.

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.

4.3 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.**

Altered version submitted to TDHCA

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.

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

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.

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: *"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"*

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%

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		
	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												

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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

RISE

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**

RISE

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

RISE

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

RISE

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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10/9/2024 | 1:30 PM C

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)

CA

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.

Deleted: "by Change Orders"

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

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."

They changed the first sentence's font color to red (originally black), then added "Not correct." in red.

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.

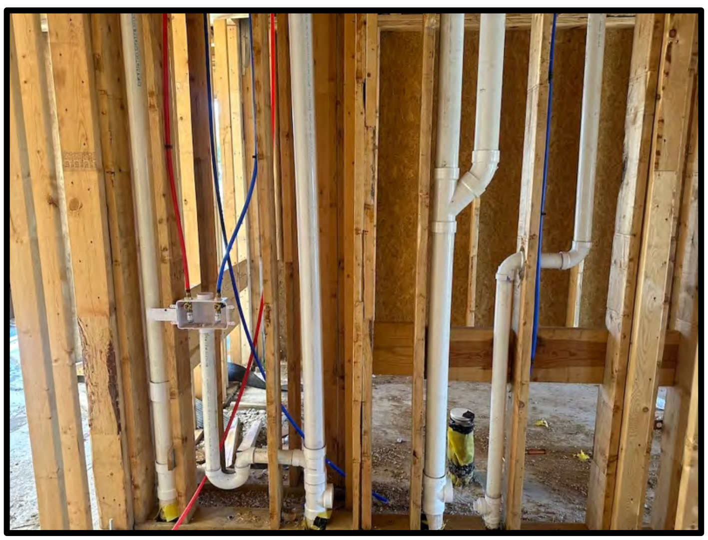
14. MEP rough in was complete at Building 3.

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.

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.

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

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

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

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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

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

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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

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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

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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

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
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

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
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

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
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

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
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

RISE

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**

RISE

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)	**Garland Housing Finance Corporation**	**Rise Residential Construction Riverside, LLC**
12532 Renoir Ln.	1675 W Campbell Rd	16812 Dallas Parkway
Dallas, Texas 75230	Garland, Texas 75044	Dallas, Texas 75248
		DocuSigned by: Melissa Fisher 55DFEC86AA5B469... 10/9/2024 | 1:30 PM C
SIGNATURE **DATE**	**SIGNATURE** **DATE**	**SIGNATURE** **DATE**

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

RISE

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...
10/9/2024 | 1:30 PM C

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

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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? 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.

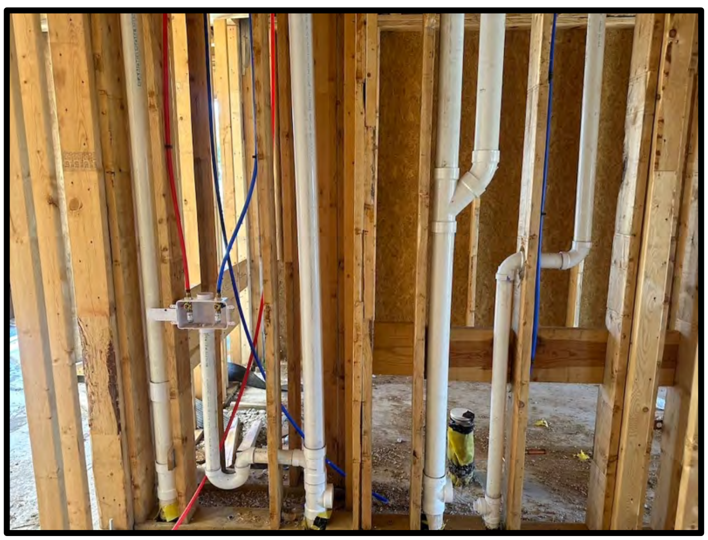
14. MEP rough in was complete at Building 3.

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.

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 ATTN: Alexa Delerme	From: James Benson, Senior Project Manager 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 ☒

<u>Construction Schedule:</u>

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

<u>Retainage:</u>

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?		

<u>Other:</u>

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

 CA Partners, Inc.

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.

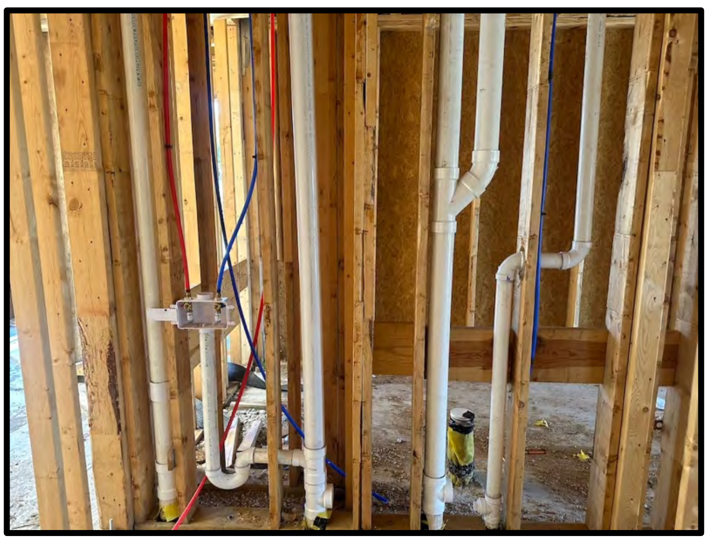
14. MEP rough in was complete at Building 3.

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 '24

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

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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

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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	($306,140.26)	$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

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
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

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
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

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
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		
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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.

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)

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.

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

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: Shanelle Ce
My commission expires: 2-9-26

... CERRONE Notary Public, State of Texas Comm. Expires 02-09-20.. 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
				WORK COMPLETED						
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	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

Inspector notations shown in green below were deleted

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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	$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

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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 - 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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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: 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
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
04/05/2024 at 03:51 pm

Uploaded By
Joseph Welch

Upload Date
04/05/2024 at 06:55 pm

File Name
IMG_2024_04_05_15_51_29_883.j...

Description

Taken Date
04/05/2024 at 03:12 pm

Uploaded By
Joseph Welch

Upload Date
04/05/2024 at 06:55 pm

File Name
IMG_2024_04_05_15_12_23_898.j...

Description

Taken Date
04/05/2024 at 03:05 pm

Uploaded By
Joseph Welch

Upload Date
04/05/2024 at 06:55 pm

File Name
IMG_2024_04_05_15_05_00_575.j...

Description

Taken Date
04/04/2024 at 10:46 am

Uploaded By
Joseph Welch

Upload Date
04/04/2024 at 10:47 am

File Name
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

04/02/2024 at 12:00 pm

Uploaded By

Joseph Welch

Upload Date

04/02/2024 at 12:15 pm

File Name

20240402_120045.jpg

Description

Waterproofing corridors in bldg. 1, 2nd floor

Taken Date

04/01/2024 at 05:28 pm

Uploaded By

Joseph Welch

Upload Date

04/01/2024 at 05:28 pm

File Name

IMG_2024_04_01_17_28_41_305.j...

Description

Pouring bldg. 5 slab

Taken Date

03/23/2024 at 10:46 am

Uploaded By

Joseph Welch

Upload Date

03/23/2024 at 10:46 am

File Name

IMG_2024_03_23_10_46_44_324.j...

Description

Taken Date

03/23/2024 at 09:19 am

Uploaded By

Doug Robinson

Upload Date

03/23/2024 at 09:20 am

File Name

20240323_091934.jpg

RISE RESIDENTIAL CONSTRUCTION
CONDITIONAL WAIVER - SUBCONTRACTOR LIST

Page deleted from Q1 CSR that was submitted to TDHCA

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

RISE

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**

RISE

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

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 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

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	**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

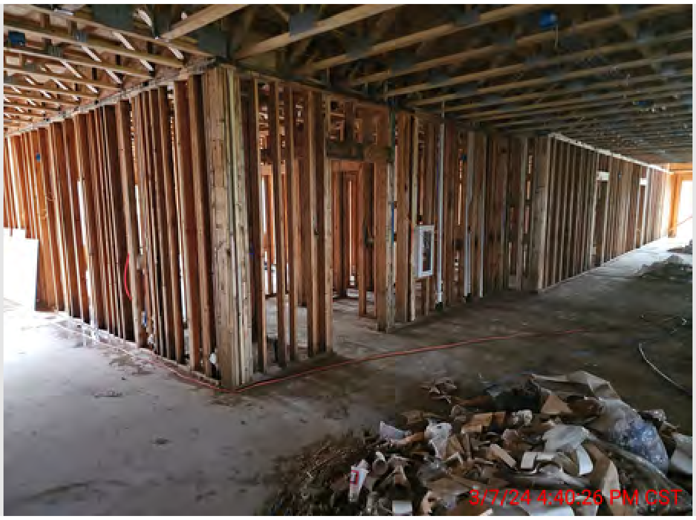
Taken Date	**Uploaded By**
03/08/2024 at 12:44 pm	Joseph Welch
Upload Date	**File Name**
03/08/2024 at 12:44 pm	IMG_2024_03_08_12_44_27_849.j...

RISE Residential Construction Riverside, LLC

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

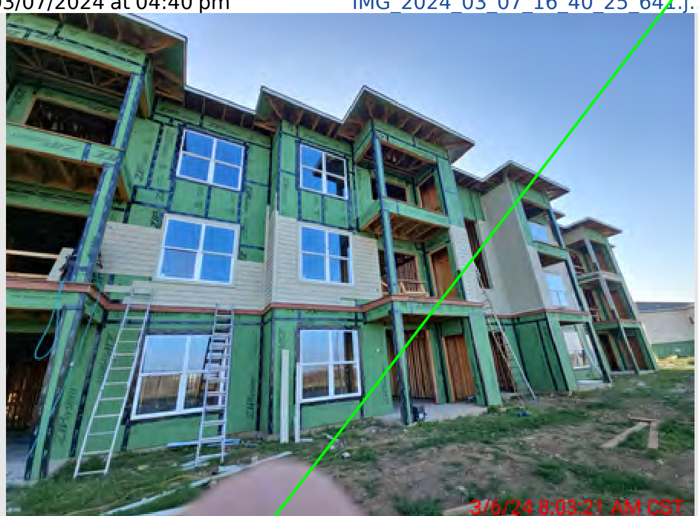
Joseph Welch

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: [signature] 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.

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 Ce
My commission expires: 2-9-26

SHAYLA CERRONE
Notary Public, State of Texas
Comm. Expires 02-09-20..
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
				WORK COMPLETED						
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	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

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
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
				WORK COMPLETED						
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	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
	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
				WORK COMPLETED						
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	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
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
				WORK COMPLETED						
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	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
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 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
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
04/05/2024 at 03:51 pm

Uploaded By
Joseph Welch

Upload Date
04/05/2024 at 06:55 pm

File Name
IMG_2024_04_05_15_51_29_883.j...

Description

Taken Date
04/05/2024 at 03:12 pm

Uploaded By
Joseph Welch

Upload Date
04/05/2024 at 06:55 pm

File Name
IMG_2024_04_05_15_12_23_898.j...

Description

Taken Date
04/05/2024 at 03:05 pm

Uploaded By
Joseph Welch

Upload Date
04/05/2024 at 06:55 pm

File Name
IMG_2024_04_05_15_05_00_575.j...

Description

Taken Date
04/04/2024 at 10:46 am

Uploaded By
Joseph Welch

Upload Date
04/04/2024 at 10:47 am

File Name
1DFF4B72-A8F0-4155-A288-426B...

RISE

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 ATTN: Alexa Delerme	From: James Benson, Senior Project Manager 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: <u>$1,647,778.34</u>

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.

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.

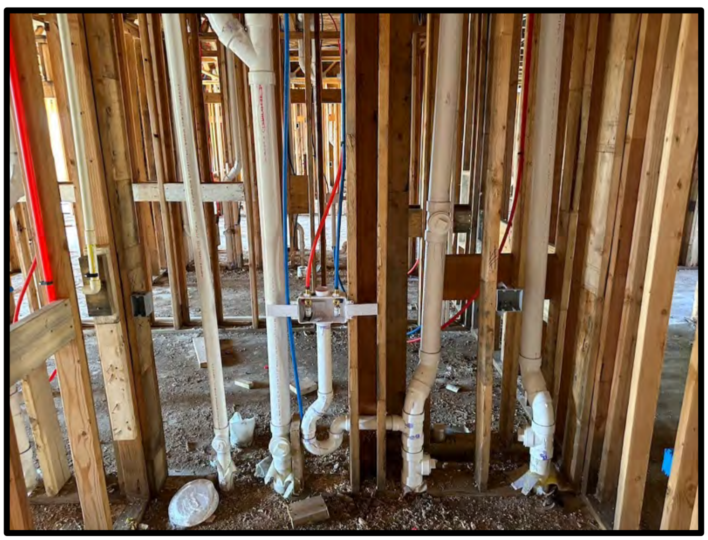
2. Electrical rough in was in progress at the Clubhouse.

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.

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: [signature]   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 day of 30th
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 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 - 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

A		B	C	D	E	F	G		H	I
				WORK COMPLETED						
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	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
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

A		B	C	D	E	F	G		H	I
				WORK COMPLETED						
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	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
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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				WORK COMPLETED						
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	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
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

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 - 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
				WORK COMPLETED						
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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
07/02/2024 at 04:58 pm

Uploaded By
Joseph Welch

Upload Date
07/02/2024 at 04:59 pm

File Name
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Description

Taken Date
07/02/2024 at 04:56 pm

Uploaded By
Joseph Welch

Upload Date
07/02/2024 at 04:56 pm

File Name
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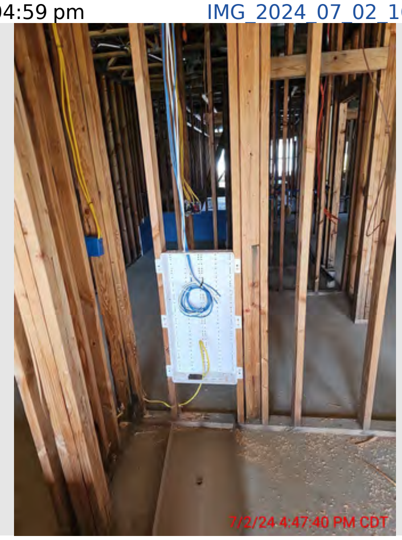

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Taken Date
07/02/2024 at 04:47 pm

Uploaded By
Joseph Welch

Upload Date
07/02/2024 at 04:47 pm

File Name
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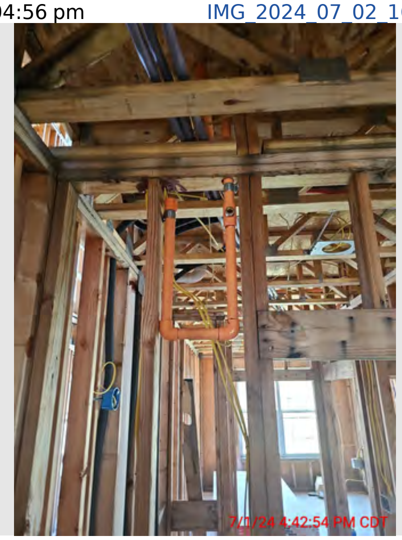

Description

Taken Date
07/01/2024 at 04:42 pm

Uploaded By
Joseph Welch

Upload Date
07/01/2024 at 05:07 pm

File Name
IMG_2024_07_01_16_42_53_824.j...

Description

Continuing installing wire in bldg. 6

Taken Date

07/01/2024 at 04:38 pm

Uploaded By

Joseph Welch

Upload Date

07/01/2024 at 04:39 pm

File Name

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Description

Taken Date

07/01/2024 at 04:32 pm

Uploaded By

Joseph Welch

Upload Date

07/01/2024 at 05:06 pm

File Name

IMG_2024_07_01_16_32_17_663.j...

Description

Taken Date

07/01/2024 at 02:33 pm

Uploaded By

Joseph Welch

Upload Date

07/01/2024 at 05:05 pm

File Name

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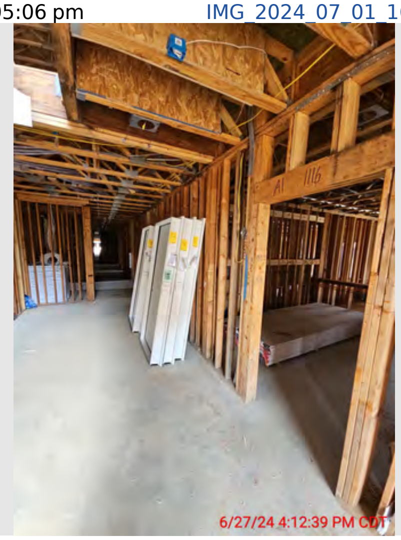


Description

Laying out entry doorway is for bldg. 2

Taken Date

06/27/2024 at 04:12 pm

Uploaded By

Joseph Welch

Upload Date

06/27/2024 at 04:12 pm

File Name

IMG_2024_06_27_16_12_37_869.j...

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
06/27/2024 at 04:09 pm

Uploaded By
Joseph Welch

Upload Date
06/27/2024 at 04:55 pm

File Name
IMG_2024_06_27_16_09_04_718.j...

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

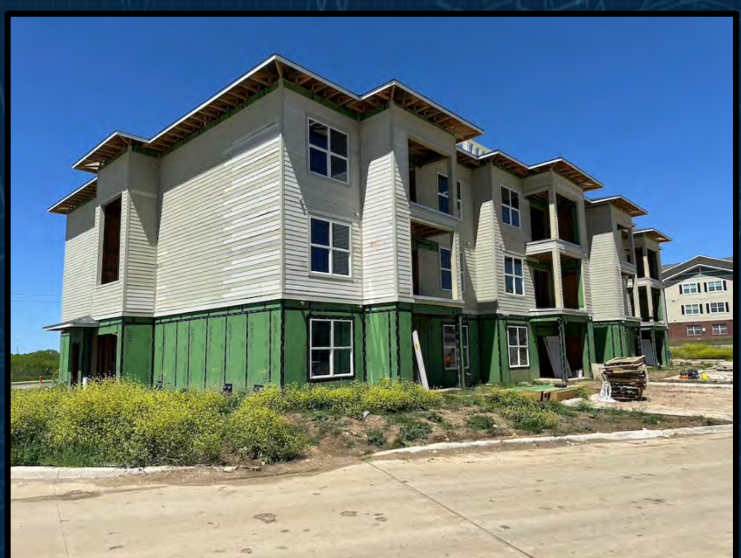
LEGACY RIVERSIDE
Fort Worth, Texas

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 ATTN: Alexa Delerme	From: James Benson, Senior Project Manager 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.

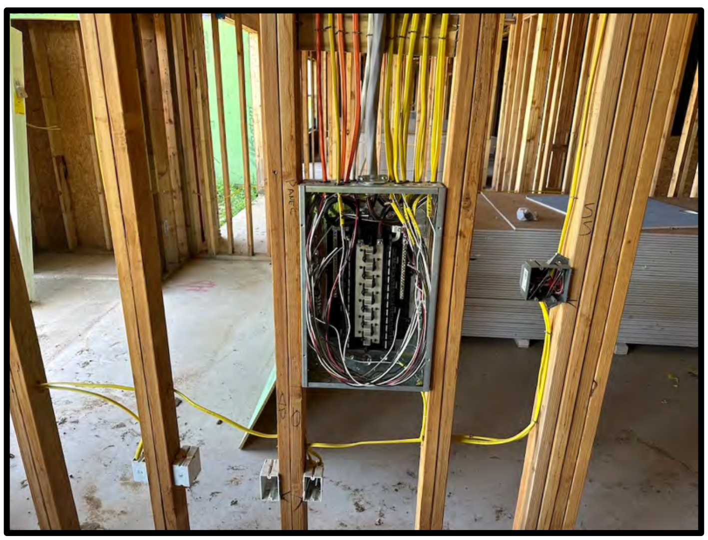
2. Storefront style doors were complete at the Clubhouse.

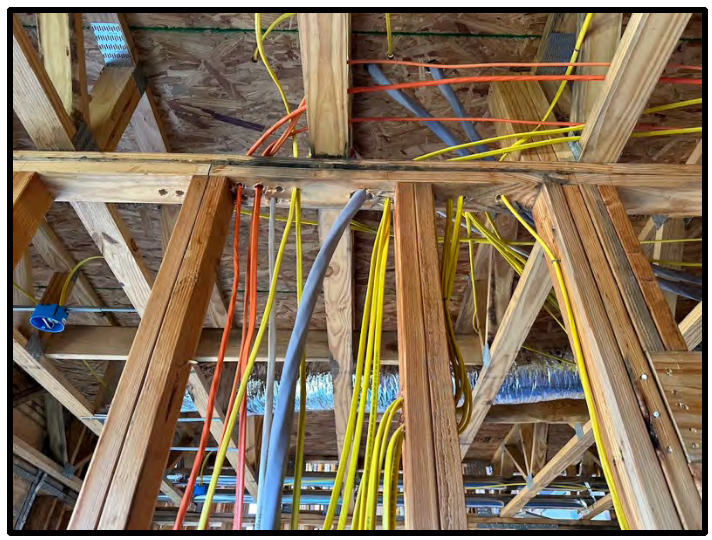
3. HVAC ductwork was complete at the Clubhouse.

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.



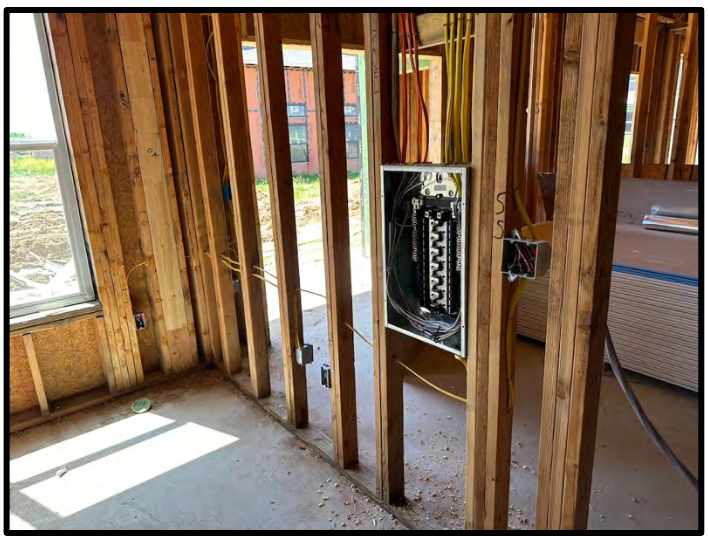


7. Electrical rough in was complete at Building 1.

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.

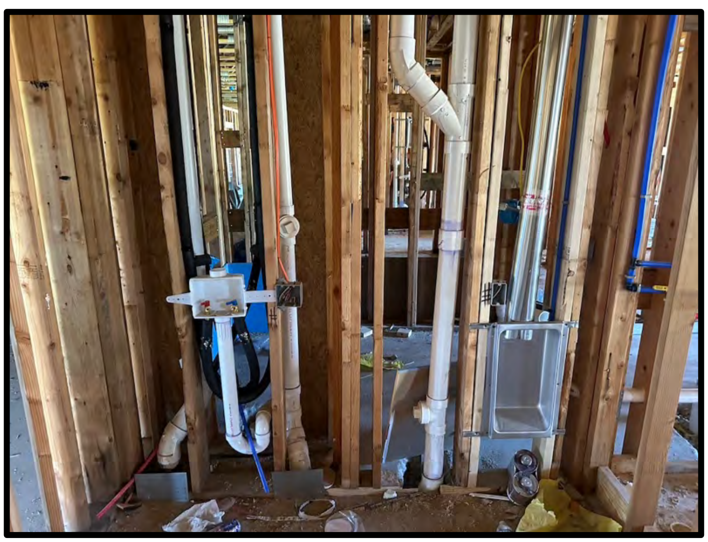
18. CMU elevator shaft was nearing completion at Building 5.

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.

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

DocuSigned by:
By: Melissa Fisher Date: 10/9/2024 | 1:30 PM CD
55DFEC86AA5B469...

State of: TEXAS
County of: DALLAS
Subscribed and sworn to before me this 9th day of October
DocuSigned by:
Notary Public: 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

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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

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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

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
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

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
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

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**

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**

RISE

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

RISE

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 Yes	☐	No ☒

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.

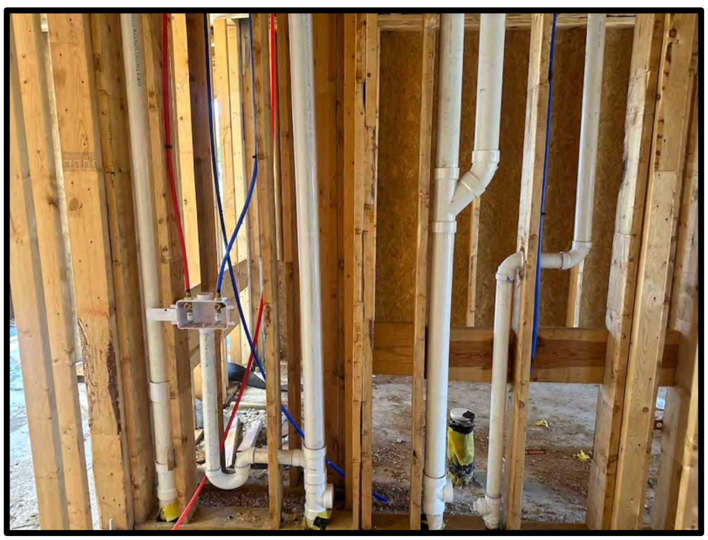
14. MEP rough in was complete at Building 3.

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.

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)

CA

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

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.***

 CA Partners, Inc.

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.

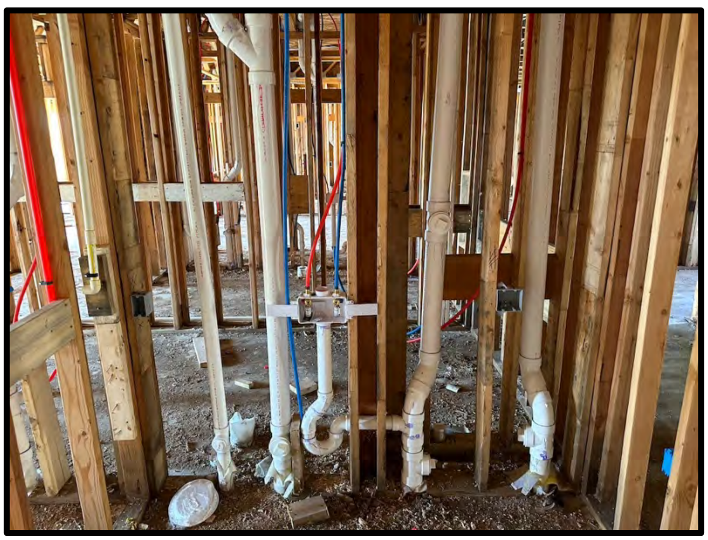
2. Electrical rough in was in progress at the Clubhouse.

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.

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

NOTARY PUBLIC STATE OF TEXAS

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 72E9B559C6E8426... 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
				WORK COMPLETED						
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	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

A		B	C	D	E	F	G		H	I
				WORK COMPLETED						
ITEM NO.	BUDGET CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	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
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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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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				WORK COMPLETED						
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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

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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 - 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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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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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

RISE

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**

RISE

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

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

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

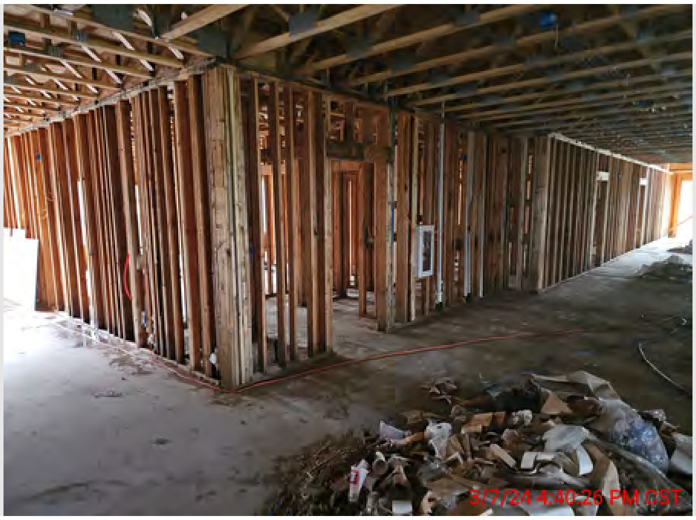
Taken Date	Uploaded By
03/08/2024 at 12:44 pm	Joseph Welch
Upload Date	**File Name**
03/08/2024 at 12:44 pm	IMG_2024_03_08_12_44_27_849.j...

![RISE logo]

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

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 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.

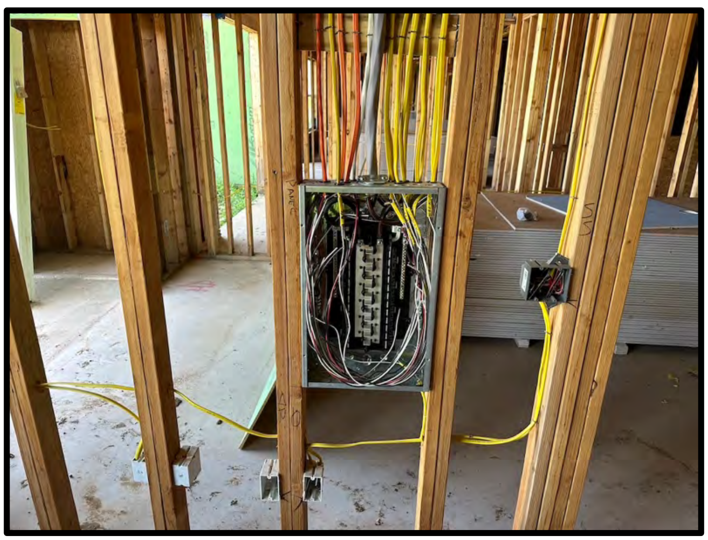
2. Storefront style doors were complete at the Clubhouse.

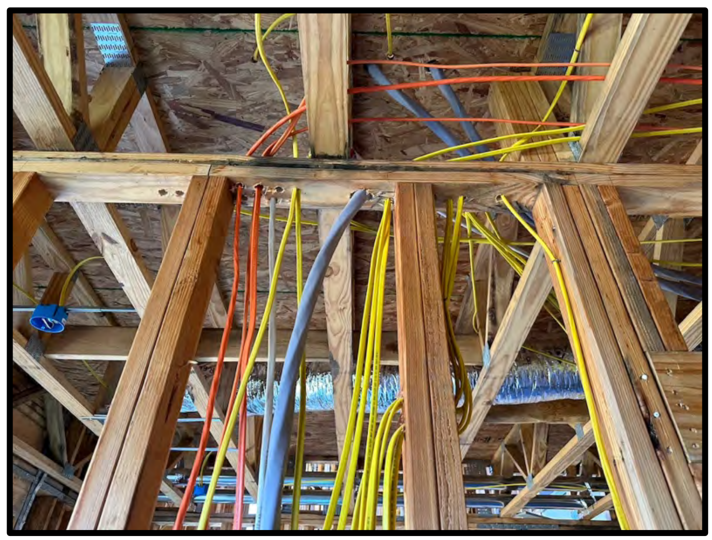
3. HVAC ductwork was complete at the Clubhouse.

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.



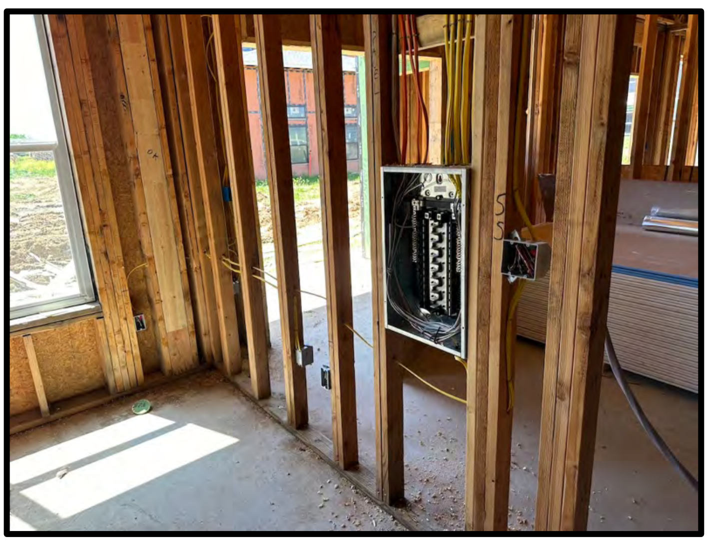


7. Electrical rough in was complete at Building 1.

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.

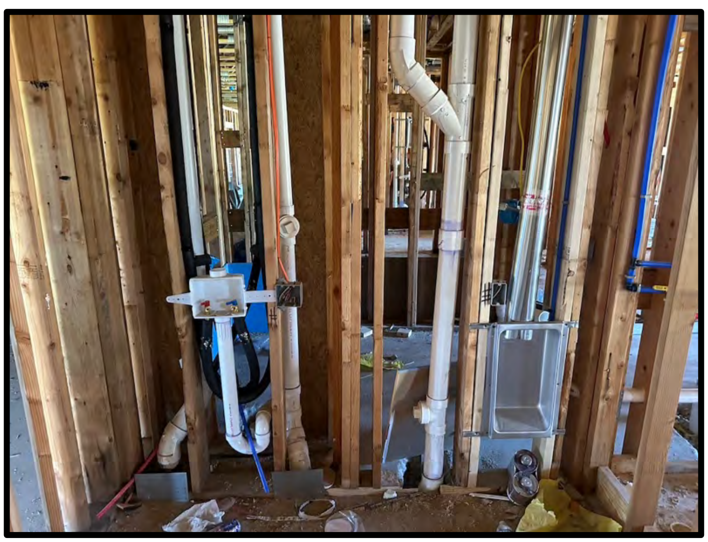
18. CMU elevator shaft was nearing completion at Building 5.

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

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

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.

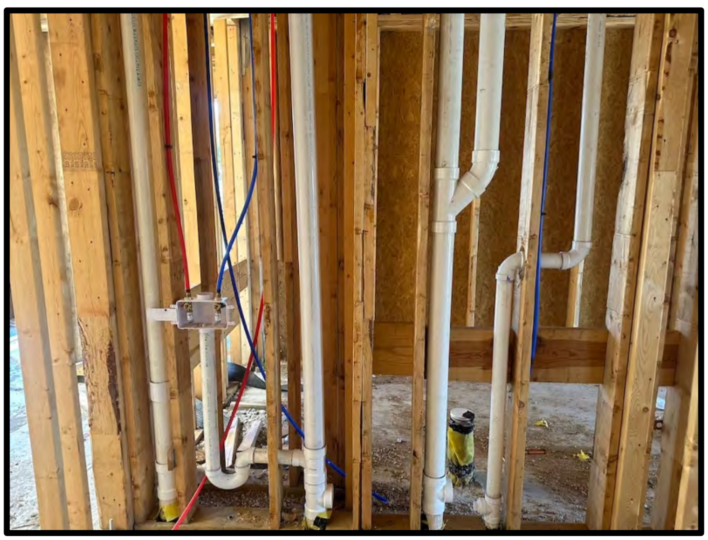
14. MEP rough in was complete at Building 3.

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: 10 Sept '24

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

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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	($306,140.26)	$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

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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

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

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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 <u>to show that they can responsibly administer TDHCA properties and funding</u>."[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 <u>if they have been or are currently barred</u>, suspended, or terminated from participation in a <u>state or Federal</u> 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.

[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.

[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

John C. Shackelford

cc: Melissa Fisher *(via email)*
Bobby Wilkinson *(via email)*
Beau Eccles *(via email)*

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June 16, 2025

<u>VIA ELECTRONIC MAIL</u>
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* 972.490.1659
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

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
[illegible]
[illegible]

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 [illegible]
Phone [illegible] Fax [illegible]
www.[illegible]

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

John C. Shackelford

JCS/sd

cc: Bill Fisher (*via e-mail*)
Saleem A. Jafar (*via e-mail*)

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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

John C. Shackelford

JCS/sd

cc: Bill Fisher (*via e-mail*)
Saleem A. Jafar (*via e-mail*)

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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 office that you can contact about this matter, please advise and I will get it for you.

Very truly yours,

John C. Shackelford

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
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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 D. Shedden

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.

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 D. Shedden

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
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McKinley
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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.

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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.

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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 4677-00698676
DALLAS, TX

Check No.

07 14 16 D HILL 307CR289 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⑆ 006986760⑈

United States Treasury 15-51/000 U.S. DISTRICT COURT 4677-00701058
DALLAS, TX

Check No.

08 10 16 D HILL 307CR289 00701058

Pay to the order of
BILL FISHER
ODYSSEY RESIDENTIAL HOLDINGS
5430 LBJ FWY
#1200
DALLAS , TX 75240

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VOID AFTER ONE YEAR

Richard Holt

DISBURSING OFFICER

REF. NO.

⑈46772⑈ ⑆000000518⑆ 007010586⑈

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1079	**Agenda Date:** 7/10/2025	**Agenda #:** 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*

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 Texas Department of Housing and Community Affairs (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 will be published in the *Texas Register* for public comment and subsequently returned to the Board for final adoption;

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* for public comment, 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 HB1925 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 Texas Department of Housing and Community Affairs (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 will be released for public comment and returned to the Board for final adoption.

Attachment 1: Preamble, including required analysis, for proposed 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) proposes 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 proposed 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 proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

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 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.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held July 25, 2025 through August 25, 2025, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, August 25, 2025.

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

The Texas Department of Housing and Community Affairs (the Department) proposes 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 proposed 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.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held July 25, 2025 through August 25, 2025, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, August 25, 2025.

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~~state.tx.us~~.

(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~~the~~ 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.

(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 #: 1085 **Agenda Date:** 7/10/2025 **Agenda #:** 18.

Presentation, discussion, and possible action regarding an appeal of the underwriting report for Fredericksburg Senior Apartments

RECOMMENDED ACTION

WHEREAS, Fredericksburg Senior Apartments is a 2025 competitive 9% Housing Tax Credit Application that requests $603,701 in Housing Tax Credits to Rehabilitate 48 Units in Fredericksburg;

WHEREAS, the Department's Real Estate Analysis Division reviewed the Application and published an underwriting report that reduced the recommended a credit allocation to $587,092 for the reasons outlined below;

WHEREAS, the Applicant timely appealed this determination to the Executive Director, who denied the appeal; and

WHEREAS, the Applicant has requested to appeal directly to the Governing Board.

NOW, therefore, it is hereby

RESOLVED, that the appeal of the underwriting report for Fredericksburg Senior Apartments is denied.

BACKGROUND

Fredericksburg Senior Apartments is a 2025 competitive 9% Housing Tax Credit Application that requests $603,701 in Housing Tax Credits to Rehabilitate 48 Units in Fredericksburg.

One federally allowable use of the Low Income Housing Tax Credit is the acquisition and rehabilitation of existing housing. In such a transaction, the credits for the acquisition of the buildings and the credits for the rehabilitation of those buildings are treated separately, although the Department underwrites and allocates the credits as a single transaction. To help illustrate this, please see the following excerpt from the underwriting report for this transaction (the full report is attached to this item):

	Eligible Basis	
	Acquisition	New Const. Rehab
Land Acquisition		
Building Acquisition	$963,146	
Site Work		$316,800
Site Amenities		$242,850
Building Cost		$2,281,700
Contingency		$284,000
Contractor Fees		$437,000
Soft Costs	$0	$155,709
Financing	$0	$307,500
Developer Fee	$0	$805,000
Reserves		
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	$963,146	$4,830,559

The total Eligible Basis for the Acquisition of the buildings is separate from the Rehabilitation, as is federally required. After calculating the eligible credit amounts for both activities, the Department combines them into a single recommended credit amount which is presented to the Board for final approval. The Owner then claims these two credits separately with the Internal Revenue Service.

The Eligible Basis is the portion of a property's costs that can be used to calculate the amount of tax credits. It includes the costs of depreciable residential rental property used for qualified low-income housing purposes. Critically, Eligible Basis must exclude any non-depreciable assets, such as land. When calculating the eligible credits for acquisition, the Department is required to determine the amount of non-depreciable costs associated with the transaction and then calculate the credits based on the remaining eligible costs.

Applicants that intend to include building acquisition costs in Eligible Basis are required to submit a third-party appraisal to substantiate those costs. An appraisal was submitted with this Application that indicates an "as-is" value of $1,270,000, with the land valued at $625,000 (49.21%) and the buildings at $645,000 (50.79%).

The Development currently has a loan from USDA and a HOME loan from the Department. In accordance with 10 TAC §11.304(c)(10)(E), the appraisal includes a valuation of this favorable financing associated with the property. Specifically, it identifies $470,000 in value attributable to the USDA loan transfer and $292,000 to the TDHCA loan transfer, as required:

> (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.

While the QAP does not explicitly prescribe how favorable financing should be allocated between land and building acquisition costs, the Department's Real Estate Analysis (REA) division applied its longstanding underwriting methodology. For over a decade, REA has consistently allocated favorable financing between land and building in proportion to the respective appraised values. This methodology is embedded in the TDHCA underwriting model and has been applied uniformly to USDA applications that include favorable financing to substantiate their acquisition price.

In this case, applying the appraisal-derived ratios (49.21% land/50.79% building) to the Applicant's proposed acquisition cost of $1,588,146 results in an allocated land cost of $781,568 and building cost of $806,578. The Applicant, however, did not apply any portion of the favorable financing to land and instead allocated a portion of it exclusively to the building. This approach overstates the eligible building acquisition cost by $156,568. Consequently, the Underwriting Report published on May 27, 2025, recommends a reduced annual 9% Housing Tax Credit allocation of $587,092, reflecting a $135,186 reduction in equity proceeds. The reduction can be offset through an increase in Deferred Developer Fee, and the project remains financially feasible.

The Applicant timely appealed the Underwriting Report on June 2, 2025. The appeal argues that favorable financing should not be allocated according to the appraisal-derived ratios, as the original USDA and TDHCA loans financed the land and building in different proportions. Specifically, the Applicant asserts that the USDA loan covered approximately 20% of land cost, while the TDHCA HOME loan financed building rehabilitation only, with no land component. The appeal further states that if TDHCA applied appropriate percentages to favorable financing, there would be no credit cut.

The Application was underwritten using standard REA procedures that ensure consistency across all applications. Applying the appraised land/building value ratios to the value of transferred favorable financing reflects the benefit received by the current Applicant and prospective new owner. This approach is logical, consistently applicable, and transparent.

A third-party buyer would not have access to historical loan disbursements and could not reasonably be expected to determine how the original financing was applied to costs by the previous owner. What is relevant for underwriting purposes of the current tax credit Application is the benefit that the new ownership derives from the below-market financing it will assume. The methodology used by REA appropriately captures that benefit and ensures equitable treatment across all applicants.

25035 Fredericksburg Senior Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
May 27, 2025

PROPERTY IDENTIFICATION	
Application #	25035
Development	Fredericksburg Senior Apartments
City / County	Fredericksburg / Gillespie
Region/Area	9 / Rural
Population	Elderly Limitation
Set-Aside	USDA
Activity	Acquisition/Rehab (Built in 1991)

RECOMMENDATION				
TDHCA Program	Request	Recommended		
FHTC (9% Credit)	$603,701	$587,092	$12,231/Unit	$0.81

KEY PRINCIPALS / SPONSOR

Julie Randolph / Pecan Tree Square, LLC

Jason A. Rabalais, Jr. / Pecan Tree Square, LLC

Murray Calhoun / RD 2014 General Partner, LLC

Robbye Meyer / Consultant

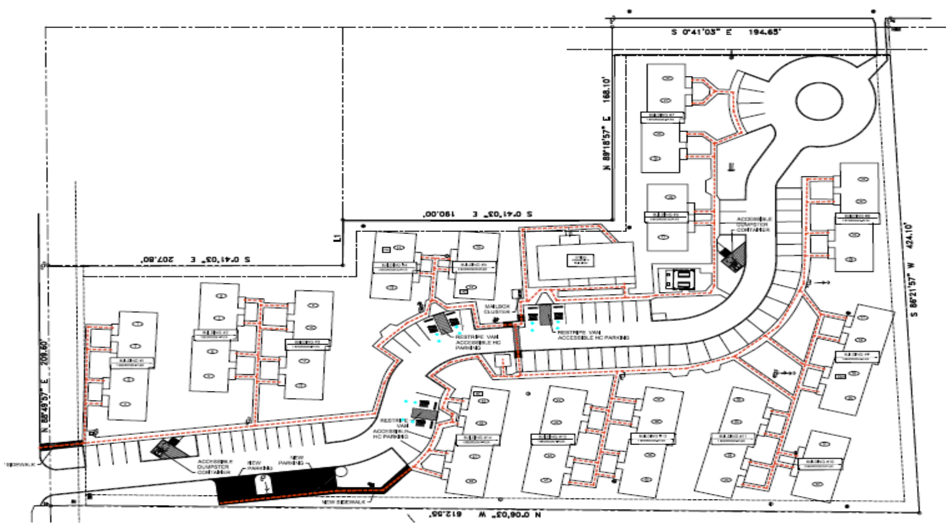
Related Parties	Contractor - Yes	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	40	83%	30%	4	8%
2	8	17%	40%	-	0%
3	-	0%	50%	10	21%
4	-	0%	60%	33	69%
			70%	-	0%
			80%	-	0%
			MR	1	2%
TOTAL	48	100%	TOTAL	48	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.34	Expense Ratio	71.3%
Breakeven Occ.	85.7%	Breakeven Rent	$565
Average Rent	$611	B/E Rent Margin	$46
Property Taxes	$255/unit	Exemption/PILOT	0%
Total Expense	$4,939/unit	Controllable	$2,203/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			#DIV/0!
Highest Unit Capture Rate	0%	N/A	N/A
Dominant Unit Cap. Rate		0 BR/20%	0
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	47	98% Total Units	

DEVELOPMENT COST SUMMARY			
Costs Underwritten	TDHCA's Costs - Based on SCR		
Avg. Unit Size	675 SF	Density	11.7/acre
Acquisition		$33K/unit	$1,588K
Building Cost	$70.48/SF	$48K/unit	$2,282K
Hard Cost		$65K/unit	$3,125K
Total Cost		$143K/unit	$6,877K
Developer Fee	$805K	(35% Deferred)	Paid Year: 12
Contractor Fee	$437K	30% Boost	Yes

REHABILITATION COSTS / UNIT					
Site Work	$7K	10%	Finishes/Fixtures	$21K	33%
Building Shell	$18K	27%	Amenities	$5K	8%
HVAC	$6K	9%	Total Exterior	$30K	50%
Appliances	$3K	4%	Total Interior	$30K	50%

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
USDA	30/50	1.00%	$914,064	4.10
TDHCA HOME	25/14	1.00%	$632,643	1.34
TOTAL DEBT (Must Pay)			$1,546,707	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
Partnership Reserves	0/0	0.00%	$272,965	1.34
CASH FLOW DEBT / GRANTS			$272,965	

EQUITY / DEFERRED FEES	
Source	Amount
WNC & Associates	$4,778,451
Lymac, LLC	$279,047
TOTAL EQUITY SOURCES	$5,057,498
TOTAL DEBT SOURCES	$1,819,672
TOTAL CAPITALIZATION	$6,877,170

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

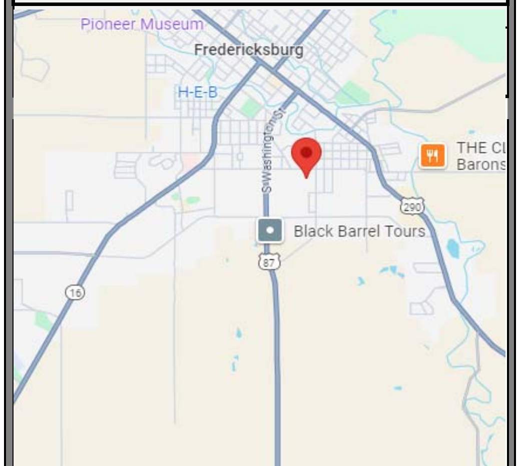
STRENGTHS/MITIGATING FACTORS

- Developers past experiences
- 89% units receiving USDA - RA

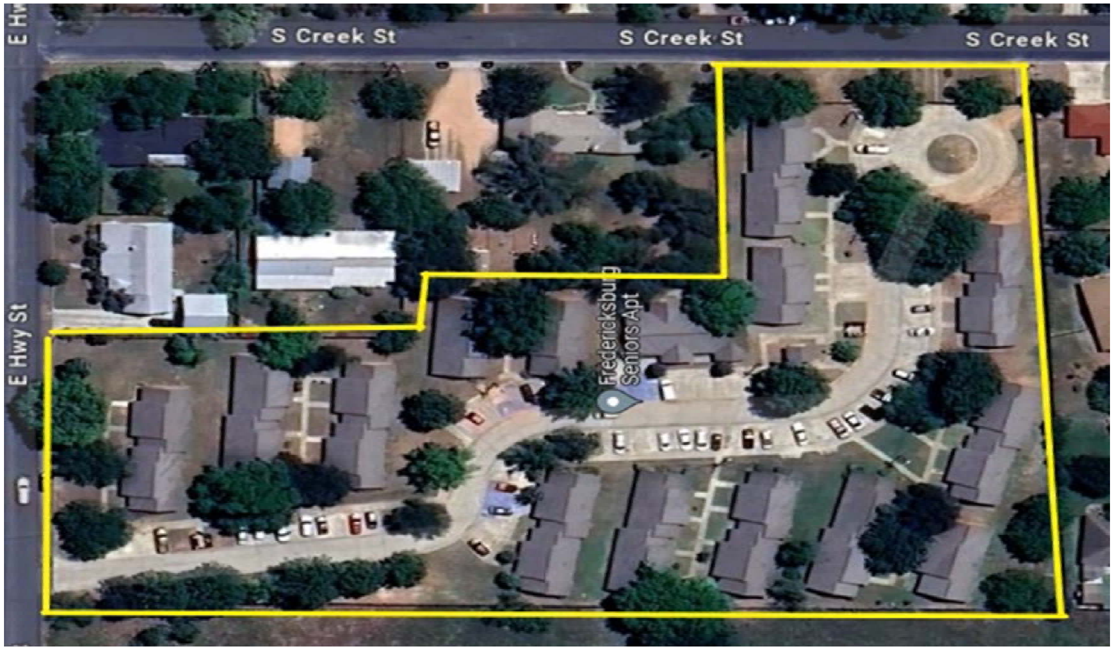
WEAKNESSES/RISKS

- Expense/income ratio > 65%
- Low projected 15 - year cash flow
- 50% of rehab is for the unit interior

AREA MAP



AERIAL PHOTOGRAPH(s)



Real Estate Analysis Division
Underwriting Report
May 27, 2025

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **25035** Program(s): **9% HTC**

Fredericksburg Senior Apartments

Address/Location: 591 E. Highway St

City: Fredericksburg County: Gillespie Zip: 78624

Population: Elderly Limitation
Program Set-Aside: USDA
Area: Rural
Activity: Acquisition/Rehab
Building Type: Fourplex
Region: 9
Low-Income: 40% at 60%

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
FHTC (9% Credit)	$603,701				**$587,092**						

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	4
50% of AMI	50% of AMI	10
60% of AMI	60% of AMI	34

DEVELOPMENT SUMMARY

The Fredericksburg Seniors development is a USDA 515 transfer that consists of 48 total units with 40 (1 BR units) and 8 (2 BR units) including one EO unit. The development currently has 42 units receiving USDA - rental assistance. The remaining five units are expected to receive rental assistance in the future.

The structure was originally built in 1991. The previous application was #08324.

RISK PROFILE

	STRENGTHS/MITIGATING FACTORS
▫	Developers past experiences
▫	89% units receiving USDA - RA
▫	

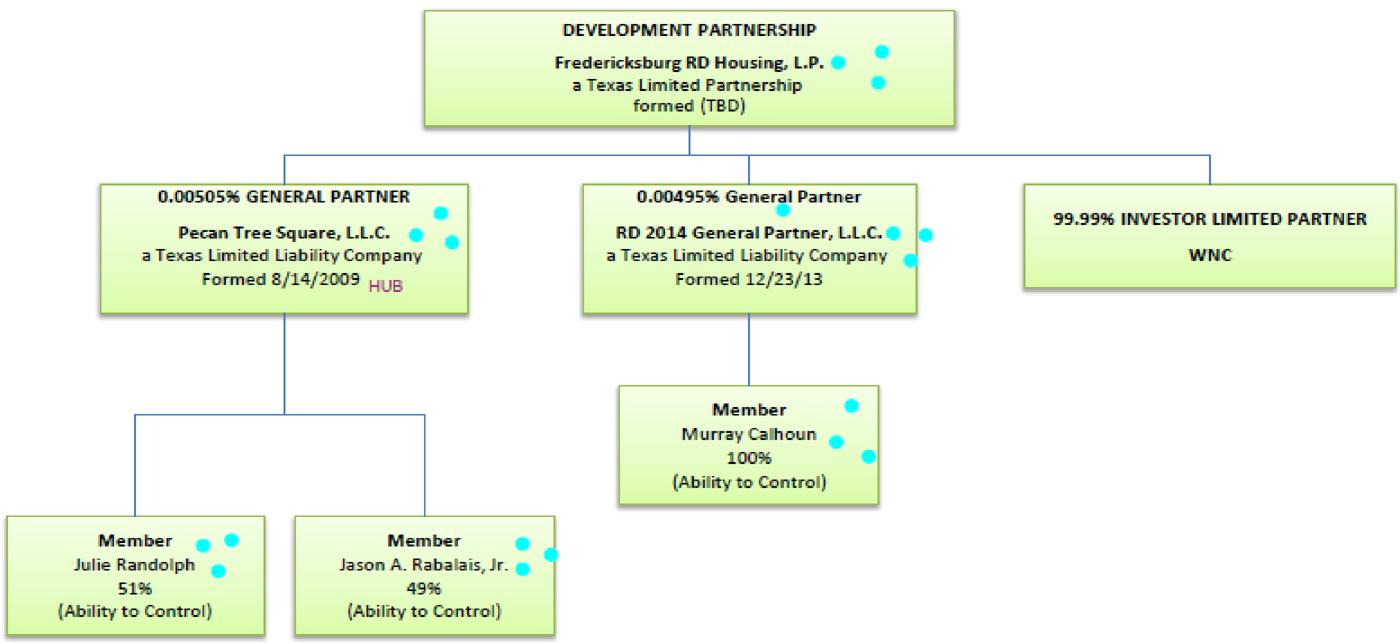
	WEAKNESSES/RISKS
▫	Expense/income ratio > 65%
▫	Low projected 15 - year cash flow
▫	50% of rehab is for the unit interior

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

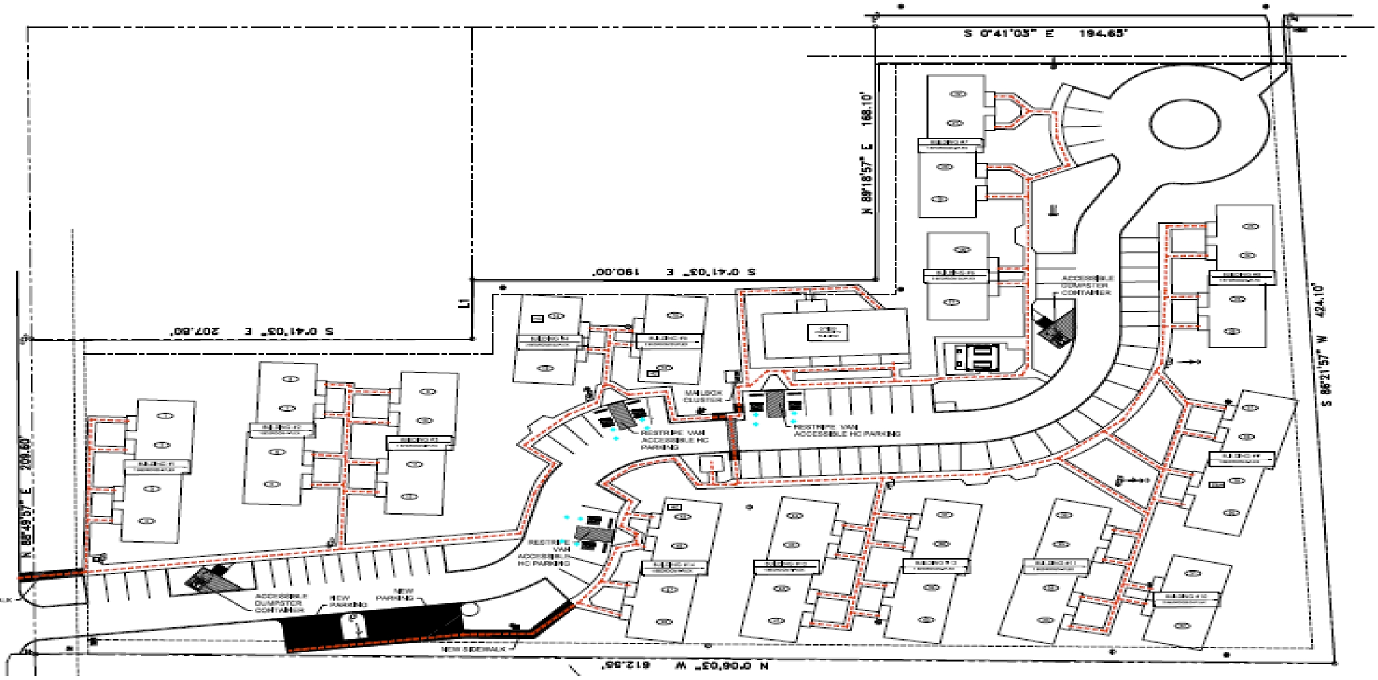
Fredericksburg Senior Apartments

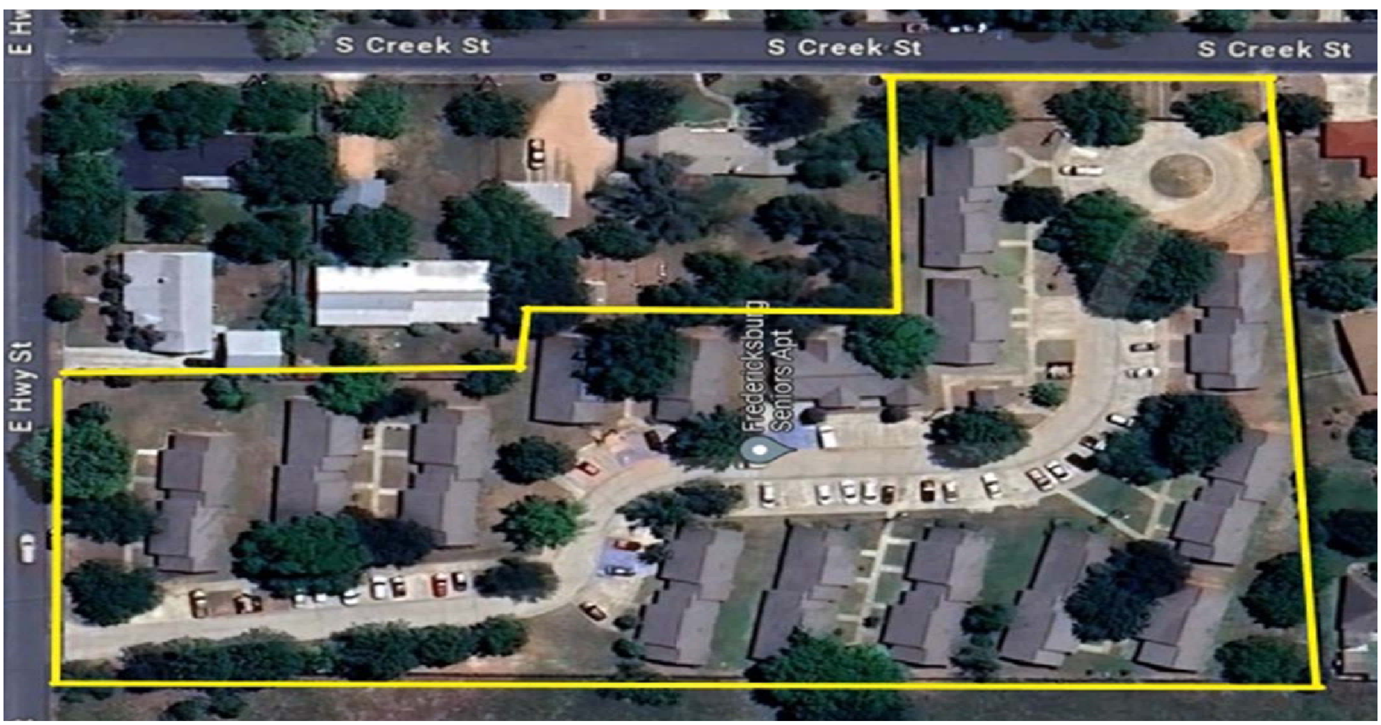
Owner Structure



DEVELOPMENT SUMMARY

SITE PLAN





Parking	No Fee		Tenant-Paid		Total	
Open Surface	76	*1.6/unit*	0	--	76	*1.6/unit*
Total Parking	**76**	*1.6/unit*	**0**	--	**76**	*1.6/unit*

Comments:

The development currently consists of 68 parking spaces. The requirement is 76 parking spaces. The rehab will add another eight parking spaces for a total of 76 spaces. The Applicant will be meeting the requirement post-rehab.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	1	2										Total Buildings
Floors/Stories	1	1										
Number of Bldgs	10	4										14
Units per Bldg	4	2										
Total Units	40	8										**48**

Avg. Unit Size (SF)	**675 sf**	**Total NRA (SF)**	**32,376**	**Common Area (SF)***	**2,040**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 4.09 acres Density: 11.7 units/acre

Site Control: 4.094 **Site Plan:** 4.094 **Appraisal:** 4.094 **ESA:** N/A

Feasibility Report Survey: 4.094 **Feasibility Report Engineer's Plan:** N/A **Existing LURA:**

Control Type: Purchase Option

Development Site: 4.09 acres Cost: $1,588,146 $33,086 per unit

Seller: Fredericksburg Seniors Apartments, Ltd.

Buyer: Fredericksburg RD Housing, L.P.

Related-Party Seller/Identity of Interest: Yes

Date of Most Recent Arms Length Settlement Statement: 1/23/1991

Sales Price in Most Recent Arms Length Settlement Statement: More than 5 Years

Comments:

The application shows total acquisition price of $1,588,146 on the Development Cost Schedule . The Option Agreement states the purchase price is the assumed USDA debt of $967,706 plus the assumed TDHCA HOME debt of $677,498 estimated at the time of the application for a total of $1,645,204.

The application was submitted with the acquisition price and the estimated USDA loan as separate costs. Underwriter combined both costs to show the acquisition price of $1,588,146.
USDA July 2026 Balance: $914,064
TDHCA HOME Loan Transfer July 2025: $674,082
TDHCA's side shows the balances of both loans in July 2026 when the Applicant expects to close.

As is typical on USDA property transfers, the price is subject to adjustment based on the outstanding balance at the time of closing.

The development has an existing LURA in place from 2009.

APPRAISED VALUE

Appraiser: O'Connor & Associates — Date: 2/6/2025

Land as Vacant:	4.094 acres	$625,000	Per Unit:	$13,021
Existing Buildings: (as-is)		$645,000	Per Unit:	$13,438
Land + Buildings: (as-is)		$1,270,000	Per Unit:	$26,458
Favorable Financing:		$762,000	Per Unit:	$15,875
Total Development: (as-is)		**$2,032,000**	Per Unit:	**$42,333**

Comments:

Applicant's acquisition cost $1,588,146 is supported by the appraisal **only when** including favorable financing values on the below rate transfer of the USDA and/or TDHCA loans.

SITE INFORMATION

Flood Zone:	Zone X	Scattered Site?	No
Zoning:	R2f	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	1991	Title Issues?	No

Current Uses of Subject Site:

The subject site is improved with a 48-unit United States Department of Agriculture Rural Development (USDA RD) apartment complex, consisting of 14 one-story residential apartment buildings and 1 one-story leasing office/community room.

TENANT RELOCATION PLAN

Applicant provided the Tenant Relocation Plan. However, according to the Plan, the developer does not believe that any work will cause displacement or relocation of the tenants. Thus, developer did not budget for any tenant relocation funds.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Comments:

Developments funded by USDA are not required to supply an Environmental Site Assessment, as these are existing properties previously approved and subsidized by USDA; it is the Applicant's responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements. USDA retains on-going oversight of the properties.

MARKET ANALYSIS

Comments:

USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market. The subject property is **96%** occupied as of February 2025.

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$95,298	Avg. Rent:	$611	Expense Ratio:	71.3%
Debt Service:	$70,891	B/E Rent:	$565	Controllable Expenses:	$2,203
Net Cash Flow:	$24,407	UW Occupancy:	92.5%	Property Taxes/Unit:	$255
Aggregate DCR:	1.34	B/E Occupancy:	85.7%	Program Rent Year:	2024

The application submitted shows 42 out of 47 units are currently receiving USDA Rental Assistance. Applicant is expecting to have all 47 units approved to be USDA RA units. Underwrote to use the lesser of the USDA RA rents and TC 60% program rate for 2 BR units. Actual rents are subject to USDA approval.

Using Applicant's ProForma - Underwriter's expenses are based on database comparables and estimates (3506-7) included in the proposed USDA budget. Overall underwriting will be reviewed following USDA approval based on final closing documentation.

Applicant submitted operating expenses exceeding 65% expense to income ratio. Pursuant to the rules, the expense ratio threshold of 65%, and a Debt Coverage Ratio below 1.15 at any time during years two through fifteen does not apply to USDA deals that will receive rental assistance for at least 50% of the units.

Unit Type	Current Net USDA Rent	Variance	Increase	Proposed Net USDA Rent
1 BR	$565.00	50	8.8%	$615.00
2 BR	$625.00	53	8.5%	$678.00

Applicant submitted proposed rents, which are 8.8% and 8.5% higher than the current rents listed on the support, respectively. Underwrote to the support provided showing the proposed basic rents at $615 for 1 BR and $675 for 2 BR.

Underwriter adjusted the vacancy rate to 7.5% from 7% as per QAP rules.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on SCR)					
Acquisition	$190,901/ac	$33,086/unit	**$1,588,146**	Contractor Fee	**$437,000**
Off-site + Site Work		$11,659/unit	**$559,650**	Soft Cost + Financing	**$515,709**
Building Cost	$70.48/sf	$47,535/unit	**$2,281,700**	Developer Fee	**$805,000**
Contingency	10.00%	$5,917/unit	**$284,000**	Reserves	**$405,965**
Total Development Cost	$143,274/unit	**$6,877,170**		**Rehabilitation Cost**	**$59,195/unit**

Qualified for 30% Basis Boost?	Rural [9% only]

Acquisition:

The Applicant's Total Acquisition cost of $1,588,146 is contingent upon the inclusion of the favorable financing:
$470k for the below market USDA loan and;
$292k for the below market TDHCA HOME loan.

Underwriter applied the land-to-asset and building-to-asset ratios from the appraisal to the Applicant's higher acquisition price which results in the land value increasing from $625k to $781,568 and buildings from $645k to $806,578.

The Applicant's Development Cost Schedule shows the appraised land value of $625k and an increased building value at $963,146. The Applicant did not allocate any favorable financing to the land portion of the appraised value. Therefore, the Applicant understated their land by $156,568 and overstated their Building Acquisition by $156,568.

Hypothetically if the TDHCA favorable financing is not included in the total value, the building acquisition would still be overstated by the same amount.

Total acquisition cost in the underwritten analysis uses a projected outstanding balance on both the assumed USDA debt and TDHCA HOME loan debt as of July 2026, which is estimated to be $914,064 and $632,643, respectively.

REHABILITATION COSTS / UNIT / % HARD COST							
Site Work	$316,800	$6,600/unit	10%	Finishes/Fixtures	$1,022,700	$21,306/unit	33%
Building Shell	$857,000	$17,854/unit	27%	HVAC	$270,000	$5,625/unit	9%
Amenities	$242,850	$5,059/unit	8%	Appliances	$132,000	$2,750/unit	4%
Total Exterior	**$1,416,650**	**$29,514/unit**	**50%**	**Total Interior**	**$1,424,700**	**$29,681/unit**	**50%**

SCOPE & COST REVIEW

Provider: GIBCO Environmental, LLC Date: 2/20/2025

Scope of Work:

Mandatory Development Amenities:
- Screens on all operable windows (included with new Energy Star Window Installation)
- Energy-Star rated refrigerator (will be supplied in all units - ice maker will be supplied)
- Oven/Range (will be supplied in all units)
- Blinds (will be supplied for all windows)
- Energy-Star Ceiling Fan (at least 1 per unit)
- Energy-Star rated lighting (all lighting fixtures will be changed complex wide)
- HVAC (all areas of units will have heating and air conditioning – Exterior Storage excluded)
- Adequate parking (parking will meet requirements per local code)
- Energy Star rated windows (All existing windows will be replaced)
- Adequate accessible parking (Accessible parking will comply with 2010 ADA requirements)

Common Amenities:
- Covered pavilion with sitting area
- Furnished Community Room

Unit Development Construction Features to Replace:
- Covered Entries
- Microwave Oven
- Self-Cleaning/continuous cleaning oven
- Energy-Star rated refrigerator with icemaker
- Energy-Star rated ceiling fans in all Bedrooms
- EPA WaterSense qualified toilets in all bathrooms
- EPA WaterSense qualified showerheads and faucets in all bathrooms)

Development Construction Features to Replace:
- 15 SEER HVAC
- Thirty (30) year roof

Systems & Components to Replace:
- HVAC (existing air handlers and condensing units are replaced in all units)
- Water Heaters (existing water heaters are replaced in all units)
- Tubs and surrounds (existing tubs and surrounds are replaced in all units)

Financing Cost:

Applicant submitted in their Sources and Uses the existing TDHCA HOME Loan balance of $674,082 (balance as of July 2025) with 30-yr term, amortized over 30 Yrs.

The Underwriter received the amortization table from the loan department. To be consistent, the Underwriter adjusted the TDHCA HOME loan balance to be $632,643 (balance per amort table) with remaining 14.25 Yrs term, amortized over 14.25 Yrs. This is based on the original HOME loan amortization schedule dated 10/1/2010 and the projected closing date of July 2026 same projected closing date as the assumed USDA debt.

Developer Fee:

Developer Fee is overstated by $134,370.

Comments:

As a result of the overstatement with the acquisition and developer fee, the credits will reduced by $16,609.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$6,877,170	$5,637,137	$587,092

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
USDA	USDA Transfer	$914,064	0.00%	16%
TDHCA HOME	TDHCA HOME Transfer	$674,082	0.00%	12%
First Horizon	Construction Loan	$4,000,000	7.35%	70%
WNC & Associates	FHTC	$100,000	$0.81	2%
City of Fredericksburg	§11.9(d)(2)LPS Contribution	$250	0.00%	0%
		$5,688,396	Total Sources	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
USDA	$914,064	1.00%	50	30.0	$914,064	1.00%	50	30.0	13%
TDHCA HOME	$674,082	1.00%	30	30.0	$632,643	1.00%	14	14.3	9%
Partnership Reserves	$272,965	0.00%	0	0.0	$272,965	0.00%	0	0.0	4%
Total	$1,861,111				$1,819,672				

Comments:

TDHCA's side shows the TDHCA HOME loan transfer balance as of July 2026 estimated closing; Applicant is using the balance as of July 2025.

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	Amount	Rate	% Def	Amount	Rate	% TC	% Def
WNC & Associates	$4,913,635	$0.81		$4,778,451	$0.81	69%	
Lymac, LLC	$102,424		13%	$279,047		4%	35%
Total	$5,016,059			$5,057,498			
				$6,877,170	Total Sources		

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$6,877,170
Permanent Sources (debt + non-HTC equity)	$1,819,672
Gap in Permanent Financing	$5,057,498

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$4,778,451	$587,092
Needed to Balance Sources & Uses	$5,057,498	$621,376
Requested by Applicant	$4,913,637	$603,701

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$4,778,451**	**$587,092**

Deferred Developer Fee	**$279,047**	**(35% deferred)**
Repayable in	**12 years**	

Recommendation:

Underwriter recommends $587,092 in annual tax credits as determined by Eligible Basis.

Underwriter: *Bin Ni*

Manager of Real Estate Analysis: *Robert Castillo*

Director of Real Estate Analysis: *Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Fredericksburg Senior Apartments, Fredericksburg, 9% HTC #25035

LOCATION DATA	
CITY:	Fredericksburg
COUNTY:	Gillespie
Area Median Income	$99,000
PROGRAM REGION:	9
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	SHTC	Match
Eff	-	0.0%	0	0	0	0
1	40	83.3%	40	0	0	0
2	8	16.7%	7	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	**48**	**100.0%**	**47**	**-**	**-**	**-**

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	675 sf

55%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	4	-	10	33	-	-	1	**48**
	% Total	0.0%	8.3%	0.0%	20.8%	68.8%	0.0%	0.0%	2.1%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

FEDERAL HTC		RENT ASSISTED UNIT		Match Units	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Match Units	# 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%	$535	USDA - RA	$706	0	4	1	1	643	$706	$91	$615	$0	$0.96	$615	**$2,460**	**$2,460**	$615	$0.96	$0	$1,035	$1.61	$1,035
TC 50%	$891	USDA - RA	$706	0	10	1	1	643	$706	$91	$615	$0	$0.96	$615	**$6,150**	**$6,150**	$615	$0.96	$0	$1,035	$1.61	$1,035
TC 60%	$1,070	USDA - RA	$706	0	26	1	1	643	$706	$91	$615	$0	$0.96	$615	**$15,990**	**$15,990**	$615	$0.96	$0	$1,035	$1.61	$1,035
TC 60%	$1,284	USDA - RA	$786	0	2	2	1	832	$786	$111	$675	$0	$0.81	$675	**$1,350**	**$1,350**	$675	$0.81	$0	$1,095	$1.32	$1,095
TC 60%	$1,284	Non-USDA	$786	0	5	2	1	832	$786	$111	$675	$0	$0.81	$675	**$3,375**	**$3,375**	$675	$0.81	$0	$1,095	$1.32	$1,095
EO				0	1	2	1	832	$0	$111	$0		$0.00	$0	**$0**				NA	$1,095	$1.32	$1,095
TOTALS/AVERAGES:					**48**			**32,376**				**$0**	**$0.91**	**$611**	**$29,325**	**$29,325**	**$611**	**$0.91**	**$0**	**$1,045**	**$1.55**	**$1,045**

ANNUAL POTENTIAL GROSS RENT:		
	$351,900	**$351,900**

STABILIZED PRO FORMA

Fredericksburg Senior Apartments, Fredericksburg, 9% HTC #25035

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		3506-7 Proposed Budget		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.91	$611	$351,900	$351,900	$611	$0.91		0.0%	$0
Interest Income							$1.73	$996						
Tenant Charges							$1.38	$792						
Tenant Water Bill Charges							$9.79	$5,640						
Total Secondary Income							$12.90		$7,428	$12.90			0.0%	$0
POTENTIAL GROSS INCOME								$359,328	$359,328				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(26,950)	(26,950)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$332,378	$332,378				0.0%	$0
General & Administrative	$28,719	$598/Unit	$18,384	$383	5.58%	$0.57	$386	$18,534	$18,384	$383	$0.57	5.53%	0.8%	150
Management	$29,273	5.7% EGI	$50,760	$1,058	15.19%	$1.56	$1,052	$50,487	$50,487	$1,052	$1.56	15.19%	0.0%	-
Payroll & Payroll Tax	$62,486	$1,302/Unit	$25,730	$536	7.74%	$0.79	$536	$25,730	$25,730	$536	$0.79	7.74%	0.0%	-
Repairs & Maintenance	$42,618	$888/Unit	$34,400	$717	10.35%	$1.06	$717	$34,400	$33,600	$700	$1.04	10.11%	2.4%	800
Electric/Gas	$15,473	$322/Unit	$4,100	$85	1.23%	$0.13	$85	$4,100	$4,100	$85	$0.13	1.23%	0.0%	-
Water, Sewer, & Trash **Tenant Pays: T Only**	$34,257	$714/Unit	$22,000	$458	6.92%	$0.71	$479	$23,000	$23,000	$479	$0.71	6.92%	0.0%	-
Property Insurance	$31,515	$0.97 /sf	$72,393	$1,508	14.83%	$1.52	$1,027	$49,276	$49,276	$1,027	$1.52	14.83%	0.0%	-
Property Tax (@ 100%) 1.2251	$31,972	$666/Unit	$12,233	$255	3.68%	$0.38	$255	$12,223	$11,843	$247	$0.37	3.56%	3.2%	380
Reserve for Replacements					4.33%	$0.44	$300	$14,400	$14,400	$300	$0.44	4.33%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.58%	$0.06	$40	$1,920	$1,880	$39	$0.06	0.57%	2.1%	40
Return to Owner					0.91%	$0.09	$63	$3,010	$3,010	$63	$0.09	0.91%	0.0%	-
TOTAL EXPENSES					**71.33%**	**$7.32**	**$4,939**	**$237,080**	**$235,710**	**$4,911**	**$7.28**	**70.92%**	**0.6%**	**$ 1,370**
NET OPERATING INCOME ("NOI")					**28.67%**	**$2.94**	**$1,985**	**$95,298**	**$96,669**	**$2,014**	**$2.99**	**29.08%**	**-1.4%**	**$ (1,370)**

CONTROLLABLE EXPENSES	$2,203/Unit		$2,184/Unit		

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fredericksburg Senior Apartments, Fredericksburg, 9% HTC #25035

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
USDA		4.16	4.10	$23,238	1.00%	50	30.0	$914,064	$914,064	30.0	50.0	1.00%	$23,238	4.10	13.3%
TDHCA HOME		1.36	1.34	$47,654	1.00%	30	30.0	$674,082	$632,643	14.25	14.25	1.00%	$47,653	1.34	9.2%
First Horizon		1.36	1.34		0.00%	0	0.0	$0	$0	0.0	0.0	0.00%		1.34	0.0%
CASH FLOW DEBT / GRANTS															
City of Fredericksburg		1.36	1.34		0.00%	0	0.0	$0	$0	0.0	0.0	0.00%		1.34	0.0%
Partnership Reserves		1.36	1.34		0.00%	0	0.0	$272,965	$272,965	0.0	0.0	0.00%		1.34	4.0%
				$70,892	**TOTAL DEBT / GRANT SOURCES**			**$1,861,111**	**$1,819,672**			**TOTAL DEBT SERVICE**	**$70,891**	**1.34**	26.5%
NET CASH FLOW		$25,777	$24,406						**APPLICANT**	**NET OPERATING INCOME**		**$95,298**	**$24,407**	**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
WNC & Associates	LIHTC Equity	71.4%	$603,701	$0.814	$4,913,635	$4,778,451	$0.814	$587,092	69.5%	$12,231	Eligible Basis
Lymac, LLC	Deferred Developer Fees	1.5%	(13% Deferred)		$102,424	$279,047	(35% Deferred)		4.1%	**Total Developer Fee:**	**$805,000**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		72.9%			$5,016,059	$5,057,498			73.5%		
TOTAL CAPITALIZATION					**$6,877,170**	**$6,877,170**			**15-Yr Cash Flow after Deferred Fee:**		**$62,023**

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					$13,021 / Unit	$625,000	$781,568	$16,283 / Unit				-20.0%	($156,568)
Building Acquisition		$963,146			$20,066 / Unit	$963,146	$806,578	$16,804 / Unit			$806,578	19.4%	$156,568
Site Work			$316,800		$6,600 / Unit	$316,800	$316,800	$6,600 / Unit		$316,800		0.0%	$0
Site Amenities			$242,850		$5,059 / Unit	$242,850	$242,850	$5,059 / Unit		$242,850		0.0%	$0
Building Cost			$2,281,700	$70.48 /sf	$47,535/Unit	$2,281,700	$2,281,700	$47,535/Unit	$70.48 /sf	$2,281,700		0.0%	$0
Contingency			$284,000	10.00%	10.00%	$284,000	$284,000	10.00%	10.00%	$284,000		0.0%	$0
Contractor Fees			$437,000	13.98%	13.98%	$437,000	$437,000	13.98%	13.98%	$437,000		0.0%	$0
Soft Costs		$0	$155,709		$3,244 / Unit	$155,709	$155,709	$3,244 / Unit		$155,709	$0	0.0%	$0
Financing		$0	$307,500		$7,500 / Unit	$360,000	$360,000	$7,500 / Unit		$307,500	$0	0.0%	$0
Developer Fee		$0	$805,000	20.00%	16.66%	$805,000	$805,000	16.66%	16.66%	$670,630	$134,370	0.0%	$0
Reserves					16 Months	$405,965	$405,965	16 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		**$963,146**	**$4,830,559**		$143,274 / Unit	**$6,877,170**	**$6,877,170**	$143,274 / Unit		**$4,696,189**	**$940,948**	**0.0%**	**$0**
Acquisition Cost		($156,568)				$0							
Contingency			$0			$0							
Contractor's Fee			$0			$0							
Financing Cost			$0										
Developer Fee	16.66%	$134,370	($134,370)	16.66%		$0							
Reserves						$0							
ADJUSTED BASIS / COST		**$940,948**	**$4,696,189**		$143,274/unit	**$6,877,170**	**$6,877,170**	$143,274/unit		**$4,696,189**	**$940,948**	**0.0%**	**$0**
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA						**$6,877,170**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fredericksburg Senior Apartments, Fredericksburg, 9% HTC #25035

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$940,948	$4,696,189	$940,948	$4,696,189
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$940,948	$4,696,189	$940,948	$4,696,189
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$940,948	$6,105,045	$940,948	$6,105,045
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$940,948	$6,105,045	$940,948	$6,105,045
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$37,638	$549,454	$37,638	$549,454
CREDITS ON QUALIFIED BASIS	$587,092		$587,092	

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8139	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$587,092	$4,778,451	**$587,092**	**($16,609)**	**($135,186)**
Needed to Fill Gap	$621,376	$5,057,498	----	----	----
Applicant Request	$603,701	$4,913,637	----	----	----

Long-Term Pro Forma

Fredericksburg Senior Apartments, Fredericksburg, 9% HTC #25035

	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%	$332,378	$339,026	$345,806	$352,723	$359,777	$397,223	$438,566	$484,213	$534,610	$590,252	$651,686	$719,514
TOTAL EXPENSES	3.00%	$237,080	$243,688	$250,483	$257,473	$264,661	$303,798	$348,855	$400,742	$460,510	$529,376	$608,743	$700,237
NET OPERATING INCOME ("NOI")		**$95,298**	**$95,338**	**$95,323**	**$95,250**	**$95,116**	**$93,425**	**$89,711**	**$83,470**	**$74,099**	**$60,877**	**$42,943**	**$19,278**
EXPENSE/INCOME RATIO		71.3%	71.9%	72.4%	73.0%	73.6%	76.5%	79.5%	82.8%	86.1%	89.7%	93.4%	97.3%
MUST -PAY DEBT SERVICE													
USDA		$23,238	$23,238	$23,238	$23,238	$23,238	$23,238	$23,238	$23,238	$23,238	$23,238	$23,238	$23,238
TDHCA HOME		$47,653	$47,653	$47,653	$47,653	$47,653	$47,653	$47,653	$47,653	$47,653	$47,653	$47,653	$47,653
TOTAL DEBT SERVICE		$70,891	$70,891	$70,891	$70,891	$70,891	$70,891	$70,891	$70,891	$70,891	$70,891	$70,891	$70,891
DEBT COVERAGE RATIO		1.34	1.34	1.34	1.34	1.34	1.32	1.27	1.18	1.05	0.86	0.61	0.27
ANNUAL CASH FLOW		**$24,407**	**$24,447**	**$24,432**	**$24,359**	**$24,225**	**$22,534**	**$18,820**	**$12,579**	**$3,208**	**($10,015)**	**($27,948)**	**($51,613)**
Deferred Developer Fee Balance		$254,639	$230,192	$205,760	$181,401	$157,176	$40,406	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$62,023	$138,524	$174,695	$152,769	$50,971	($157,245)

Arx Advantage, LLC
Robbye G. Meyer
1305 Dusky Thrush Trail
Austin, Texas 78746
(512) 963-2555
robbye@arxadvantage.net

June 2, 2025

Via Electronic Mail

Mr. Bobby Wilkinson
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas

Re: 25035 Fredericksburg Seniors

Dear Mr. Wilkinson:

We represent Fredericksburg RD Housing, LP, the "Applicant", for the above referenced Application submitted for the 2025 Housing Tax Credit Application Cycle.

On May 27, 2025, the Applicant received a Real Analysis Underwriting Report ("Report") reducing the Applicant's requested tax credit allocation amount from $603,701 to $587.092 for an adjustment of $16,609 in annual credits or $166,090 in total allocation.

Background

The appraised values for United States Department of Agriculture Rural Development ("USDA") transfer applications are permitted (in the rules) to combine what is termed "favorable financing" for the federal debt that is on the property with physical value of the property to determine the appraised value to be used in the Report analysis (Exhibit A).

The Report's final analysis states the Applicant understated the land value and overstated the building acquisition value; therefore, overstating the requested credit request.

The Flaw

In using the values stated in the appraisal, staff used the percentage of land and building as a percentage of the physical property value; however, when considering the "favorable financing", the same percentages were used even though, the financing was not used in the same percentages (Exhibit B). Example, the USDA loan financed approximately 20% of land cost and the HOME loan financed 100% of building rehabilitation with NO land cost, yet the staff's land percentage of 49.21% is being applied to the favorable financing amounts. If you applied appropriate percentages to the favorable financing, the land value would not be overstated, and the building would not be understated. The Applicant's credit request would be acceptable.

Conclusions

In discussing staff's recommendations, before the Report was published, staff asked the Applicant "why he did not just include an owner note to make up the difference?" The answer is simple; an owner note is basically the same as a "cash out" and that is exactly what the TDHCA Board has been concerned about for the last couple of years. The Applicant did not want to do that, nor was it needed to make the financing work. The Applicant could have manipulated the costs and used the full value stated in the appraisal of $2,032,000; however, the Applicant did not need to use the full value to make the numbers work and only stated a value of $1,588,149.

With this Report, the Applicant is being penalized for NOT manipulating and cheating the system to acquire more tax credits than is really needed. The Applicant is only requesting the amount of tax credits the development is eligible for and should be awarded.

Finally, granting this request, this will further the policies of the Department in providing for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income and maximize the number of suitable, affordable residential rental units by preserving existing housing in an area of Texas where affordable housing is not readily available as the best use of the credits and not some scheme to fit in a box and artificially increase the credit request for no financially feasible reason.

Should the Executive Director deny this appeal, the Applicant requests to be placed on the next available Board agenda.

Thank you for your consideration.

Sincerely.

Robby G Meyer

Robbye G. Meyer

Cc: Murray Calhoun
Jason Rabalais

Exhibit A

MARKET VALUE CONCLUSIONS			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value Conclusion**
"As Is Market Value, within 7 CFR Part 3560.752(b)(1)(ii), Premised Upon A Hypothetical Condition As-If Unsubsidized Conventional Housing in compliance with 7 CFR Part 3560.656(c)(1)(i)"	Fee Simple Estate (subject to short term leases)	February 6, 2025	$4,800,000
"As Is Market Value, Subject to Restricted Rents within 7 CFR Part 3560.752(b)(1)(i)"	Fee Simple Estate (subject to short term leases)	February 6, 2025	$1,270,000
"Prospective Market Value, Subject to Restricted Rents within 7 CFR Part 3560.752(b)(1)(i)"	Fee Simple Estate (subject to short term leases)	February 8, 2027 prospective date	$1,490,000
Insurable Value	Fee Simple	February 6, 2025	$2,622,063
Land Only - Unencumbered	Fee Simple	February 6, 2025	$625,000
Estimated Value of USDA Favorable Financing	Fee Simple	February 6, 2025	$470,000
Estimated Value of TDHCA Favorable Financing	Fee Simple	February 6, 2025	$292,000
Estimated Value of Tax Credits	Fee Simple	February 6, 2025	$478,500

Extraordinary Assumptions: The appraiser viewed the interior of four units. We assume that the remaining units in the complex are of similar condition and utility. The net rentable area (NRA) was determined based upon the unit sizes provided by the property representative. Our value conclusion is subject to revision if a subsequent survey indicates building area significantly varies from the above NRA. We have assumed there are no profit limitations in place. If there are profit limitations in place, our value conclusion is subject to revision. Our use of the extraordinary assumptions and hypothetical conditions might have affected the assignment results.

Hypothetical Conditions: The appraiser was instructed to value the subject property, in its current condition, as if there are no income restrictions or subsidies in place and the property is operating as a conventional complex ("unrestricted rents") and if the subject has been renovated with no income restrictions or subsidies in place, operating as a conventional complex ("prospective market rents to be adopted by USDA as restricted rents") and if the subject has been renovated with income restrictions and subsidies in place, operating as a USDA RD Project. Additionally, the appraiser was instructed to value the subject site, as if vacant, unencumbered by a Project Restricted Use Provisions (RUPS) or a Land Use Restrictive Agreement (LURA).

robbye arxadvantage.net

From:	Robert Castillo <Robert.Castillo@tdhca.texas.gov>
Sent:	Friday, May 23, 2025 9:10 AM
To:	robbye arxadvantage.net
Cc:	Bin Ni
Subject:	25035 Fredericksburg Seniors

Robbye,

I have attached a screen shot of what I was explaining. The appraisal supports up to $1M for the land $1.032M for building acquisition assuming using the full value.

The acquisition of $1,588,146 is supported but we're assessing 49.21% of that is the land value and 50.79% is the building acquisition.

The land is now $781,568 and building acquisition is $806,578. The land value is understated and the building acquisition is overstated in the application.

Allocation of Favorable Financing Value			contract cost w/ financing allocated		
	Appraised value	Allocated			
land	$625,000	**$1,000,000**	$781,568	49.21%	Percentage o
bldgs	$645,000	**1032000**	$806,578	50.79%	value
Property Value	$1,270,000				
favorable financing	$762,000			$1,588,146	Acquisition F
Total Value	**$2,032,000**	**$2,032,000**	$1,588,146		

ACQUISITION		
Site acquisition cost	625,000	
Existing building acquisition cost	963,146	963,146
Closing costs & acq. legal fees	0	
Other (specify) - see footnote 1		
Other (specify) - see footnote 1	0	0
Subtotal Acquisition Cost	$1,588,146	$963,146
OFF SITES[2]		

Thank You,

Bobby Castillo
Manager
Real Estate Analysis Division
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, Texas 78701
512.475.0322

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

June 16, 2025

Writer's direct dial: 512 475-3296
Email: bobby.wilkinson@tdhca.texas.gov

Murray Calhoun
3224 26th Street
Metairie, LA 70002

RE: Appeal of Underwriting Recommendation – Fredericksburg Seniors (25035)

Mr. Calhoun:

The Department received the above-listed Application on February 27, 2025. The Application proposes the acquisition and rehabilitation of an existing 48-unit USDA property in Fredericksburg. An appraisal that meets the requirements of 10 TAC §11.304 (relating to Appraisal Rules and Guidelines) was submitted with the Application, which indicates an "as-is, as-restricted" value of $1,270,000, with the land valued at $625,000 (49.21%) and the buildings at $645,000 (50.79%).

In accordance with 10 TAC §11.304(c)(10)(E), the appraisal includes a valuation of the favorable financing associated with the property. Specifically, it identifies $470,000 in value attributable to the USDA loan transfer and $292,000 to the TDHCA loan transfer, as required:

> (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.

While the 2025 TDHCA Qualified Allocation Plan (QAP) does not explicitly prescribe how favorable financing should be allocated between land and building acquisition costs, the Department's Real Estate Analysis (REA) division applied its longstanding underwriting methodology. For over a decade, REA has consistently allocated favorable financing between land and building in proportion to the respective appraised values. This methodology is embedded in the TDHCA underwriting model and has been applied uniformly to USDA applications that include favorable financing to substantiate their acquisition price.

In this case, applying the appraisal-derived ratios (49.21% land / 50.79% building) to the Applicant's proposed acquisition cost of $1,588,146 results in an allocated land cost of $781,568 and building cost of $806,578. The Applicant, however, did not apply any portion of the favorable financing to land and instead allocated a portion of it exclusively to the building. This approach overstates the eligible building acquisition cost by $156,568. Consequently, the Underwriting Report published on May 27, 2025, recommends a reduced annual 9% Housing Tax Credit allocation of $587,092, reflecting a $135,186 reduction in equity proceeds. The reduction can be offset through an increase in Deferred Developer Fee, and the project remains financially feasible.

The Applicant timely appealed the Underwriting Report on June 2, 2025. The appeal argues that favorable financing should not be allocated according to the appraisal-derived ratios, as the original USDA and TDHCA loans financed the land and building in different proportions. Specifically, the Applicant asserts that the USDA loan covered approximately 20% of land cost, while the TDHCA HOME loan financed building rehabilitation only, with no land component. The appeal further states that if TDHCA applied appropriate percentages to favorable financing, there would be no credit cut.

The Application was underwritten using standard REA procedures that ensure consistency across all applications. Applying the appraised land/building value ratios to the value of transferred favorable financing reflects the benefit received by the current Applicant and prospective new owner. This approach is logical, consistently applicable, and transparent.

A third-party buyer would not have access to historical loan disbursements and could not reasonably be expected to determine how the original financing was applied to costs by the previous owner. What is relevant for underwriting purposes of the current tax credit Application is the benefit that the new ownership derives from the below-market financing it will assume. The methodology used by REA appropriately captures that benefit and ensures equitable treatment across all applicants. Accordingly, your appeal is denied.

In anticipation that you will want this matter presented to the Department's Governing Board, this appeal has been placed on the agenda for the meeting to be held on July 10, 2025. If you have any questions, please contact Cody Campbell at cody.campbell@tdhca.texas.gov.

Sincerely,

RDWil II

Bobby Wilkinson
Executive Director

File #: 1086 **Agenda Date:** 7/10/2025 **Agenda #:** 19.

Presentation, discussion, and possible action regarding an appeal of the underwriting report for Azle Oaks Apartments

RECOMMENDED ACTION

WHEREAS, Azle Oaks Apartments is a 2025 competitive 9% Housing Tax Credit Application that requests $2,000,000 in Housing Tax Credits to Rehabilitate 116 Units in Azle;

WHEREAS, the Department's Real Estate Analysis Division reviewed the Application and published an underwriting report that reduced the recommended a credit allocation to $1,999,705 for the reasons outlined below;

WHEREAS, the Applicant timely appealed this determination to the Executive Director, who denied the appeal; and

WHEREAS, the Applicant has requested to appeal directly to the Governing Board.

NOW, therefore, it is hereby

RESOLVED, that the appeal of the underwriting report for Azle Oaks Apartments is denied.

BACKGROUND

Azle Oaks Apartments is a 2025 competitive 9% Housing Tax Credit Application that requests $2,000,000 in Housing Tax Credits to Rehabilitate 116 Units in Azle.

One federally allowable use of the Low Income Housing Tax Credit is the acquisition and rehabilitation of existing housing. In such a transaction, the credits for the acquisition of the buildings and the credits for the rehabilitation of those buildings are treated separately, although the Department underwrites and allocates the credits as a single transaction. To help illustrate this, please see the following excerpt from the underwriting report for this transaction (the full report is attached to this item):

		Eligible Basis	
		Acquisition	New Const. Rehab
Land Acquisition			
Building Acquisition		$1,885,600	
Off-Sites			$0
Site Work			$2,310,000
Site Amenities			$1,020,000
Building Cost			$8,250,000
Contingency			$1,238,000
Contractor Fees			$1,783,320
Soft Costs		$0	$498,300
Financing		$0	$1,087,000
Developer Fee	35.90%	$541,600	$2,166,400
Reserves			
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		$2,427,200	$18,353,020

The total Eligible Basis for the Acquisition of the buildings is separate from the Rehabilitation, as is federally required. After calculating the eligible credit amounts for both activities, the Department combines them into a single recommended credit amount which is presented to the Board for final approval. The Owner then claims these two credits separately with the Internal Revenue Service.

The Eligible Basis is the portion of a property's costs that can be used to calculate the amount of tax credits. It includes the costs of depreciable residential rental property used for qualified low-income housing purposes. Critically, Eligible Basis must exclude any non-depreciable assets, such as land. When calculating the eligible credits for acquisition, the Department is required to determine the amount of non-depreciable costs associated with the transaction and then calculate the credits based on the remaining eligible costs.

Applicants that intend to include building acquisition costs in Eligible Basis are required to submit a third-party appraisal to substantiate those costs. An appraisal was submitted with this Application that indicates an "as-is" value of $1,950,000, with the land valued at $750,000 (38.46%) and the buildings at $1,200,000 (61.54%).

The Development currently has a loan from USDA. In accordance with 10 TAC §11.304(c)(10)(E), the appraisal includes a valuation of this favorable financing associated with the property. Specifically, it identifies $575,000 in value attributable to the USDA loan transfer, as required:

> (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.

While the QAP does not explicitly prescribe how favorable financing should be allocated between land and building acquisition costs, the Department's Real Estate Analysis (REA) division applied its longstanding underwriting methodology. For over a decade, REA has consistently allocated favorable financing between land and building in proportion to the respective appraised values. This methodology is embedded in the TDHCA underwriting model and has been applied uniformly to USDA applications that include favorable financing to substantiate their acquisition price.

In this case, applying the appraisal-derived ratios (38.46% land/61.54% building) to the Applicant’s proposed acquisition cost of $2,447,238 results in an allocated land cost of $942,888 and building cost of $1,508,622; however, the Applicant allocated all favorable financing to the building and reported a land value of only $565,910 - $184,090 below the appraised land value of $750,000. After applying the proportional allocation of favorable financing, the Applicant's eligible building acquisition cost is overstated by $376,978. As a result, the Underwriting Report published on June 12, 2025, recommends a reduced annual 9% Housing Tax Credit allocation of $1,999,705, reflecting a $2,467 reduction in equity proceeds. With this small reduction in equity, the project remains financially feasible.

The Applicant timely appealed the Underwriting Report on June 17, 2025. The appeal argues that favorable financing should not be allocated according to the appraisal-derived ratios, because at cost certification, a CPA will not consider favorable financing because it is not a variable that adds value or has any aspect that impacts the land. The Applicant asserts this is because the favorable financing is not earned by the land, but is earned by the buildings. The Applicant further state that USDA 515 did not provide financing for affordable land, they financed affordable housing. The appeal does acknowledge that the appraised land value is $750,000, not the $565,190 submitted in the Application.

The appeal also references the 2023 Cleveland Square 9% Application (#23081), in which TDHCA accepted a land value equal to the appraised amount. In that case, however, the allocation of favorable financing had no effect on the credit allocation because the Applicant submitted a land value that exceeded the appraised value by $106,860.

The Application was underwritten using standard REA procedures that ensure consistency across all applications. Applying the appraised land/building value ratios to the value of transferred favorable financing reflects the benefit received by the current Applicant and prospective new owner. This approach is logical, consistently applicable, and transparent.

A third-party buyer would not have access to historical loan disbursements and could not reasonably be expected to determine how the original financing was applied to costs by the previous owner. What is relevant for underwriting purposes of the current tax credit Application is the benefit that the new ownership derives from the below-market financing it will assume. The methodology used by REA appropriately captures that benefit and ensures equitable treatment across all applicants.

25038 Azle Oaks Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
June 12, 2025

PROPERTY IDENTIFICATION

Application #	25038
Development	Azle Oaks Apartments
City / County	Azle / Tarrant
Region/Area	3 / Urban
Population	General
Set-Aside	USDA
Activity	Acquisition/Rehab (Built in 1976)

RECOMMENDATION

TDHCA Program	Request	Recommended		
FHTC (9% Credit)	$2,000,000	$1,999,705	$17,239/Unit	$0.84

KEY PRINCIPALS / SPONSOR

- Variegata Peak Investments, LLC (75% Owner)
  Jonathan Campbell
- SSK Consulting, LLC (25% Owner, 5% Developer)
  Rebecca Armer
- LCJ Development, Inc. (95% Developer)
  James Washburn, Charles Craig Washburn

Related Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION / INCOME DISTRIBUTION

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	52	45%	30%	9	8%
2	64	55%	40%	-	0%
3	-	0%	50%	24	21%
4	-	0%	60%	83	72%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	116	100%	TOTAL	116	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.16	Expense Ratio	60.6%
Breakeven Occ.	87.5%	Breakeven Rent	$856
Average Rent	$906	B/E Rent Margin	$50
Property Taxes	$578/unit	Exemption/PILOT	0%
Total Expense	$6,126/unit	Controllable	$2,719/unit

SITE PLAN

MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			N/A
Highest Unit Capture Rate	0%	N/A	N/A
Dominant Unit Cap. Rate		0 BR/20%	0
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	89	77% Total Units	

DEVELOPMENT COST SUMMARY

Costs Underwritten	TDHCA's Costs - Based on SCR		
Avg. Unit Size	744 SF	Density	13.4/acre
Acquisition		$21K/unit	$2,452K
Building Cost	$95.62/SF	$71K/unit	$8,250K
Hard Cost		$110K/unit	$12,738K
Total Cost		$197K/unit	$22,886K
Developer Fee	$2,642K	(0% Deferred)	Paid Year: 1
Contractor Fee	$1,783K	30% Boost	Yes

REHABILITATION COSTS / UNIT

Site Work	$20K	20%	Finishes/Fixture	$22K	22%
Building Shell	$35K	35%	Amenities	$9K	9%
HVAC	$12K	12%	Total Exterior	$64K	64%
Appliances	$2K	2%	Total Interior	$36K	36%

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Bellwether Enterprise USDA 528	40/40	6.75%	$5,000,000	1.23
USDA RD 515 Perm	30/50	1.00%	$947,238	1.16
TOTAL DEBT (Must Pay)			**$5,947,238**	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
Azle Oaks Housing, Ltd	0/0	0.00%	$241,053	1.16
CASH FLOW DEBT / GRANTS			**$241,053**	

EQUITY / DEFERRED FEES	
Source	Amount
Raymond James	$16,697,533
LCJ Development, Inc	$0
TOTAL EQUITY SOURCES	**$16,697,533**
TOTAL DEBT SOURCES	**$6,188,291**
TOTAL CAPITALIZATION	**$22,885,824**

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

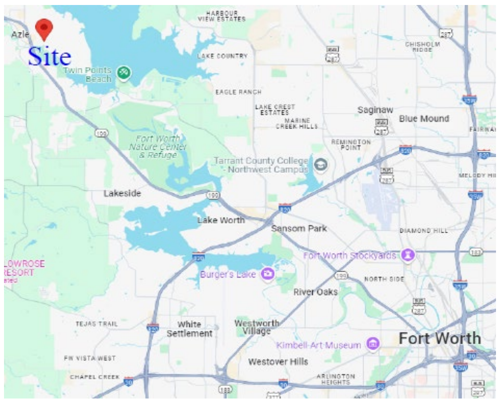
STRENGTHS/MITIGATING FACTORS

- 89 out of 116 units (76.7 %) have USDA rental assistance
- No new affordable developments in the PMA
- Experienced USDA rehab developer/operator

WEAKNESSES/RISKS

- 49 year-old property may have less appeal
- Rising material costs could adversely affect budget

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
June 12, 2025

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **25038** Program(s): **9% HTC**

Azle Oaks Apartments

Address/Location:	700 Jarvis Lane				
City:	Azle	County:	Tarrant	Zip:	76020
Population:	General	Program Set-Aside:	USDA	Area:	Urban
Activity:	Acquisition/Rehab	Building Type:	Garden (Up to 4-story)	Region:	3
Low-Income:	40% at 60%				
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**
FHTC (9% Credit)	$2,000,000				**$1,999,705**						

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	9
50% of AMI	50% of AMI	24
60% of AMI	60% of AMI	83

DEVELOPMENT SUMMARY

This application is requesting tax credits for the rehabilitation of an original development that was constructed in three phases. There are 52 one-bedroom units and 64 two-bedroom units totaling 116 units.

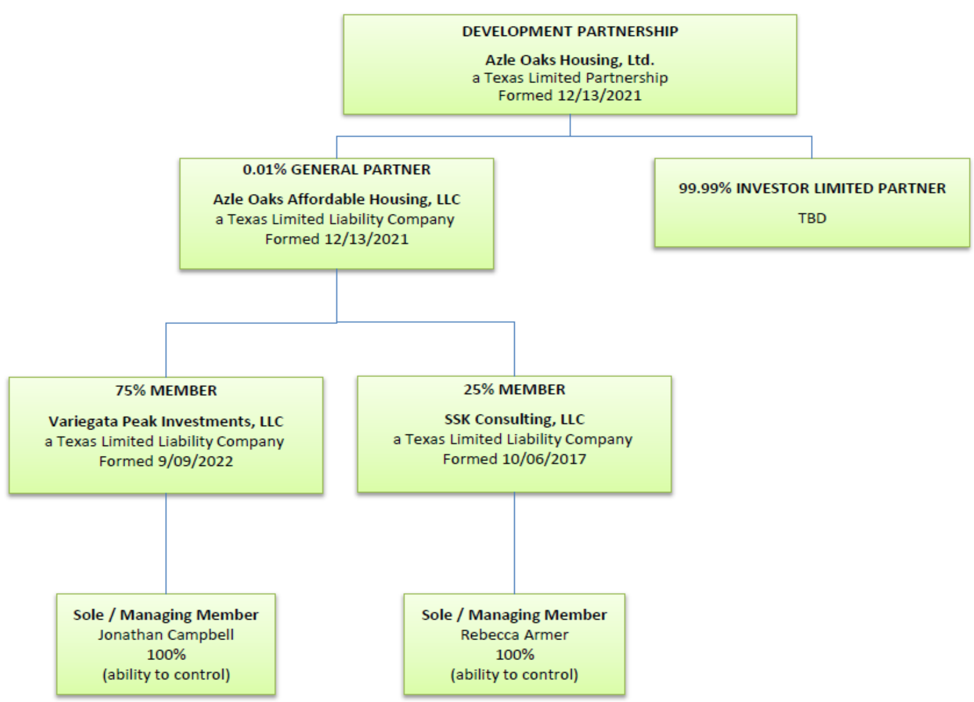
RISK PROFILE

	STRENGTHS/MITIGATING FACTORS
▫	89 out of 116 units (76.7 %) have USDA rental assistance
▫	No new affordable developments in the PMA
▫	Experienced USDA rehab developer/operator

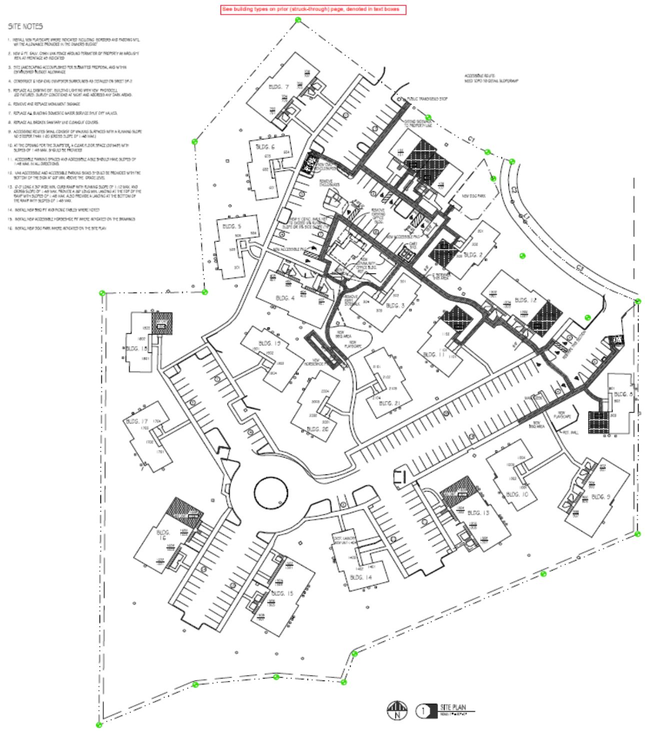
	WEAKNESSES/RISKS
▫	49 year-old property may have less appeal
▫	Rising material costs could adversely affect budget
▫	

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY
SITE PLAN



AERIAL PHOTO

Comments:

180 spaces are required by the City of Azle. 186 open surface parking spaces (1.6/unit) will be provided at no charge to the residents.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	A	A2	B	Office	Total Buildings
Floors/Stories	2	2	1	1	
Number of Bldgs	3	5	13	1	22
Units per Bldg	8	8	4		
Total Units	24	40	52		**116**

Avg. Unit Size (SF)	**744 sf**	**Total NRA (SF)**	**86,276**	**Common Area (SF)***	**5,780**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 8.67 acres Density: 13.4 units/acre

Site Control: 8.661 **Site Plan:** 8.67 **Appraisal:** 8.67 **ESA:** N/A

Feasibility Report Survey: 8.669 **Feasibility Report Engineer's Plan:** N/A **Existing LURA:** N/A

Control Type: Real Estate Purchase and Sale Agreement

Development Site: 8.67 acres Cost: $2,447,238 $21,097 per unit

Seller: Azle Oaks Apartments

Buyer: Parkside Consulting LLC

Assignee: Azle Oaks Housing, Ltd.

Comments:

The Purchase Price is $1.5M plus all assumable USDA Section 515 debt which is estimated to be $947,238 assuming a 5/2026 closing date. Small variance in overall acquisition costs in Cost Schedule to the Appraisal is attributable to expected loan assumption balance.

APPRAISED VALUE

Appraiser: Pacific Southwest Valuation, LLC   Date: 2/18/2025

Land as Vacant: 8.66 acres	$750,000	Per Unit:	$6,466
Existing Buildings: (as-is)	$1,200,000	Per Unit:	$10,345
Land + Buildings: (as-is)	$1,950,000	Per Unit:	$16,810
Favorable Financing:	$575,000	Per Unit:	$4,957
Total Development: (as-is)	**$2,525,000**	Per Unit:	**$21,767**

Comments:

Applicant's land value is shown as $565,910 while the appraisal states a hypothetical land value of $750,000. Underwriter utilized the land value from the appraisal. The existing building value is the Market Value (As Is) less the hypothetical value of the land. Since the anticipated transfer value exceeds the $1,950,000 Market value, Underwriter also added the value of the Favorable Financing (calculated by the appraiser on the 515 loan being assumed). The calculated Favorable Financing was allocated pro-rata to the land and buildings.

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	MF-2	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	1976	Title Issues?	No

Current Uses of Subject Site:

Existing multifamily property

TENANT RELOCATION PLAN

The Applicant intends to primarily address the exterior, however, certain rehabilitation work will be performed in the interior, which at most, will cause inconvenience for the tenant, but no need for relocation during the work. This work will be performed on a unit-by-unit basis so as not to unduly disrupt the tenants. However, the work is not of the type that will cause the tenant to relocate so that the workers can complete the rehabilitation. Nevertheless, the Applicant has included relocation expenses of $120,000 ($1,034/unit) in the Cost Pro Forma for unforeseen circumstances.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Comments:

Developments funded by USDA are not required to supply an Environmental Site Assessment, as these are existing properties previously approved and subsidized by USDA. It is the Applicant's responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements. USDA retains on-going oversight of the properties.

MARKET ANALYSIS

Comments:

USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market. The subject property is 81.9% occupied (21 vacant) per the February 2025 Rent Roll submitted by Applicant.

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$462,448	Avg. Rent:	$906	Expense Ratio:	60.6%
Debt Service:	$398,596	B/E Rent:	$856	Controllable Expenses:	$2,719
Net Cash Flow:	$63,852	UW Occupancy:	92.5%	Property Taxes/Unit:	$578
Aggregate DCR:	1.16	B/E Occupancy:	87.5%	Program Rent Year:	2024

Underwriter utilized proposed USDA-RD rents and 2024 HTC rents for the Rent Proforma. There are currently two sets of Utility Allowances. The Applicant and Underwriter utilized the consolidated allowance that will be used after the development has completed the rehab and been placed in service. Application is infeasible without USDA rent increases on the 89 units that have RD assistance.

Unit Type	Current Approved USDA RA Rent	Proposed USDA RA Rent	Increase	Variance
1BR Phase I&II	$577	$970	$393	68.11%
1BR Phase III	$610	$970	$360	59.02%
2BR Phase I&II	$638	$1,160	$522	81.82%
2BR Phase III	$685	$1,160	$475	69.34%

Applicant provided a staffing plan from the new management company to support increases in Salaries from historical numbers. Underwriter assumed that energy efficient and water saving improvements will decrease utility costs from historical numbers. Overall variance to Applicant's pro forma was under 5%, so Applicant's overall operating expenses were used for purposes of underwriting.

As underwritten, the residual 15-year cash flow is $1.26M. There is no deferred developer fee.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on SCR)					
Acquisition	$108,768/ac	$21,134/unit	**$2,451,510**	Contractor Fee	**$1,783,320**
Off-site + Site Work		$28,707/unit	**$3,330,000**	Soft Cost + Financing	**$2,016,530**
Building Cost	$95.62/sf	$71,121/unit	**$8,250,000**	Developer Fee	**$2,642,286**
Contingency	10.00%	$9,983/unit	**$1,158,000**	Reserves	**$1,254,178**
Total Development Cost	$197,292/unit	**$22,885,824**		**Rehabilitation Cost**	**$99,828/unit**
Qualified for 30% Basis Boost?	High Opportunity Index [9% only]				

Acquisition:

Underwriter's acquisition costs were derived using the Appraisal's valuation for land and buildings plus the appraiser's allocation for favorable financing on the assumed 515 loan. Those costs were then reconciled to equal Applicant's purchase price of $1.5M plus the projected 515 loan assumption balance at closing of $947k (total acquisition cost of $2.45M) as prescribed in the Real Estate Purchase and Sale Agreement.

Applicant's eligible building acquisition cost is overstated by $377k.

REHABILITATION COSTS / UNIT / % HARD COST							
Site Work	$2,310,000	$19,914/unit	20%	Finishes/Fixtures	$2,582,000	$22,259/unit	22%
Building Shell	$4,048,000	$34,897/unit	35%	HVAC	$1,365,000	$11,767/unit	12%
Amenities	$1,020,000	$8,793/unit	9%	Appliances	$255,000	$2,198/unit	2%
Total Exterior	**$7,378,000**	**$63,603/unit**	**64%**	**Total Interior**	**$4,202,000**	**$36,224/unit**	**36%**

SCOPE & COST REVIEW

Provider: GIBCO Environmental LLC   Date: 2/20/2025

Scope of Work:

ADA Compliance
• Concrete work needed to retrofit dumpster pads for wheelchair accessibility and retrofit mailbox pad.
• Metal handrails to be fabricated and installed as needed.
• Framing work needed to meet Accessibility Work. This will include widening of hallways, moving wet walls in accessible units, demolition of concrete to relocate plumbing, creation of necessary turning radius in bathrooms, re-insulation and hanging of drywall.
• Lever handle doorknobs and required locking mechanisms. Replacement of all entry doors with ADA compliant thresholds.
• All tubs will be replaced. Accordingly, drywall will be removed and replaced around newly installed surrounds. Additionally, drywall will be removed and replaced to install backing for grab bars.
• Install AC/DC HC strobe smoke alarms for HC units.
• Install HC parking cut in ramps.
• Rework accessible parking areas that exceed 2% slope/cross slope.
• Replace uneven/damaged sidewalks to connect accessible routes.
• Retrofit plumbing to meet handicapped accessibility requirements.

Mandatory Development Amenities
• Screens on all operable windows (included with new Energy Star Window Installation)
• Energy-Star rated refrigerator (will be supplied in all units - ice maker will be supplied)
• Oven/Range (will be supplied in all units)
• Blinds (will be supplied for all windows)
• Energy-Star Ceiling Fan (at least 1 per unit)
• Energy-Star rated lighting (all lighting fixtures will be changed complex wide)
• HVAC (all areas of units will have heating and air conditioning – Exterior Storage excluded)
• Adequate parking (parking will meet requirements per local code)
• Energy Star rated windows (All existing windows will be replaced)
• Adequate accessible parking (Accessible parking will comply with 2010 ADA requirements)

Common Amenities
• Covered pavilion with sitting area
• Furnished Community Room

Unit Development Construction Features
• Covered Entries
• Microwave Oven
• Self-Cleaning/continuous cleaning oven
• Energy-Star rated refrigerator with icemaker
• Energy-Star rated ceiling fans in all Bedrooms
• EPA WaterSense qualified toilets in all bathrooms
• EPA WaterSense qualified showerheads and faucets in all bathrooms)

Development Construction Features
• 15 SEER HVAC
• Thirty (30) year roof

Systems & Components
• HVAC (existing air handlers and condensing units are replaced in all units)
• Water Heaters (existing water heaters are replaced in all units)
• Tubs and surrounds (existing tubs and surrounds are replaced in all units)

Contingency:

$80k in soft cost contingency was moved to Contingency (as required by rule). However, since Contingency was already budgeted at the full 10%, the resulting total Contingency is overstated by $80k.

Developer Fee:

Adjustments to Building Acquisition Cost and Contingency resulted in Developer Fee being overstated by $65k.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$22,885,824	$20,257,528	$2,236,542

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
BOK Financial	Construction Loan	$16,332,575	7.25%	74%
Raymond James	FHTC	$3,340,000	$0.84	15%
City of Azle	In-Kind Contribution	$250	0.00%	0%
LCJ Development, Inc	Fee	$2,166,400	0.00%	10%
Azle Oaks Housing, Ltd	Op Reserve Deposit	$241,053	0.00%	1%
		$22,080,278	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Bellwether Enterprise USDA 528	$5,000,000	6.75%	40	40.0	$5,000,000	6.75%	40	40.0	22%
USDA RD 515 Perm	$947,238	1.00%	50	30.0	$947,238	1.00%	50	30.0	4%
Azle Oaks Housing, Ltd	$241,053	0.00%	0	0.0	$241,053	0.00%	0	0.0	1%
Total	**$6,188,291**				**$6,188,291**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Raymond James	$16,700,000	$0.84		$16,697,533	$0.84	73%	
LCJ Development, Inc	$143,247		5%	$0		0%	0%
Total	**$16,843,247**			**$16,697,533**			
				$22,885,824	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.835	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.772	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	$22,885,824
Permanent Sources (debt + non-HTC equity)	$6,188,291
Gap in Permanent Financing	$16,697,533

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$18,675,128	$2,236,542
Needed to Balance Sources & Uses	$16,697,533	$1,999,705
Requested by Applicant	$16,700,000	$2,000,000

	RECOMMENDATION	
	Equity Proceeds	**Annual Credits**
Tax Credit Allocation	**$16,697,533**	**$1,999,705**

Deferred Developer Fee	**$0**	**(0% deferred)**
Repayable in	**N/A**	

Recommendation:

Underwriter recommends an allocation of $1,999,705 in annual 9% Housing Tax Credits as determined by the amount needed to balance sources & uses.

Underwriter:	*Eric Weiner*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Azle Oaks Apartments, Azle , 9% HTC #25038

LOCATION DATA	
CITY:	Azle
COUNTY:	Tarrant
Area Median Income	$101,900
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	SHTC	Match
Eff	-	0.0%	0	0	0	0
1	52	44.8%	43	0	0	0
2	64	55.2%	46	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	116	100.0%	89	-	-	-

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	744 sf

56%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	9	-	24	83	-	-	-	116
	% Total	0.0%	7.8%	0.0%	20.7%	71.6%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

FEDERAL HTC		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	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%	$573	USDA-RD	$967	4	1	1	633	$967	$97	$870	$0	$1.37	$870	**$3,480**	**$3,480**	$870	$1.37	$0	$967	$1.53	$967
TC 50%	$956	USDA-RD	$967	11	1	1	633	$967	$97	$870	$0	$1.37	$870	**$9,570**	**$9,570**	$870	$1.37	$0	$967	$1.53	$967
TC 60%	$1,147	USDA-RD	$967	28	1	1	633	$967	$97	$870	$0	$1.37	$870	**$24,360**	**$24,360**	$870	$1.37	$0	$967	$1.53	$967
TC 60%	$1,147	0	$967	9	1	1	633	$967	$97	$870	$0	$1.37	$870	**$7,830**	**$7,830**	$870	$1.37	$0	$967	$1.53	$967
TC 30%	$688	USDA-RD	$1,054	2	2	1	795	$1,054	$119	$935	$0	$1.18	$935	**$1,870**	**$1,870**	$935	$1.18	$0	$1,054	$1.33	$1,054
TC 50%	$1,147	USDA-RD	$1,054	5	2	1	795	$1,054	$119	$935	$0	$1.18	$935	**$4,675**	**$4,675**	$935	$1.18	$0	$1,054	$1.33	$1,054
TC 60%	$1,377	USDA-RD	$1,054	8	2	1	795	$1,054	$119	$935	$0	$1.18	$935	**$7,480**	**$7,480**	$935	$1.18	$0	$1,054	$1.33	$1,054
TC 60%	$1,377	0	$1,054	9	2	1	795	$1,054	$119	$935	$0	$1.18	$935	**$8,415**	**$8,415**	$935	$1.18	$0	$1,054	$1.33	$1,054
TC 30%	$688	USDA-RD	$1,054	3	2	1	857	$1,054	$119	$935	$0	$1.09	$935	**$2,805**	**$2,805**	$935	$1.09	$0	$1,054	$1.23	$1,054
TC 50%	$1,147	USDA-RD	$1,054	8	2	1	857	$1,054	$119	$935	$0	$1.09	$935	**$7,480**	**$7,480**	$935	$1.09	$0	$1,054	$1.23	$1,054
TC 60%	$1,377	USDA-RD	$1,054	20	2	1	857	$1,054	$119	$935	$0	$1.09	$935	**$18,700**	**$18,700**	$935	$1.09	$0	$1,054	$1.23	$1,054
TC 60%	$1,377	0	$1,054	9	2	1	857	$1,054	$119	$935	$0	$1.09	$935	**$8,415**	**$8,415**	$935	$1.09	$0	$1,054	$1.23	$1,054
TOTALS/AVERAGES:				**116**			**86,276**				**$0**	**$1.22**	**$906**	**$105,080**	**$105,080**	**$906**	**$1.22**	**$0**	**$1,015**	**$1.36**	**$1,015**

ANNUAL POTENTIAL GROSS RENT:	**$1,260,960**	**$1,260,960**

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Azle Oaks Apartments, Azle , 9% HTC #25038

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		2024 Actual		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.22	$906	$1,260,960	$1,260,960	$906	$1.22		0.0%	$0
Laundry & vending							$2.50	$3,480						
Interest Income							$0.17	$240						
Late fees, return cks							$2.50	$3,480						
Total Secondary Income							$5.17		$7,200	$5.17			0.0%	$0
POTENTIAL GROSS INCOME								$1,268,160	$1,268,160				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(95,112)	(95,112)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$1,173,048	$1,173,048				0.0%	$0
General & Administrative	$64,193	$553/Unit	$35,093	$303	1.75%	$0.24	$177	$20,500	$35,093	$303	$0.41	2.99%	-41.6%	(14,593)
Management	$54,691	3.1% EGI	$73,350	$632	10.68%	$1.45	$1,080	$125,280	$125,280	$1,080	$1.45	10.68%	0.0%	-
Payroll & Payroll Tax	$175,686	$1,515/Unit	$54,745	$472	12.04%	$1.64	$1,218	$141,280	$141,280	$1,218	$1.64	12.04%	0.0%	-
Repairs & Maintenance	$101,948	$879/Unit	$120,524	$1,039	6.49%	$0.88	$656	$76,100	$81,200	$700	$0.94	6.92%	-6.3%	(5,100)
Electric/Gas	$28,163	$243/Unit	$24,216	$209	1.36%	$0.19	$138	$16,000	$16,000	$138	$0.19	1.36%	0.0%	-
Water, Sewer, & Trash	$102,814	$886/Unit	$73,644	$635	5.24%	$0.71	$530	$61,500	$61,500	$530	$0.71	5.24%	0.0%	-
Property Insurance	$96,361	$1.12 /sf	$147,316	$1,270	11.98%	$1.63	$1,211	$140,500	$140,500	$1,211	$1.63	11.98%	0.0%	-
Property Tax (@ 100%) 2.220967	$117,556	$1,013/Unit	$63,425	$547	5.71%	$0.78	$578	$67,000	$67,000	$578	$0.78	5.71%	0.0%	-
Reserve for Replacements					4.20%	$0.57	$425	$49,300	$49,300	$425	$0.57	4.20%	0.0%	-
Security					0.40%	$0.06	$41	$4,750	$4,750	$41	$0.06	0.40%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.40%	$0.05	$40	$4,640	$4,640	$40	$0.05	0.40%	0.0%	-
Resident Services					0.32%	$0.04	$32	$3,750	$3,750	$32	$0.04	0.32%	0.0%	-
TOTAL EXPENSES					**60.58%**	**$8.24**	**$6,126**	**$710,600**	**$730,293**	**$6,296**	**$8.46**	**62.26%**	**-2.7%**	**$ (19,693)**
NET OPERATING INCOME ("NOI")					**39.42%**	**$5.36**	**$3,987**	**$462,448**	**$442,755**	**$3,817**	**$5.13**	**37.74%**	**4.4%**	**$ 19,693**

CONTROLLABLE EXPENSES							$2,719/Unit			$2,889/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Azle Oaks Apartments, Azle , 9% HTC #25038

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**
Bellwether Enterprise USDA 528	0.25%	1.18	1.23	374,514	6.75%	40	40	$5,000,000	$5,000,000	40	40	6.75%	$374,514	1.23	21.8%
USDA RD 515 Perm		1.11	1.16	$24,189	1.00%	50	30	$947,238	$947,238	30	50	1.00%	$24,082	1.16	4.1%
CASH FLOW DEBT / GRANTS															
Azle Oaks Housing, Ltd		1.11	1.16		0.00%	0	0	$241,053	$241,053	0	0	0.00%	$0	1.16	1.1%
				$398,703	**TOTAL DEBT / GRANT SOURCES**			**$6,188,291**	**$6,188,291**		**TOTAL DEBT SERVICE**		**$398,596**	**1.16**	27.0%
NET CASH FLOW		$44,052	$63,745						**APPLICANT**	**NET OPERATING INCOME**		**$462,448**	**$63,852**	**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**	
Raymond James	LIHTC Equity	73.0%	$2,000,000	$0.84	$16,700,000	$16,697,533	$0.84	$1,999,705	73.0%	$17,239	Needed to Fill Gap	
LCJ Development, Inc	Deferred Developer Fees	0.6%	(5% Deferred)		$143,247		(0% Deferred)		0.0%	**Total Developer Fee:**		**$2,642,286**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%			
TOTAL EQUITY SOURCES		73.6%			$16,843,247	$16,697,533			73.0%			
TOTAL CAPITALIZATION					**$23,031,538**	**$22,885,824**			**15-Yr Cash Flow after Deferred Fee:**			**$1,263,366**

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					$4,879 / Unit	$565,910	$942,888	$8,128 / Unit				-40.0%	($376,978)
Building Acquisition		$1,885,600			$16,255 / Unit	$1,885,600	$1,508,622	$13,005 / Unit			$1,508,622	25.0%	$376,978
Off-Sites			$0		$ / Unit	$0	$0	$ / Unit		$0		0.0%	$0
Site Work			$2,310,000		$19,914 / Unit	$2,310,000	$2,310,000	$19,914 / Unit		$2,310,000		0.0%	$0
Site Amenities			$1,020,000		$8,793 / Unit	$1,020,000	$1,020,000	$8,793 / Unit		$1,020,000		0.0%	$0
Building Cost			$8,250,000	$95.62 /sf	$71,121/Unit	$8,250,000	$8,250,000	$71,121/Unit	$95.62 /sf	$8,250,000		0.0%	$0
Contingency			$1,238,000	10.69%	10.69%	$1,238,000	$1,158,000	10.00%	10.00%	$1,158,000		6.9%	$80,000
Contractor Fees			$1,783,320	13.91%	13.91%	$1,783,320	$1,783,320	14.00%	14.00%	$1,783,320		0.0%	$0
Soft Costs		$0	$498,300		$5,434 / Unit	$630,300	$630,300	$5,434 / Unit		$498,300	$0	0.0%	$0
Financing		$0	$1,087,000		$11,950 / Unit	$1,386,230	$1,386,230	$11,950 / Unit		$1,087,000	$0	0.0%	$0
Developer Fee	35.90%	$541,600	$2,166,400	13.38%	15.30%	$2,708,000	$2,642,286	15.00%	15.00%	$2,415,993	$226,293	2.5%	$65,714
Reserves					14 Months	$1,254,178	$1,254,178	13 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		**$2,427,200**	**$18,353,020**		$198,548 / Unit	**$23,031,538**	**$22,885,824**	$197,292 / Unit		**$18,522,613**	**$1,734,915**	**0.6%**	**$145,714**
Acquisition Cost		($376,978)				$0							
Contingency			($80,000)			($80,000)							
Contractor's Fee			$0			$0							
Financing Cost			$0										
Developer Fee	15.00%	($315,307)	$249,593	15.00%	15.00%	($65,714)							
Reserves						($0)							
ADJUSTED BASIS / COST		**$1,734,915**	**$18,522,613**		$197,292/unit	**$22,885,824**	**$22,885,824**	$197,292/unit		**$18,522,613**	**$1,734,915**	**0.0%**	**($0)**
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA						**$22,885,824**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Azle Oaks Apartments, Azle , 9% HTC #25038

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	**Construction Rehabilitation**	**Acquisition**	**Construction**
ADJUSTED BASIS	$1,734,915	$18,522,613	$1,734,915	$18,522,613
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$1,734,915	$18,522,613	$1,734,915	$18,522,613
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$1,734,915	$24,079,397	$1,734,915	$24,079,397
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$1,734,915	$24,079,397	$1,734,915	$24,079,397
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$69,397	$2,167,146	$69,397	$2,167,146
CREDITS ON QUALIFIED BASIS	$2,236,542		$2,236,542	

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8350	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$2,236,542	$18,675,128	----	----	----
Needed to Fill Gap	$1,999,705	$16,697,533	**$1,999,705**	**($295)**	**($2,467)**
Applicant Request	$2,000,000	$16,700,000	----	----	----

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Garden (Up to 4-story)		86,276 SF	$101.32	8,741,543
Adjustments				
Exterior Wall Finish	0.00%		0.00	$0
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.00%		3.04	262,246
Roof Adjustment(s)			2.06	177,746
Subfloor			(2.43)	(209,493)
Floor Cover			3.75	323,535
Breezeways	$0.00	0	0.00	0
Balconies	$0.00	0	0.00	0
Plumbing Fixtures	$1,460	0	0.00	0
Rough-ins	$715	232	1.92	165,880
Built-In Appliances	$2,200	116	2.96	255,200
Exterior Stairs	$4,250	0	0.00	0
Heating/Cooling			4.11	354,594
Storage Space	$0.00	0	0.00	0
Carports	$21.40	0	0.00	0
Garages	$41.00	0	0.00	0
Common/Support Area	$0.00	0	0.00	0
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	$4.60	86,276	4.60	396,870
SUBTOTAL			**121.33**	**10,468,122**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**121.33**	**$10,468,122**
Plans, specs, survey, bldg permits	3.10%		(3.76)	($324,512)
Contractor's OH & Profit	11.10%		(13.47)	(1,161,961)
NET BUILDING COSTS		$77,428/unit	$104.10/sf	$8,981,648

Long-Term Pro Forma

Azle Oaks Apartments, Azle , 9% HTC #25038

	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%	$1,173,048	$1,196,509	$1,220,439	$1,244,848	$1,269,745	$1,401,901	$1,547,812	$1,708,909	$1,886,774	$2,083,151	$2,299,967	$2,539,350
TOTAL EXPENSES	3.00%	$710,600	$730,665	$751,307	$772,543	$794,390	$913,431	$1,050,653	$1,208,871	$1,391,340	$1,601,823	$1,844,672	$2,124,923
NET OPERATING INCOME ("NOI")		**$462,448**	**$465,844**	**$469,132**	**$472,305**	**$475,355**	**$488,470**	**$497,159**	**$500,038**	**$495,434**	**$481,328**	**$455,295**	**$414,426**
EXPENSE/INCOME RATIO		60.6%	61.1%	61.6%	62.1%	62.6%	65.2%	67.9%	70.7%	73.7%	76.9%	80.2%	83.7%
MUST -PAY DEBT SERVICE													
Bellwether Enterprise USDA 528		$374,514	$374,451	$374,383	$374,311	$374,234	$373,758	$373,092	$372,160	$370,855	$369,028	$366,469	$362,887
USDA RD 515 Perm		$24,082	$24,082	$24,082	$24,082	$24,082	$24,082	$24,082	$24,082	$24,082	$24,082	$24,082	$24,082
TOTAL DEBT SERVICE		$398,596	$398,533	$398,465	$398,393	$398,315	$397,840	$397,174	$396,242	$394,937	$393,109	$390,551	$386,969
DEBT COVERAGE RATIO		1.16	1.17	1.18	1.19	1.19	1.23	1.25	1.26	1.25	1.22	1.17	1.07
ANNUAL CASH FLOW		**$63,852**	**$67,311**	**$70,667**	**$73,912**	**$77,040**	**$90,630**	**$99,985**	**$103,796**	**$100,497**	**$88,219**	**$64,744**	**$27,457**
Deferred Developer Fee Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$63,852	$131,163	$201,830	$275,742	$352,782	$780,214	$1,263,366	$1,777,234	$2,289,512	$2,759,172	$3,134,812	$3,352,775

From:	Jonathan Campbell
To:	Deborah Willson; sskconsulting@yahoo.com
Cc:	Eric Weiner; Gregg Kazak; Jeanna Adams; Cody Campbell; Connor Jones; Joshua Goldberger; Nicole Fisher; Jason Burr; Matthew Griego; Chandra Taylor; robbye@arxadvantage.net; Jim Washburn; Craig Washburn
Subject:	RE: 25038 Azle Oaks Apartments UW Report
Date:	Tuesday, June 17, 2025 2:14:46 PM
Attachments:	25038 Azle Oaks Apartments Appeal Letter.pdf 23081 Cleveland Square.pdf

Deborah,

We are appealing the award determination based on the interpretation of how Building Value is determined. For context, I've attached our most recent Underwriting Report for Cleveland Square where the TDHCA Cost Basis for the Land Value equals the Land Value in the Appraisal.

As it relates to the subject Underwriting report for Azle:

- The Acquisition Price is estimated at $2,451,510 ($1,500,000 cash plus $951,510 assumed loan balance).
- The appraised As Is value is $2,525,000, which is the sum of the As Is Opinion of Value ($1,950,000) plus the As Is Favorable Financing ($575,000).
- The appraiser concluded a Land Value of $750,000.

The Building Value is what we are solving for:

- Based on the Appraisal the Building Value is $1,775,000, which is the As Is Value ($2,525,000) less the Land Value ($750,000).
- Based on our Acquisition Price the Building Value is $1,701,510, which is the Price ($2,451,510) less the Land Value ($750,000).

It is apparent that TDHCA Real Estate Analysis is attempting to arrive at a new calculation of how Building Value is determined. We would recommend that before new policy is implemented, we discuss this in an open forum with industry input with input from Appraisers and CPAs to incorporate their expert opinions into the new policy.

At Cost Certification the CPA can use the appraised land value of $750,000 to determine Building Value by subtracting it from the Acquisition Price, the CPA is not going to give favorable financing additional consideration because it is not a variable that adds value or has any aspect that impacts the land. This is because the favorable financing is not earned by the land. <u>The favorable financing is earned by the buildings. USDA 515 did not provide financing for affordable land they financed affordable Housing.</u>

Thank you,

Jonathan Campbell
LCJ Development, Inc. | Vice President of Investments

Direct: 281.210.5530 | Office: 281.689.2030 x126
Cell: 832.374.1343 | P.O. Box 489, New Caney, TX 77357

From: Deborah Willson <Deborah.Willson@tdhca.texas.gov>
Sent: Thursday, June 12, 2025 9:39 AM
To: Jonathan Campbell <jcampbell@lcjcompanies.com>; sskconsulting@yahoo.com
Cc: Eric Weiner <Eric.Weiner@tdhca.texas.gov>; Gregg Kazak <Gregg.Kazak@tdhca.texas.gov>; Jeanna Adams <Jeanna.Adams@tdhca.texas.gov>; Cody Campbell <Cody.Campbell@tdhca.texas.gov>; Connor Jones <Connor.Jones@tdhca.texas.gov>; Joshua Goldberger <Joshua.Goldberger@tdhca.texas.gov>; Nicole Fisher <Nicole.Fisher@tdhca.texas.gov>; Jason Burr <Jason.Burr@tdhca.texas.gov>; Matthew Griego <Matthew.Griego@tdhca.texas.gov>; Chandra Taylor <Chandra.Taylor@tdhca.texas.gov>
Subject: 25038 Azle Oaks Apartments UW Report

Please see the underwriting report attached and "reply all" to this email with the appeal response attached if you are responding with a "no appeal".

Deborah Willson
Real Estate Analysis Division
Texas Department of Housing & Community Affairs
221 E. 11th Street | Austin, TX 78701
512-475-3872

NOTICE: If there is a request for any information or documentation in this email from an Applicant, it is an Administrative Deficiency as defined in §11.1(d)(2) and will be treated in accordance with §11.201(7) of the Qualified Allocation Plan. The information requested is due five (5) days after the date of this email. If you are unable to respond timely, refer to §11.201(7)."

23081 Cleveland Square - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 6, 2023

PROPERTY IDENTIFICATION

Application #	**23081**
Development	**Cleveland Square**
City / County	**Cleveland / Liberty**
Region/Area	**6 / Rural**
Population	**General**
Set-Aside	**USDA**
Activity	**Acquisition/Rehab** (Built in 1989)

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$796,001	$796,001	$16,583/Unit	$0.85

KEY PRINCIPALS / SPONSOR

- Jonathan Campbell / Variegata Peak Investments LLC
- Rebecca Armer / SSK Consulting, LLC
- James E. Washburn & Charles Craig Washburn / LCJ Development, Inc.

Related Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	24	50%
2	24	50%
3	-	0%
4	-	0%
TOTAL	48	100%

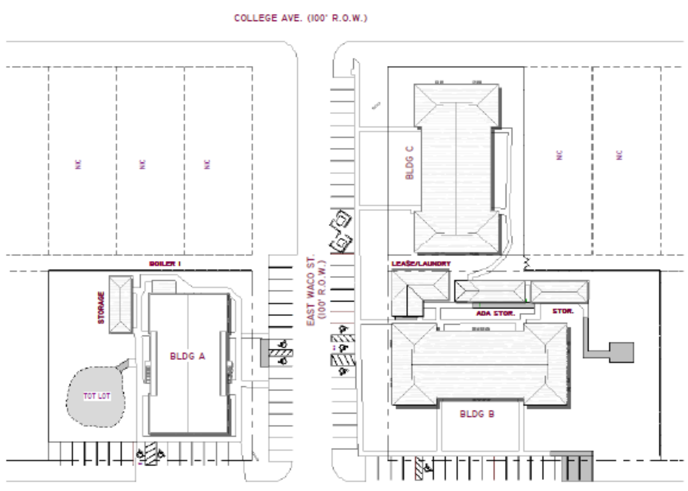
INCOME DISTRIBUTION

Income	# Units	% Total
20%	-	0%
30%	4	8%
40%	-	0%
50%	10	21%
60%	34	71%
70%	-	0%
80%	-	0%
MR	-	0%
TOTAL	48	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.18	Expense Ratio	66.0%
Breakeven Occ.	87.7%	Breakeven Rent	$793
Average Rent	$837	B/E Rent Margin	$44
Property Taxes	$458/unit	Exemption/PILOT	0%
Total Expense	$6,158/unit	Controllable	$3,031/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Rent Assisted Units	41	85% Total Units

DEVELOPMENT COST SUMMARY

Costs Underwritten	TDHCA's Costs - Based on SCR		
Avg. Unit Size	703 SF	Density	32.0/acre
Acquisition		$27K/unit	$1,280K
Building Cost	$87.70/SF	$62K/unit	$2,958K
Hard Cost		$90K/unit	$4,334K
Total Cost		$184K/unit	$8,834K
Developer Fee	$1,340K	(9% Deferred)	Paid Year: 5
Contractor Fee	$607K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Bellwether Enterprises	40/40	7.00%	$1,500,000	1.27
USDA Loan	30/50	1.00%	$373,613	1.18
TOTAL DEBT (Must Pay)			**$1,873,613**	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
Transferred Existing Reserves	0/0	0.00%	$74,683	1.18
CASH FLOW DEBT / GRANTS			**$74,683**	

EQUITY / DEFERRED FEES	
Source	Amount
WNC & Associates	$6,766,010
LCJ Development, Inc	$119,989
TOTAL EQUITY SOURCES	**$6,885,999**
TOTAL DEBT SOURCES	**$1,948,296**
TOTAL CAPITALIZATION	**$8,834,295**

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

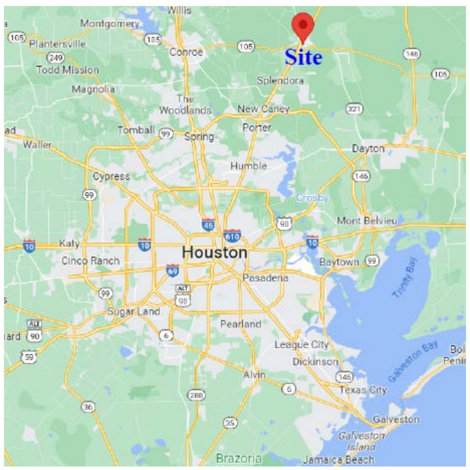
STRENGTHS/MITIGATING FACTORS

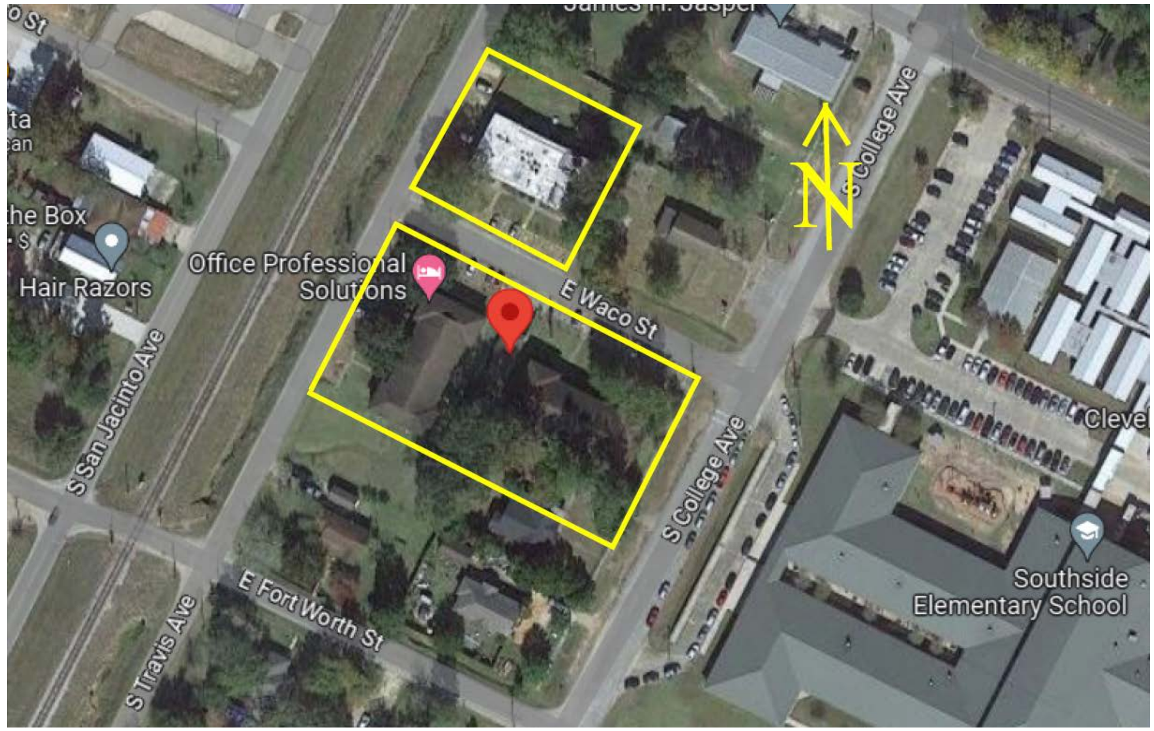
- Current occupancy over 95%
- Experienced USDA developer and manager
- USDA Rental Assistance on 41 units (85% of total units)

WEAKNESSES/RISKS

- High operating expense ratio
- Dependent on USDA approval of large increase in Rental Assistance

AREA MAP





Real Estate Analysis Division
Underwriting Report
July 6, 2023

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **23081** Program(s): **9% HTC**

Cleveland Square

Address/Location:	104 E Waco Street				
City:	Cleveland	County:	Liberty	Zip:	77327
Population:	General	Program Set-Aside:	USDA	Area:	Rural
Activity:	Acquisition/Rehab	Building Type:	Garden/Townhome	Region:	6
Analysis Purpose:	New Application - Initial Underwriting				

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
LIHTC (9% Credit)	$796,001				**$796,001**				

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	4
50% of AMI	50% of AMI	10
60% of AMI	60% of AMI	34

DEVELOPMENT SUMMARY

The Cleveland Square development is a USDA RD transfer application consisting of 48 total units with 24 one bed/one bath units and 24 two bed/one bath units. The property has a one story office, a maintenance building, 3 residential buildings and 3 separate storage buildings for tenant use. The project was originally constructed in 1965.

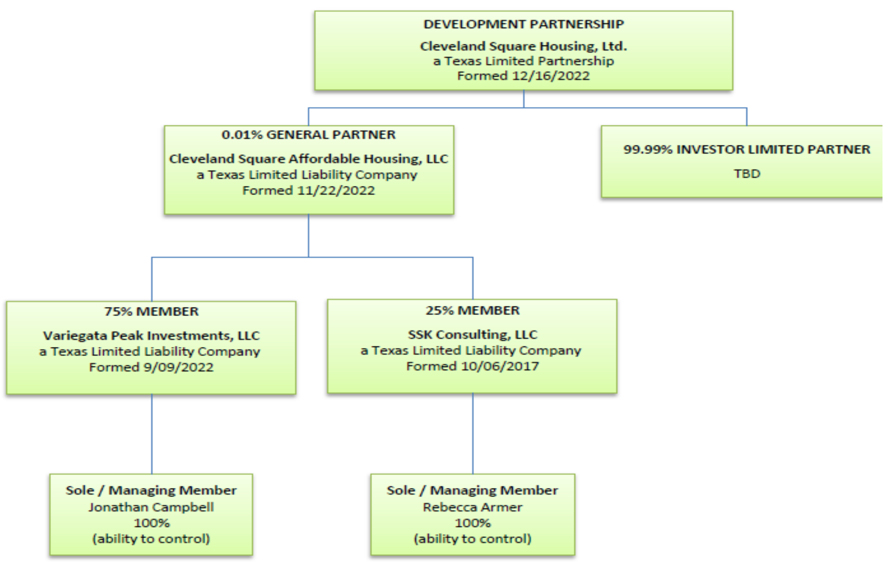
RISK PROFILE

	STRENGTHS/MITIGATING FACTORS
▫	Current occupancy over 95%
▫	Experienced USDA developer and manager
▫	USDA Rental Assistance on 41 units (85% of total units)

	WEAKNESSES/RISKS
▫	High operating expense ratio
▫	Dependent on USDA approval of large increase in Rental Assistance
▫	

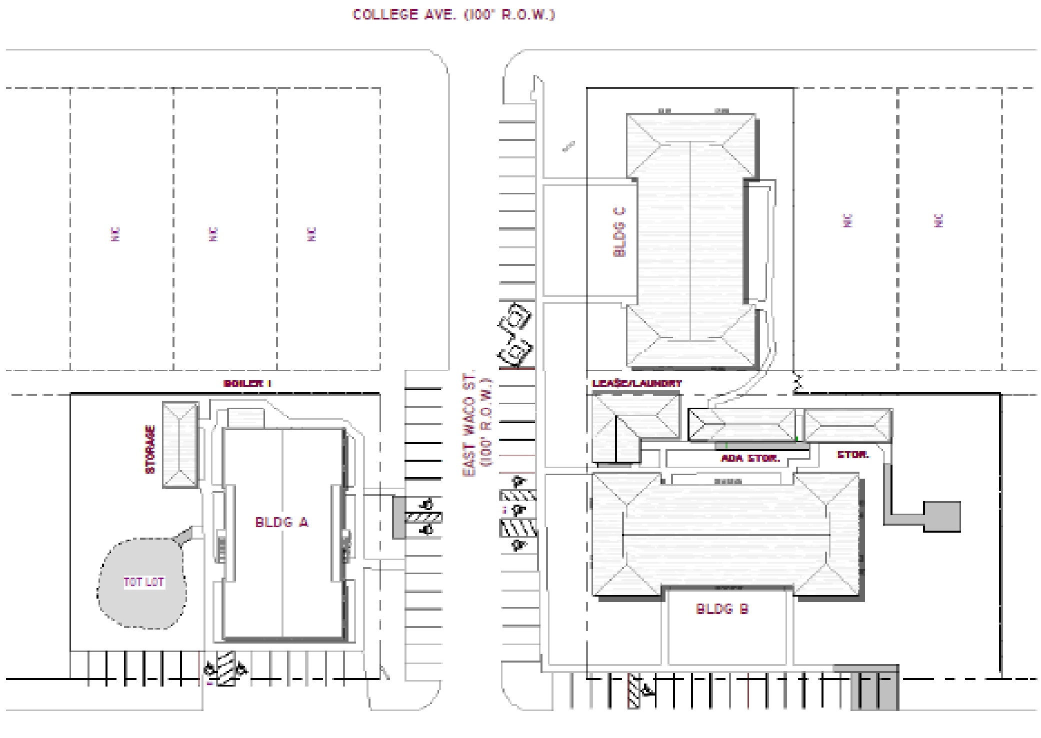
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Comments:

Per TDCHA and UFA, 77 spaces are required. 77 spaces will available post-rehab at no charge to the residents.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	A	B	C										Total Buildings
Floors/Stories	2	2	2										
Number of Bldgs	1	1	1										3
Units per Bldg	16	16	16										
Total Units	16	16	16										**48**

Avg. Unit Size (SF)	**703 sf**	**Total NRA (SF)**	**33,728**	**Common Area (SF)***	**4,794**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 1.50 acres Density: 32.0 units/acre

Site Control: 1.498 **Site Plan:** 1.488 **Appraisal:** 1.488 **ESA:** NA

Feasibility Report Survey: 1.4876 **Feasibility Report Engineer's Plan:** NA

Control Type: Real Estate Purchase and Sale Agreement

Development Site: 1.50 acres Cost: $1,279,613 $26,659 per unit

Seller: Cleveland Square, Ltd

Buyer: Parkside Consulting, LLC

Assignee: Cleveland Square Housing, Ltd.

Related-Party Seller/Identity of Interest: No

Comments:

The acquisition price consists of the projected 12/31/2023 outstanding balance of $373,613 on the USDA 515 loan plus a total payment of $906,000 to the Seller. The actual price is subject to adjustment based on the outstanding balance at the time of closing.

APPRAISED VALUE

Appraiser: Pacific Southwest Valuation LLC   Date: 4/17/2023

Land as Vacant: 1.488 acres	$130,000	Per Unit:	$2,708
Existing Buildings: (as-is)	$970,000	Per Unit:	$20,208
Land + Buildings: (as-is)	$1,100,000	Per Unit:	$22,917
Total Development: (as-is)	**$1,100,000**	Per Unit:	**$22,917**

SITE INFORMATION

Flood Zone:	Zone X	Scattered Site?	No
Zoning:	High Density Residential District	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	1989	Title Issues?	No

Current Uses of Subject Site:

Existing multi family apartments

TENANT RELOCATION PLAN

Applicant stated in their Plan that there will be no need for relocation during the work. The work will be performed on a unit-by-unit basis, however, the Owner has included $20K ($417/unit) in the Cost Pro Forma for relocation expenses if needed.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Comments:

Existing Developments funded by USDA are not required to supply an ESA; however, it is the Applicant's responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements.

MARKET ANALYSIS

Comments:

USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market. The subject property as of 2/28/2023 was **95.8%** occupied.

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$152,143	Avg. Rent:	$837	Expense Ratio:	66.0%
Debt Service:	$128,856	B/E Rent:	$793	Controllable Expenses:	$3,031
Net Cash Flow:	$23,287	UW Occupancy:	92.5%	Property Taxes/Unit:	$458
Aggregate DCR:	1.18	B/E Occupancy:	87.7%	Program Rent Year:	2022

41 out of 48 (85%) units are supported by USDA Rental Assistance. Applicant rents are 32-46% higher than current approved USDA base rents. Actual rent increases are subject to USDA approval. The seven (7) 60% AMI units that are not covered by USDA Rental Assistance have been underwritten at the assumed USDA-RA rents, which are currently lower than max HTC program rents.

Underwriter's expenses are based on historic operations. Other income was adjusted from $3.82/unit to $5.00/unit and Repairs and Maintenance to $700/unit as required under REA's rules. Underwriter utilized electricity savings of over 50% based on Applicant's assumption of adding energy efficient lighting as part of the rehabilitation. Overall underwriting will be reviewed following USDA approval based on final closing documentation.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on SCR)					
Acquisition	$86,788/ac	$26,659/unit	**$1,279,613**	Contractor Fee	**$606,729**
Off-site + Site Work		$20,458/unit	**$982,000**	Soft Cost + Financing	**$897,240**
Building Cost	$87.70/sf	$61,621/unit	**$2,957,800**	Developer Fee	**$1,340,000**
Contingency	10.00%	$8,208/unit	**$393,980**	Reserves	**$376,933**
Total Development Cost	$184,048/unit	**$8,834,295**		**Rehabilitation Cost**	**$77,913/unit**
Qualified for 30% Basis Boost?	Rural [9% only]				

Acquisition:

The Applicant's cost schedule reflects an acquisition cost based on the estimated balance due on the USDA debt at yearend 2023. The actual price will be subject to USDA approval.

Off-site:

Applicant provided a CPA letter stating that the $200K in budgeted off-site costs are potentially includable in eligible basis.

REHABILITATION COSTS / UNIT / % HARD COST							
Site Work	$472,000	$9,833/unit	13%	Finishes/Fixtures	$1,199,000	$24,979/unit	32%
Building Shell	$1,257,800	$26,204/unit	34%	HVAC	$357,000	$7,438/unit	10%
Amenities	$310,000	$6,458/unit	8%	Appliances	$144,000	$3,000/unit	4%
Total Exterior	**$2,039,800**	**$42,496/unit**	**55%**	**Total Interior**	**$1,700,000**	**$35,417/unit**	**45%**

SCOPE & COST REVIEW

Provider: GIBCO Environmental LLC Date: 2/4/2023

Scope of Work:

The following list represents items provided during the course of construction to comply with program rules, threshold and scoring items:

1. Mandatory Development Amenities

a. Screens on all operable windows (included with new Energy Star Window Installation)
b. Energy-Star rated refrigerator (will be supplied in all units - ice maker will be supplied)
c. Oven/Range (will be supplied in all units)
d. Blinds (will be supplied for all windows)
e. Energy-Star Ceiling Fan (at least 1 per unit)
f. Energy-Star rated lighting (all lighting fixtures will be changed complex wide)
g. HVAC (all areas of units will have heating and air conditioning – Exterior Storage excluded)
h. Adequate parking (parking will meet requirements per local code)
i. Energy Star rated windows (All existing windows will be replaced)
j. Adequate accessible parking (Accessible parking will comply with 2010 ADA requirements)

2. Common Amenities

a. Covered pavilion with sitting area
b. Furnished Community Room

3. Unit Development Construction Features

a. Covered Entries
b. Microwave Oven
c. Self-Cleaning/continuous cleaning oven
d. Energy-Star rated refrigerator with icemaker
e. Energy-Star rated ceiling fans in all Bedrooms
f. EPA WaterSense qualified toilets in all bathrooms
g. EPA WaterSense qualified showerheads and faucets in all bathrooms)

4. Development Construction Features

a. 15 SEER HVAC
b. Thirty (30) year roof

5. Systems & Components

a. HVAC (existing air handlers and condensing units are replaced in all units)
b. Water Heaters (existing water heaters are replaced in all units)
c. Tubs and surrounds (existing tubs and surrounds are replaced in all units)

Contingency:

Pursuant to the rules, Underwriter reallocated the $20K in Lender required contingency from Soft Costs to Contingency. As a result, Contingency is overstated by $20K. However, this did not impact the credit recommendation.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$8,834,295	**$8,043,512**	**$841,715**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
USDA Loan	USDA 515 Loan	$373,613	1.00%	4%
BOK Financial	Construction Loan	$5,980,797	7.00%	68%
WNC & Associates	HTC	$1,353,020	$0.85	15%
LCJ Development, Inc	Fee	$997,420	0.00%	11%
Transferred Existing Reserves	Existing Reserves	$74,683	0.00%	1%
		$8,779,533	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Bellwether Enterprises	$1,500,000	7.00%	40	40.0	$1,500,000	7.00%	40	40.0	17%
USDA Loan	$373,613	1.00%	50	30.0	$373,613	1.00%	50	30.0	4%
Transferred Existing Reserves	$74,683	0.00%	0	0.0	$74,683	0.00%	0	0.0	1%
Total	**$1,948,296**				**$1,948,296**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
WNC & Associates	$6,766,010	$0.85		$6,766,010	$0.85	77%	
LCJ Development, Inc	$139,989		10%	$119,989		1%	9%
Total	**$6,905,999**			**$6,885,999**			
				$8,834,295	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.865	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.818	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$8,834,295
Permanent Sources (debt + non-HTC equity)	$1,948,296
Gap in Permanent Financing	$6,885,999

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$7,154,576	$841,715
Needed to Balance Sources & Uses	$6,885,999	$810,117
Requested by Applicant	$6,766,010	$796,001

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$6,766,010**	**$796,001**

Deferred Developer Fee	**$119,989**	**(9% deferred)**
Repayable in	**5 years**	

Recommendation:

Underwriter recommends Applicant's request for $796,001 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

Cleveland Square, Cleveland, 9% HTC #23081

LOCATION DATA	
CITY:	Cleveland
COUNTY:	Liberty
Area Median Income	$90,100
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2022

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Assisted	MDL	ARP
Eff	-	0.0%	0	0	0
1	24	50.0%	22	0	0
2	24	50.0%	19	0	0
3	-	0.0%	0	0	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
TOTAL	**48**	**100.0%**	**41**	**-**	**-**

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	703 sf

55%	**Income**	20%	30%	40%	50%	60%	70%	80%	EO / MR	**TOTAL**
Average Income	**# Units**	-	4	-	10	34	-	-	-	**48**
	% Total	0.0%	8.3%	0.0%	20.8%	70.8%	0.0%	0.0%	0.0%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	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%	$498	RA	$836	1	1	1	578	$836	$62	$774	$0	$1.34	$774	**$774**	**$774**	$774	**$1**	**$0**	$836	$1.45	$836
TC 50%	$831	RA	$836	2	1	1	578	$836	$62	$774	$0	$1.34	$774	**$1,548**	**$1,548**	$774	**$1**	**$0**	$836	$1.45	$836
TC 60%	$997	RA	$836	5	1	1	578	$836	$62	$774	$0	$1.34	$774	**$3,870**	**$3,870**	$774	**$1**	**$0**	$836	$1.45	$836
TC 30%	$498	RA	$836	1	1	1	618	$836	$62	$774	$0	$1.25	$774	**$774**	**$774**	$774	**$1**	**$0**	$836	$1.35	$836
TC 50%	$831	RA	$836	3	1	1	618	$836	$62	$774	$0	$1.25	$774	**$2,322**	**$2,322**	$774	**$1**	**$0**	$836	$1.35	$836
TC 60%	$997	RA	$836	10	1	1	618	$836	$62	$774	$0	$1.25	$774	**$7,740**	**$7,740**	$774	**$1**	**$0**	$836	$1.35	$836
TC 60%	$997	0	$836	2	1	1	618	$836	$62	$774	$0	$1.25	$774	**$1,548**	**$1,548**	$774	**$1**	**$0**	$836	$1.35	$836
TC 30%	$598	RA	$976	1	2	1	784	$976	$77	$899	$0	$1.15	$899	**$899**	**$899**	$899	**$1**	**$0**	$976	$1.24	$976
TC 50%	$997	RA	$976	2	2	1	784	$976	$77	$899	$0	$1.15	$899	**$1,798**	**$1,798**	$899	**$1**	**$0**	$976	$1.24	$976
TC 60%	$1,197	RA	$976	4	2	1	784	$976	$77	$899	$0	$1.15	$899	**$3,596**	**$3,596**	$899	**$1**	**$0**	$976	$1.24	$976
TC 60%	$1,197	0	$976	1	2	1	784	$976	$77	$899	$0	$1.15	$899	**$899**	**$899**	$899	**$1**	**$0**	$976	$1.24	$976
TC 30%	$598	RA	$976	1	2	1	809	$976	$77	$899	$0	$1.11	$899	**$899**	**$899**	$899	**$1**	**$0**	$976	$1.21	$976
TC 50%	$997	RA	$976	3	2	1	809	$976	$77	$899	$0	$1.11	$899	**$2,697**	**$2,697**	$899	**$1**	**$0**	$976	$1.21	$976
TC 60%	$1,197	RA	$976	8	2	1	809	$976	$77	$899	$0	$1.11	$899	**$7,192**	**$7,192**	$899	**$1**	**$0**	$976	$1.21	$976
TC 60%	$1,197	0	$976	4	2	1	809	$976	$77	$899	$0	$1.11	$899	**$3,596**	**$3,596**	$899	**$1**	**$0**	$976	$1.21	$976
TOTALS/AVERAGES:				**48**			**33,728**				**$0**	**$1.19**	**$837**	**$40,152**	**$40,152**	**$837**	**$1.19**	**$0**	**$906**	**$1.29**	**$906**

ANNUAL POTENTIAL GROSS RENT:	**$481,824**	**$481,824**

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Cleveland Square, Cleveland, 9% HTC #23081

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		2022 Financials		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.19	$837	$481,824	$481,824	$837	$1.19		0.0%	$0
Laundry & Vending							$1.74	$1,000						
Tenant Charges							$2.08	$1,200						
Total Secondary Income							$3.82		$2,880	$5.00			-23.6%	($680)
POTENTIAL GROSS INCOME								$484,024	$484,704				-0.1%	($680)
Vacancy & Collection Loss							7.5% PGI	(36,302)	(36,353)	7.5% PGI			-0.1%	51
EFFECTIVE GROSS INCOME								$447,722	$448,351				-0.1%	($629)
General & Administrative	$23,007	$479/Unit	$13,775	$287	2.87%	$0.38	$268	$12,850	$13,775	$287	$0.41	3.07%	-6.7%	(925)
Management	$26,105	5.9% EGI	$39,340	$820	10.16%	$1.35	$948	$45,504	$45,568	$949	$1.35	10.16%	-0.1%	(64)
Payroll & Payroll Tax	$64,435	$1,342/Unit	$50,071	$1,043	14.59%	$1.94	$1,361	$65,325	$65,325	$1,361	$1.94	14.57%	0.0%	-
Repairs & Maintenance	$36,938	$770/Unit	$32,497	$677	5.32%	$0.71	$496	$23,800	$33,600	$700	$1.00	7.49%	-29.2%	(9,800)
Electric/Gas	$8,707	$181/Unit	$13,370	$279	1.34%	$0.18	$125	$6,000	$6,000	$125	$0.18	1.34%	0.0%	-
Water, Sewer, & Trash	$29,064	$606/Unit	$37,477	$781	8.38%	$1.11	$781	$37,500	$37,500	$781	$1.11	8.36%	0.0%	-
Property Insurance	$30,167	$0.89 /sf	$20,541	$428	13.40%	$1.78	$1,250	$60,000	$60,000	$1,250	$1.78	13.38%	0.0%	-
Property Tax (@ 100%) 2.4067	$26,177	$545/Unit	$16,447	$343	4.91%	$0.65	$458	$22,000	$16,447	$343	$0.49	3.67%	33.8%	5,553
Reserve for Replacements					4.56%	$0.60	$425	$20,400	$20,400	$425	$0.60	4.55%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.49%	$0.07	$46	$2,200	$2,200	$46	$0.07	0.49%	0.0%	-
TOTAL EXPENSES					**66.02%**	**$8.76**	**$6,158**	**$295,579**	**$300,815**	**$6,267**	**$8.92**	**67.09%**	**-1.7%**	**$ (5,236)**
NET OPERATING INCOME ("NOI")					**33.98%**	**$4.51**	**$3,170**	**$152,143**	**$147,536**	**$3,074**	**$4.37**	**32.91%**	**3.1%**	**$ 4,607**

CONTROLLABLE EXPENSES	$3,031/Unit		$3,254/Unit	

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Cleveland Square, Cleveland, 9% HTC #23081

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**
Bellwether Enterprises	0.50%	1.25	1.29	$117,858	7.00%	40	40.0	$1,500,000	$1,500,000	40.0	40	7.00%	$119,358	1.27	17.0%
USDA Loan		1.16	1.19	$9,498	1.00%	50	30.0	$373,613	$373,613	30.0	50	1.00%	$9,498	1.18	4.2%
CASH FLOW DEBT / GRANTS															
Transferred Existing Reserves		1.16	1.19		0.00%	0	0.0	$74,683	$74,683	0.0	0	0.00%		1.18	0.8%
				$127,356	**TOTAL DEBT / GRANT SOURCES**			**$1,948,296**	**$1,948,296**		**TOTAL DEBT SERVICE**		**$128,856**	**1.18**	22.1%
NET CASH FLOW		$20,180	$24,787						**APPLICANT**	**NET OPERATING INCOME**		**$152,143**	**$23,287**	**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**	
WNC & Associates	LIHTC Equity	76.6%	$796,001	$0.85	$6,766,010	$6,766,010	$0.85	$796,001	76.6%	$16,583	Applicant Request	
LCJ Development, Inc	Deferred Developer Fees	1.6%	(10% Deferred)		$139,989	$119,989	(9% Deferred)		1.4%	**Total Developer Fee:**		**$1,340,000**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%			
TOTAL EQUITY SOURCES		78.2%			$6,905,999	$6,885,999			77.9%			
TOTAL CAPITALIZATION					**$8,854,295**	**$8,834,295**			**15-Yr Cash Flow after Deferred Fee:**			**$256,958**

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					$4,935 / Unit	$236,860	$130,000	$2,708 / Unit				82.2%	$106,860
Building Acquisition		$1,042,753			$21,724 / Unit	$1,042,753	$1,149,613	$23,950 / Unit			$1,042,753	-9.3%	($106,860)
Off-Sites			$200,000		$4,167 / Unit	$200,000	$200,000	$4,167 / Unit		$200,000		0.0%	$0
Site Work			$472,000		$9,833 / Unit	$472,000	$472,000	$9,833 / Unit		$472,000		0.0%	$0
Site Amenities			$310,000		$6,458 / Unit	$310,000	$310,000	$6,458 / Unit		$310,000		0.0%	$0
Building Cost			$2,957,800	$87.70 /sf	$61,621/Unit	$2,957,800	$2,957,800	$61,621/Unit	$87.70 /sf	$2,957,800		0.0%	$0
Contingency			$413,980	10.51%	10.51%	$413,980	$393,980	10.00%	10.00%	$393,980		5.1%	$20,000
Contractor Fees			$606,729	13.94%	13.94%	$606,729	$606,729	14.00%	14.00%	$606,729		0.0%	$0
Soft Costs		$0	$325,250		$7,234 / Unit	$347,250	$347,250	$7,234 / Unit		$325,250	$0	0.0%	$0
Financing		$0	$395,000		$11,458 / Unit	$549,990	$549,990	$11,458 / Unit		$395,000	$0	0.0%	$0
Developer Fee	25.70%	$268,000	$1,072,000	18.87%	19.93%	$1,340,000	$1,340,000	19.99%	19.99%	$1,092,152	$247,848	0.0%	$0
Reserves					11 Months	$376,933	$376,933	11 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		**$1,310,753**	**$6,752,759**		$184,464 / Unit	**$8,854,295**	**$8,834,295**	$184,048 / Unit		**$6,752,911**	**$1,290,601**	**0.2%**	**$20,000**
Acquisition Cost		$0				$0							
Contingency			($20,000)			($20,000)							
Contractor's Fee			$0			$0							
Financing Cost			$0										
Developer Fee	19.99%	($59,559)	$59,559	19.99%		$0							
Reserves						$0							
ADJUSTED BASIS / COST		**$1,251,194**	**$6,792,318**		$184,048/unit	**$8,834,295**	**$8,834,295**	$184,048/unit		**$6,752,911**	**$1,290,601**	**0.0%**	**$0**
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA						**$8,834,295**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Cleveland Square, Cleveland, 9% HTC #23081

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$1,251,194	$6,792,318	$1,290,601	$6,752,911
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$1,251,194	$6,792,318	$1,290,601	$6,752,911
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$1,251,194	$8,830,013	$1,290,601	$8,778,784
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$1,251,194	$8,830,013	$1,290,601	$8,778,784
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$50,048	$794,701	$51,624	$790,091
CREDITS ON QUALIFIED BASIS	$844,749		$841,715	

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8500	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$841,715	$7,154,576	----	----	----
Needed to Fill Gap	$810,117	$6,885,999	----	----	----
Applicant Request	$796,001	$6,766,010	**$796,001**	**$0**	**$0**

Long-Term Pro Forma

Cleveland Square, Cleveland, 9% HTC #23081

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$447,722	$456,677	$465,810	$475,127	$484,629	$535,070	$590,760	$602,575	$614,627	$626,919	$639,458	$652,247	$720,133	$795,085	$877,839	$969,205
TOTAL EXPENSES	3.00%	$295,579	$303,991	$312,647	$321,553	$330,717	$380,673	$438,302	$450,851	$463,764	$477,052	$490,727	$504,799	$581,541	$670,126	$772,400	$890,499
NET OPERATING INCOME ("NOI")		**$152,143**	**$152,686**	**$153,163**	**$153,574**	**$153,912**	**$154,397**	**$152,458**	**$151,724**	**$150,863**	**$149,867**	**$148,731**	**$147,448**	**$138,592**	**$124,959**	**$105,439**	**$78,706**
EXPENSE/INCOME RATIO		66.0%	66.6%	67.1%	67.7%	68.2%	71.1%	74.2%	74.8%	75.5%	76.1%	76.7%	77.4%	80.8%	84.3%	88.0%	91.9%
MUST -PAY DEBT SERVICE																	
Bellwether Enterprises		$119,358	$119,322	$119,284	$119,244	$119,200	$118,929	$118,546	$118,452	$118,351	$118,243	$118,127	$118,003	$117,232	$116,140	$114,591	$112,396
USDA Loan		$9,498	$9,498	$9,498	$9,498	$9,498	$9,498	$9,498	$9,498	$9,498	$9,498	$9,498	$9,498	$9,498	$9,498	$9,498	$9,498
TOTAL DEBT SERVICE		$128,856	$128,821	$128,783	$128,742	$128,698	$128,428	$128,044	$127,950	$127,849	$127,741	$127,625	$127,501	$126,730	$125,638	$124,090	$121,895
DEBT COVERAGE RATIO		1.18	1.19	1.19	1.19	1.20	1.20	1.19	1.19	1.18	1.17	1.17	1.16	1.09	0.99	0.85	0.65
ANNUAL CASH FLOW		**$23,287**	**$23,865**	**$24,381**	**$24,832**	**$25,214**	**$25,969**	**$24,413**	**$23,774**	**$23,013**	**$22,126**	**$21,106**	**$19,947**	**$11,862**	**($679)**	**($18,651)**	**($43,189)**
Deferred Developer Fee Balance		$96,702	$72,837	$48,456	$23,624	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$1,590	$130,743	$256,958	$280,732	$303,745	$325,871	$346,977	$366,924	$444,008	$467,661	$412,737	$248,743

<u>How to Calculate Building Value as a Missing Variable</u>

Acquisition Price is congruent to Total Value

<u>Buyer</u>

(Cash Consideration) + (Assumed Loan) = ***Acquisition Price***

<u>Appraisal</u>

(As Is Value) + (Favorable Financing) = ***Total Value***

(Land Value) + (Building Value) = ***Total Value***

Restated Appraisal

(As Is Value) + (Favorable Financing) = (Land Value) + (Building Value)

Solving for Missing Variable

(Building Value) = (As Is Value) + (Favorable Financing) - (Land Value)

<u>Reconsolidation to Acquisition Price as ***Acquisition Price*** is congruent to ***Total Value***</u>

(Cash Consideration) + (Assumed Loan) = (Land Value) + (Building Value)

Solving for Missing Variable

(Building Value) = (Cash Consideration) + (Assumed Loan) - (Land Value)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

June 24, 2025

Writer's direct dial: 512 475-3296
Email: bobby.wilkinson@tdhca.texas.gov

Jonathan Campbell
LCJ Development, Inc
PO Box 489
New Caney, TX 77357

RE: Appeal of Underwriting Recommendation – Azle Oaks Apartments (25038)

Mr. Campbell:

The Department received the above-listed Application on February 27, 2025. The Application proposes the acquisition and rehabilitation of an existing 116-unit USDA property in Azle. An appraisal that meets the requirements of 10 TAC §11.304 (relating to Appraisal Rules and Guidelines) was submitted with the Application, which indicates an "as-is, as-restricted" value of $1,950,000. The appraisal allocated $750,000 (38.46%) to the land and $1,200,000 (61.54%) to the buildings.

In accordance with 10 TAC §11.304(c)(10)(E), the appraisal includes a valuation of the favorable financing associated with the property. Specifically, it identifies $575,000 in value attributable to the 515 USDA loan to be transferred, as required:

> (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.

While the 2025 TDHCA Qualified Allocation Plan (QAP) does not explicitly prescribe how favorable financing should be allocated between land and building acquisition costs, the Department's Real Estate Analysis (REA) division applied its longstanding underwriting methodology. For over a decade, REA has consistently allocated favorable financing between land and building in proportion to the respective appraised values. This methodology is embedded in the TDHCA underwriting model and has been applied uniformly to USDA applications that include favorable financing to substantiate their acquisition price.

In this case, applying the appraisal-derived ratios (38.46% land / 61.54% building) to the Applicant's proposed acquisition cost of $2,447,238 results in an allocated land cost of $942,888 and building cost of $1,508,622. However, the Applicant allocated all favorable financing to the building and reported a land value of only $565,910—$184,090 below the appraised land value of $750,000. After applying the proportional allocation of favorable financing, the Applicant's eligible building acquisition cost is overstated by $376,978. As a result, the Underwriting Report published on June 12, 2025, recommends a reduced annual 9% Housing Tax Credit allocation of $1,999,705, reflecting a $2,467 reduction in equity proceeds. With this small reduction in equity, the project remains financially feasible.

The Applicant timely appealed the Underwriting Report on June 17, 2025. The appeal argues that favorable financing should not be allocated according to the appraisal-derived ratios, because at cost certification, a CPA will not consider favorable financing because it is not a variable that adds value or has any aspect that impacts the land. The Applicant asserts this is because the favorable financing is not earned by the land but is earned by the buildings. The Applicant further state that USDA 515 did not provide financing for affordable land, they financed affordable Housing. The appeal does acknowledge that the appraised land value is $750,000, not the $565,190 submitted in the Application.

The appeal also references the 2023 Cleveland Square 9% Application (#23081), in which TDHCA accepted a land value equal to the appraised amount. In that case, however, the allocation of favorable financing had no effect on the credit allocation because the Applicant submitted a land value that exceeded the appraised value by $106,860.

The Application was underwritten using standard REA procedures that ensure consistency across all applications. The benefit of favorable financing should be allocated in proportion to the value of the underlying assets it supports. This reflects the advantage gained by the current Applicant and prospective new owner. This approach is logical, consistently applicable, and transparent.

A third-party buyer would not have access to historical loan disbursements and could not reasonably be expected to determine how the original financing was applied to costs by the previous owner. What is relevant for underwriting purposes of the current tax credit Application is the benefit that the new ownership derives from the below-market financing it will assume. The methodology used by REA appropriately captures that benefit and ensures equitable treatment across all applicants. Accordingly, your appeal is denied.

A staff draft of the 2026 QAP will be published and any public comment regarding the allocation of favorable financing can be provided in writing for the Department's consideration.

If you have any questions, please contact Cody Campbell at cody.campbell@tdhca.texas.gov.

Sincerely,

R D Wil II

Bobby Wilkinson
Executive Director

File #: 1088 **Agenda Date:** 7/10/2025 **Agenda #:** 20.

Presentation, discussion, and possible action on a request for an extension of the previously approved deadline to Place in Service for Paige Estates

RECOMMENDED ACTION

WHEREAS, Paige Estates was awarded 9% housing tax credits during the 2021 Competitive Housing Tax Credit cycle, received supplemental housing tax credits in 2023, and was then approved for force majeure treatment by the Board in 2024, resulting in a current deadline to place in service by June 30, 2026;

WHEREAS, the current deadline to place in service is more restrictive than what is allowable federally, which would be December 31, 2026;

WHEREAS, the Owner has requested that the Board extend its previously approved deadline to December 31, 2026; and

WHEREAS, the Development Owner has submitted documentation demonstrating that such an extension is warranted;

NOW, therefore, it is hereby

RESOLVED, that the previously approved deadline to place in service for Paige Estates is extended to December 31, 2026.

BACKGROUND

Development	Paige Estates
Target Population	Elderly
HTC Award	$1,290,300
City	Waco
Total Units	64
HTC Units	64
Initial Year of Award	2021
Extension Requested	Six months

Paige Estates is a 64-unit development located in Waco, McLennan County. The development received an award of 9% Housing Tax Credits in 2021, received supplemental credits in 2023, and was granted force majeure treatment by the Board in 2024. As a result, the current deadline to place in service is June 30, 2026.

Despite making significant progress, the development has experienced prolonged delays due to pandemic-related market disruptions and continued challenges related to financial feasibility. These delays, which previously warranted force majeure relief, have persisted into 2025. The following is a brief synopsis of the delays and the project's current status:

- Rising construction costs and fluctuating interest rates have created a financing gap requiring extensive restructuring;
- Environmental clearance and Part 58 review were required to secure ARPA funds and Project-Based Vouchers (PBVs) through the Waco Housing Authority;
- The project is now permit-ready and construction can begin immediately upon financial closing;
- Closing is scheduled for July 2025, with a 14-month construction schedule and projected completion in August 2026;
- The equity investor requires a time cushion between completion and the placed in service deadline before authorizing closing.

As a result of the delays, the Owner has requested that the Board extend its previously approved deadline to place in service to satisfy investor requirements and proceed with closing.

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.

The Board previously approved a request from the Development under this rule in 2024. Normally, the deadline to place in service would have been December 31, 2026, but as part of that approval, the Board imposed a more restrictive deadline of June 30, 2026. The Developer is now requesting that the Board extend its previous approval to allow for the full federally-allowable timeline to place in service.

IMPACT OF BOARD DECISION

If the Board approves the request:

- The new placed-in-service deadline will be December 31, 2026.

If the Board denies the request:

- The original placed in-service deadline of June 30, 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 extend the previously approved deadline to place in service for Paige Estates.

June 4, 2025

VIA EMAIL DELIVERY

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

Re: Request for an Extension of the Placed in Service date for Paige Estates (the "Development")

TDHCA #21121/23932/24905

Dear Mr. Campbell:

We represent Paige Estates, L.P. ("Owner"), which applied for and received $1,122,000 in Housing Tax Credits in 2021 for a 64-unit senior development in Waco, Texas. The Development also applied for and received Supplemental Credits in the amount of $135,000 under the 2023 QAP. We are respectfully requesting a 6-month extension to the current June 30, 2026 Placed in Service (PIS) deadline to December 31, 2026 for Paige Estates.

This request is based on a continuation of similar extraordinary and unforeseeable circumstances that warranted our previously approved Force Majeure extensions. These circumstances, which began during the heights of the COVID-19 pandemic and its resulting impacts on the construction market, have compounded through 2024 and into 2025, creating further unavoidable delays despite our continued diligence and problem-solving efforts. We have taken numerous steps to address the financial gaps in the capital stack and are at the table ready to close with our equity investor.

The Owner has invested as significant amount of time and money into getting Paige Estates across the finish line and closed. We have taken significant steps to get us towards a construction start, including but not limited to the following:

☐ Acquired and closed on the land
☐ Completed environmental work needed for the Authority to Use Grant Funds as required for the addition of PBVs as noted below
☐ Completed architectural and engineering plans
☐ Applied for building permits and the development is permit ready
☐ Partnered with the Waco Housing Authority
☐ Finalizing an allocation of Project Based Vouchers (PBV)
☐ Received an award of ARPA funds from the City of Waco
☐ Ready to close on financing with Investor and Lender pending a placed in service extension

All of the aforementioned steps have been taken to allow the development to achieve financial feasibility and provide much needing housing for the citizens of Waco. All of these efforts have been undertaken in good faith with full intent to complete the project; however, these efforts have taken time that has delayed the start of construction and our ability to meet the placed in service deadline of June 30, 2026. The included construction schedule shows an anticipated construction completion date of August 2026. As stated in the included letter from our equity provider, Merchants Capital, they are requiring a cushion of time between construction completion and the PIS deadline in order to satisfy their investor requirements.

Accordingly, the Development is requesting that the Board repeat its previous action of confirming that this development meets the requirements of the Force Majeure provisions in Section 11.6(5) of the QAP and extend the placed in service Deadline to December 31, 2026.

The development is permit-ready and able to begin construction pending the approval of the placed in service extension and associated closing on equity. The Owner has taken extensive steps to solve the ever-changing financial puzzle and has a significant amount of skin in the game on this development. We are requesting the placed in service extension to satisfy the Investor, which is the final piece needed for closing and a construction start.

Sincerely,

Brian H. Kimes
Executive Vice President

Exhibit A

Construction Start Timeline

Paige Estates Closing and Construction Start Timeline

	2024		**2025**							
	November	December	January	February	March	April	May	June	July	August
City of Waco	Finalize ARPA agreement					Floodplain CLOMR finalized		Permit Ready		
Waco Housing Authority	Confirmation of PBVs				Operating Agreement Approved			AHAP Contract Approval	Partnerhsip Closing	
TDHCA									Force Majeure extension request	
Environmental Clearance	Need for Part 58 identified			8-Step Finalized	Part 58 Finalized		Authority to Use Grant Funds			
Investor		Due Dilligence Gathering Begins					PIS Extension Required		Final approval of equity investor	
Lender		Due Dilligence Gathering Begins							Final approval of lender	
Construction		Rebid construction pricing				Finalized construction pricing	Signed construction contract		**Closing and Construction Start**	

Exhibit B

Letter from Merchants Capital

MERCHANTS CAPITAL

June 4, 2025

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

Re: Paige Estates in Waco, Texas (the "**Development**")
TDHCA Nos. 21121, 23932

Dear Mr. Campbell:

We strongly support a request by JES Dev Co., Inc. to extend the placed in service deadline to December 31, 2026 on Paige Estates. The project has been impacted by economic instability caused by fluctuating interest rates, price instability due to tariff risk, and material and labor shortages, requiring additional time for the development team to secure financing. Based on the proposed 14-month development schedule and estimated July 2025 closing, we believe a six-month extension to the placed in service deadline will be sufficient. Without adequate cushion, we will not receive investor approval to close.

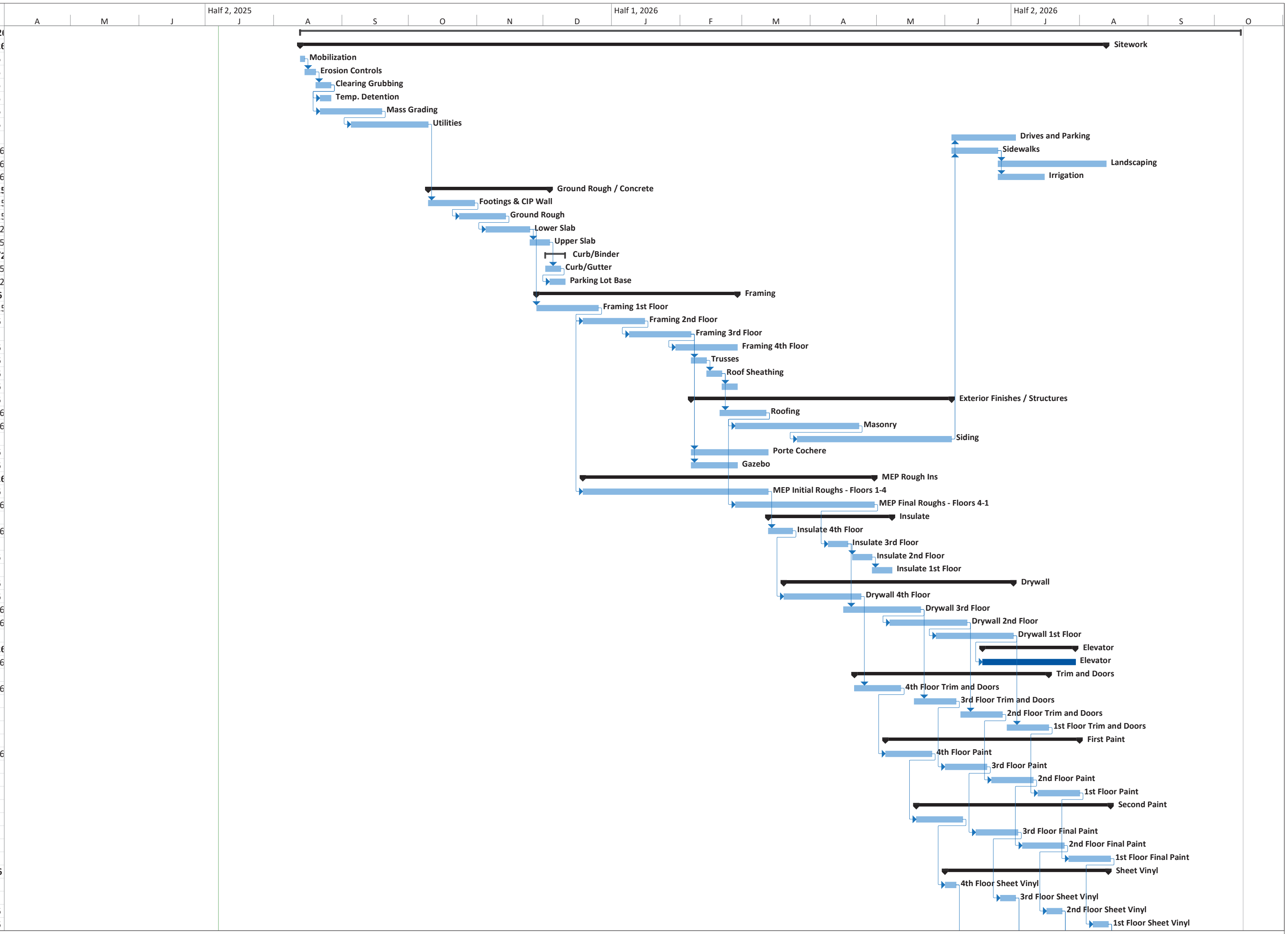
We appreciate TDHCA's continued support of this important family development in Waco. Should you need any further assistance, please contact me with any questions at (617) 835-4557 or via email at amurphy@merchantscapital.com.

Sincerely,

Annemarie J. Murphy

Annemarie Murphy
Senior Vice President
Merchants Capital Investments, LLC

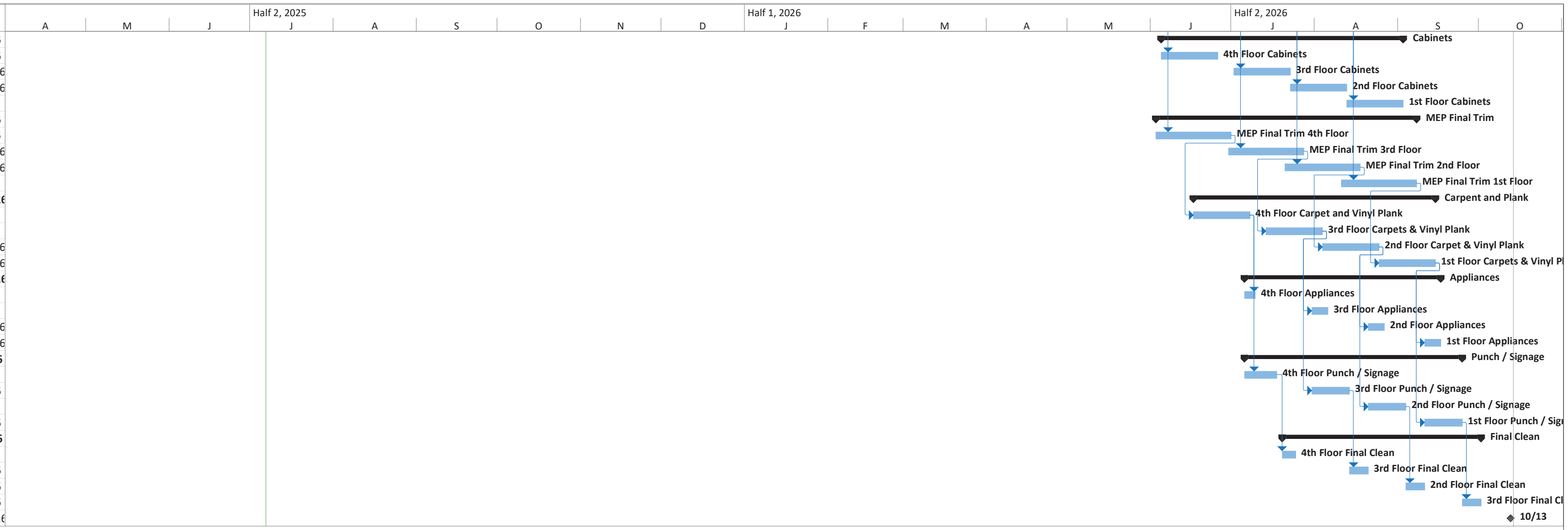
ID	Task Name	Duration	Start	Finish
1	**Paige Estates - Waco, TX**	**304 days**	**Wed 8/13/2**	**Tue 10/13/2**
2	**Sitework**	**261 days**	**Wed 8/13/2**	**Wed 8/12/2**
3	Mobilization	2 days	Wed 8/13/25	Thu 8/14/25
4	Erosion Controls	3 days	Fri 8/15/25	Tue 8/19/25
5	Clearing / Grubbing	5 days	Wed 8/20/25	Tue 8/26/25
6	Temp. Detention	3 days	Fri 8/22/25	Tue 8/26/25
7	Mass Grading	20 days	Fri 8/22/25	Thu 9/18/25
8	Utilities	25 days	Fri 9/5/25	Thu 10/9/25
9	Drives and Parking	21 days	Thu 6/4/26	Thu 7/2/26
10	Sidewalks	15 days	Thu 6/4/26	Wed 6/24/26
11	Landscaping	35 days	Thu 6/25/26	Wed 8/12/26
12	Irrigation	15 days	Thu 6/25/26	Wed 7/15/26
13	**Ground Rough / Concrete**	**39 days**	**Fri 10/10/25**	**Wed 12/3/25**
14	Footings	15 days	Fri 10/10/25	Thu 10/30/25
15	Ground Rough	15 days	Fri 10/24/25	Thu 11/13/25
16	Slab Prep & Pour	14 days	Wed 11/5/25	Mon 11/24/2
17	Slab Form Wreck & Saw Cu	7 days	Tue 11/25/25	Wed 12/3/25
18	**Curb / Binder**	**7 days**	**Tue 12/2/25**	**Wed 12/10/2**
19	Curb Layout + Pour	5 days	Tue 12/2/25	Mon 12/8/25
20	Base Stone + Binder	5 days	Thu 12/4/25	Wed 12/10/2
21	**Framing**	**65 days**	**Fri 11/28/25**	**Thu 2/26/26**
22	Framing 1st Floor	20 days	Fri 11/28/25	Thu 12/25/25
23	Framing 2nd Floor	20 days	Fri 12/19/25	Thu 1/15/26
24	Framing 3rd Floor	20 days	Fri 1/9/26	Thu 2/5/26
25	Framing 4th Floor	20 days	Fri 1/30/26	Thu 2/26/26
26	Trusses	5 days	Fri 2/6/26	Thu 2/12/26
27	Roof Sheathing	5 days	Fri 2/13/26	Thu 2/19/26
28	House Wrap and Window I	5 days	Fri 2/20/26	Thu 2/26/26
29	**Exterior Finishes / Structures**	**84 days**	**Fri 2/6/26**	**Wed 6/3/26**
30	Roofing	15 days	Thu 2/19/26	Wed 3/11/26
31	Masonry	40 days	Thu 2/26/26	Wed 4/22/26
32	Siding	50 days	Thu 3/26/26	Wed 6/3/26
33	Porte Cochere	25 days	Fri 2/6/26	Thu 3/12/26
34	Gazebo	15 days	Fri 2/6/26	Thu 2/26/26
35	**MEP Rough Ins**	**94 days**	**Fri 12/19/25**	**Wed 4/29/26**
36	MEP Initial Roughs - Floors	60 days	Fri 12/19/25	Thu 3/12/26
37	MEP Final Roughs - Floors 4	45 days	Thu 2/26/26	Wed 4/29/26
38	**Insulate**	**40 days**	**Fri 3/13/26**	**Thu 5/7/26**
39	Insulate 4th Floor	7 days	Fri 3/13/26	Mon 3/23/26
40	Insulate 3rd Floor	7 days	Thu 4/9/26	Fri 4/17/26
41	Insulate 2nd Floor	7 days	Mon 4/20/26	Tue 4/28/26
42	Insulate 1st Floor	7 days	Wed 4/29/26	Thu 5/7/26
43	**Drywall**	**74 days**	**Fri 3/20/26**	**Wed 7/1/26**
44	Drywall 4th Floor	25 days	Fri 3/20/26	Thu 4/23/26
45	Drywall 3rd Floor	25 days	Thu 4/16/26	Wed 5/20/26
46	Drywall 2nd Floor	25 days	Thu 5/7/26	Wed 6/10/26
47	Drywall 1st Floor	25 days	Thu 5/28/26	Wed 7/1/26
48	**Elevator**	**30 days**	**Thu 6/18/26**	**Wed 7/29/26**
49	Elevator	30 days	Thu 6/18/26	Wed 7/29/26
50	**Trim and Doors**	**64 days**	**Tue 4/21/26**	**Fri 7/17/26**
51	4th Floor Trim and Doors	15 days	Tue 4/21/26	Mon 5/11/26
52	3rd Floor Trim and Doors	15 days	Mon 5/18/26	Fri 6/5/26
53	2nd Floor Trim and Doors	15 days	Mon 6/8/26	Fri 6/26/26
54	1st Floor Trim and Doors	15 days	Mon 6/29/26	Fri 7/17/26
55	**First Paint**	**64 days**	**Tue 5/5/26**	**Fri 7/31/26**
56	4th Floor Paint	15 days	Tue 5/5/26	Mon 5/25/26
57	3rd Floor Paint	15 days	Mon 6/1/26	Fri 6/19/26
58	2nd Floor Paint	15 days	Mon 6/22/26	Fri 7/10/26
59	1st Floor Paint	15 days	Mon 7/13/26	Fri 7/31/26
60	**Second Paint**	**64 days**	**Tue 5/19/26**	**Fri 8/14/26**
61	4th Floor Final Paint	15 days	Tue 5/19/26	Mon 6/8/26
62	3rd Floor Final Paint	15 days	Mon 6/15/26	Fri 7/3/26
63	2nd Floor Final Paint	15 days	Mon 7/6/26	Fri 7/24/26
64	1st Floor Final Paint	15 days	Mon 7/27/26	Fri 8/14/26
65	**Sheet Vinyl**	**54 days**	**Mon 6/1/26**	**Thu 8/13/26**
66	4th Floor Sheet Vinyl	5 days	Mon 6/1/26	Fri 6/5/26
67	3rd Floor Sheet Vinyl	5 days	Fri 6/26/26	Thu 7/2/26
68	2nd Floor Sheet Vinyl	5 days	Fri 7/17/26	Thu 7/23/26
69	1st Floor Sheet Vinyl	5 days	Fri 8/7/26	Thu 8/13/26



Project: Paige Estates
Date: Mon 7/7/25

Task	Summary	External Milestone	Inactive Summary	Manual Summary Rollup	Finish-only
Split	Project Summary	Inactive Task	Manual Task	Manual Summary	Deadline
Milestone	External Tasks	Inactive Milestone	Duration-only	Start-only	Progress
					Manual Progress

ID	Task Name	Duration	Start	Finish
70	**Cabinets**	**64 days**	**Fri 6/5/26**	**Wed 9/2/26**
71	4th Floor Cabinets	15 days	Fri 6/5/26	Thu 6/25/26
72	3rd Floor Cabinets	15 days	Thu 7/2/26	Wed 7/22/26
73	2nd Floor Cabinets	15 days	Thu 7/23/26	Wed 8/12/26
74	1st Floor Cabinets	15 days	Thu 8/13/26	Wed 9/2/26
75	**MEP Final Trim**	**69 days**	**Wed 6/3/26**	**Mon 9/7/26**
76	MEP Final Trim 4th Floor	20 days	Wed 6/3/26	Tue 6/30/26
77	MEP Final Trim 3rd Floor	20 days	Tue 6/30/26	Mon 7/27/26
78	MEP Final Trim 2nd Floor	20 days	Tue 7/21/26	Mon 8/17/26
79	MEP Final Trim 1st Floor	20 days	Tue 8/11/26	Mon 9/7/26
80	**Carpet and Plank**	**64 days**	**Wed 6/17/26**	**Mon 9/14/26**
81	4th Floor Carpet & Vinyl Pla	15 days	Wed 6/17/26	Tue 7/7/26
82	3rd Floor Carpet & Vinyl Pla	15 days	Tue 7/14/26	Mon 8/3/26
83	2nd Floor Carpet & Vinyl Pl	15 days	Tue 8/4/26	Mon 8/24/26
84	1st Floor Carpet & Vinyl Pla	15 days	Tue 8/25/26	Mon 9/14/26
85	**Appliances**	**53 days**	**Mon 7/6/26**	**Wed 9/16/26**
86	4th Floor Appliances	4 days	Mon 7/6/26	Thu 7/9/26
87	3rd Floor Appliances	4 days	Fri 7/31/26	Wed 8/5/26
88	2nd Floor Appliances	4 days	Fri 8/21/26	Wed 8/26/26
89	1st Floor Appliances	4 days	Fri 9/11/26	Wed 9/16/26
90	**Punch / Signage**	**59 days**	**Mon 7/6/26**	**Thu 9/24/26**
91	4th Floor Punch / Singage	10 days	Mon 7/6/26	Fri 7/17/26
92	3rd Floor Punch / Signage	10 days	Fri 7/31/26	Thu 8/13/26
93	2nd Floor Punch / Signage	10 days	Fri 8/21/26	Thu 9/3/26
94	1st Floor Punch / Signage	10 days	Fri 9/11/26	Thu 9/24/26
95	**Final Clean**	**54 days**	**Mon 7/20/26**	**Thu 10/1/26**
96	4th Floor Final Clean	5 days	Mon 7/20/26	Fri 7/24/26
97	3rd Floor Final Clean	5 days	Fri 8/14/26	Thu 8/20/26
98	2nd Floor Final Clean	5 days	Fri 9/4/26	Thu 9/10/26
99	1st Floor Final Clean	5 days	Fri 9/25/26	Thu 10/1/26
100	**Substantial Completion**	0 days	Tue 10/13/26	Tue 10/13/26



Project: Paige Estates
Date: Mon 7/7/25

Task
Split
Milestone
Summary
Project Summary
External Tasks
External Milestone
Inactive Task
Inactive Milestone
Inactive Summary
Manual Task
Duration-only
Manual Summary Rollup
Manual Summary
Start-only
Finish-only
Deadline
Progress
Manual Progress

Real Estate Analysis Division
February 21, 2023

Addendum to Underwriting Report

TDHCA Application #: **23931_21121** Program(s): **9% HTC**

Paige Estates

Address/Location: 826 South 11th Street

City: Waco County: McLennan Zip: 76706

	APPLICATION HISTORY
Report Date	**PURPOSE**
02/21/23	**Supplemental Credit Memo**
07/12/21	Initial Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
LIHTC (9% Credit)	$1,122,000				**$1,290,300**				

CONDITIONS STATUS

- Receipt and acceptance by Cost Certification:

  a: Certification that testing for asbestos and lead-based paint was performed on the existing structure(s) prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

  b: Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.

  c: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.

  d: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

  For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering both the buildings and the residents' personal property; and certification from the owner that flood insurance for the buildings and for the residents' personal property will remain in force as long as the site remains a designated floodplain.

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	8
50% of AMI	50% of AMI	28
60% of AMI	60% of AMI	18
80% of AMI	80% of AMI	10

ANALYSIS

The Development received a 9% HTC allocation in 2021 and is requesting a 15.00% increase in annual tax credit allocation consistent with the 2023 QAP Subchapter F, Supplement Housing Tax Credits. Tax credits will be calculated at cost certification based on actual eligible costs incurred. For Developments with previously awarded Multifamily Direct Loans (MDL's), tax credits and the MDL will be re-underwritten at MDL closing.

Per SubChapter F, the developer fee cannot increase from the previously published underwriting report, and the deferred developer fee cannot decrease from the previously published underwriting report.

The underwriter recommends a total annual credit allocation of $1,290,300.

Underwriter:	*Jeffrey Price*
Manager of Real Estate Analysis:	*Diamond Unique Thompson*
Director of Real Estate Analysis:	*Jeanna Adams*

21121 Paige Estates - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 12, 2021

PROPERTY IDENTIFICATION

Application #	**21121**
Development	**Paige Estates**
City / County	**Waco / McLennan**
Region/Area	**8 / Urban**
Population	**Elderly Limitation**
Set-Aside	**General**
Activity	**New Construction**

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$1,122,000	$1,122,000	$17,531/Unit	$0.89

KEY PRINCIPALS / SPONSOR

JES Dev Co, Inc
Brian Kimes
Jim Markel

Related Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	20	31%
2	44	69%
3	-	0%
4	-	0%
TOTAL	64	100%

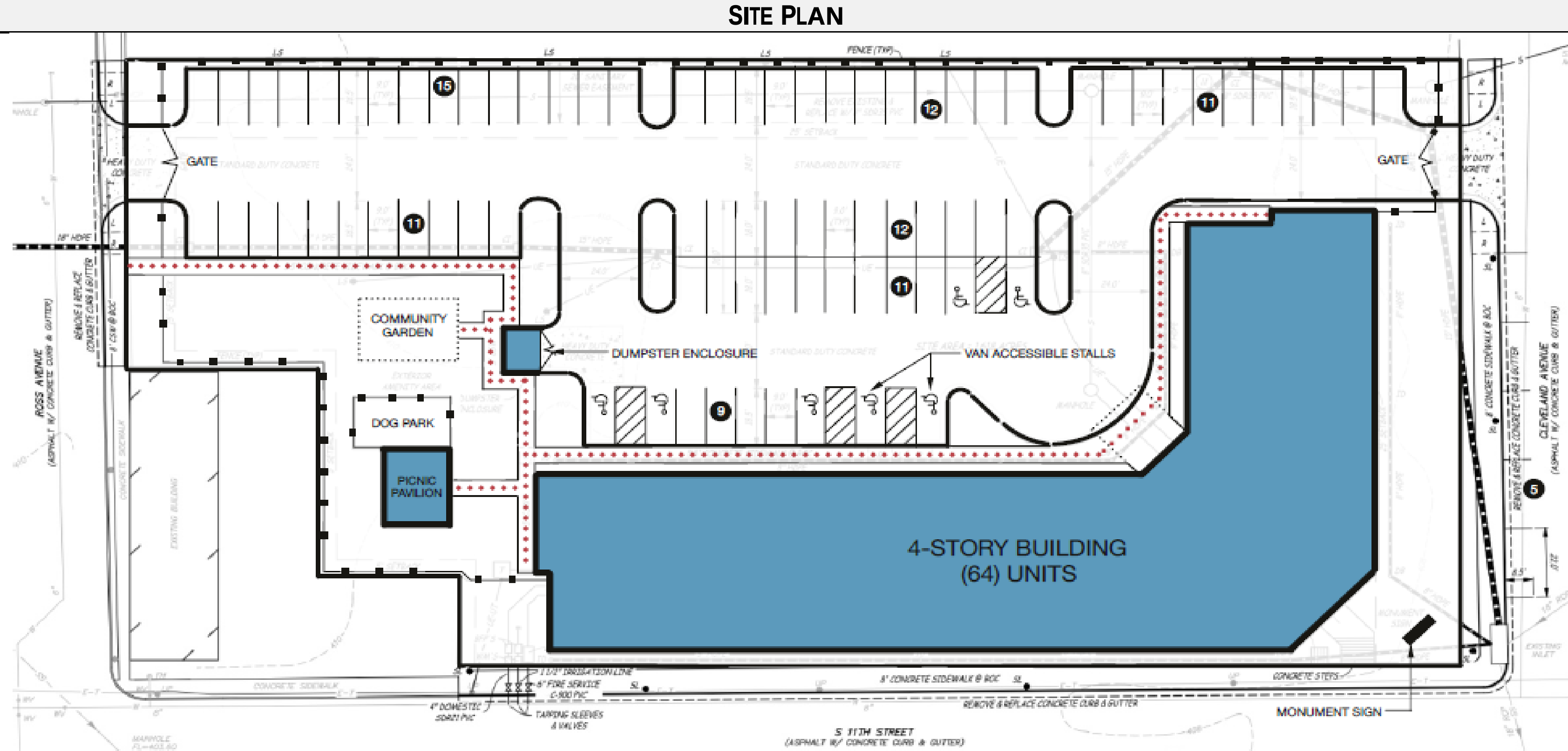
INCOME DISTRIBUTION

Income	# Units	% Total
20%	-	0%
30%	8	13%
40%	-	0%
50%	28	44%
60%	18	28%
70%	-	0%
80%	10	16%
MR	-	0%
TOTAL	64	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten	TDHCA's Pro Forma		
Debt Coverage	1.15	Expense Ratio	63.2%
Breakeven Occ.	88.1%	Breakeven Rent	$668
Average Rent	$702	B/E Rent Margin	$35
Property Taxes	$783/unit	Exemption/PILOT	0%
Total Expense	$5,070/unit	Controllable	$3,045/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			0.9%
Highest Unit Capture Rate	3%	2 BR/50%	19
Dominant Unit Cap. Rate	3%	2 BR/50%	19
Premiums (↑60% Rents)	#DIV/0!		#DIV/0!
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten	Applicant's Costs		
Avg. Unit Size	839 SF	Density	39.6/acre
Acquisition		$21K/unit	$1,350K
Building Cost	$109.64/SF	$92K/unit	$5,890K
Hard Cost		$116K/unit	$7,442K
Total Cost		$204K/unit	$13,076K
Developer Fee	$1,466K	(26% Deferred)	Paid Year: 14
Contractor Fee	$1,042K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Sterling Bank	18/35	5.00%	$2,845,000	1.09
TOTAL DEBT (Must Pay)			$2,707,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Waco	0/0	0.00%	$500	1.15
JES Partnerships-Paige Estates, LLC	0/0	0.00%	$110	1.15
CASH FLOW DEBT / GRANTS			$610	

EQUITY / DEFERRED FEES	
Source	Amount
Affordable Equity Partners, Inc.	$9,983,803
JES Dev Co, Inc.	$384,567
TOTAL EQUITY SOURCES	$10,368,370
TOTAL DEBT SOURCES	$2,707,610
TOTAL CAPITALIZATION	$13,075,980

CONDITIONS

- Receipt and acceptance by Cost Certification:
  - a: Certification that testing for asbestos and lead-based paint was performed on the existing structure(s) prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.
  - b: Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.
  - c: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.
  - d: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering both the buildings and the residents' personal property; and certification from the owner that flood insurance for the buildings and for the residents' personal property will remain in force as long as the site remains a designated floodplain.

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

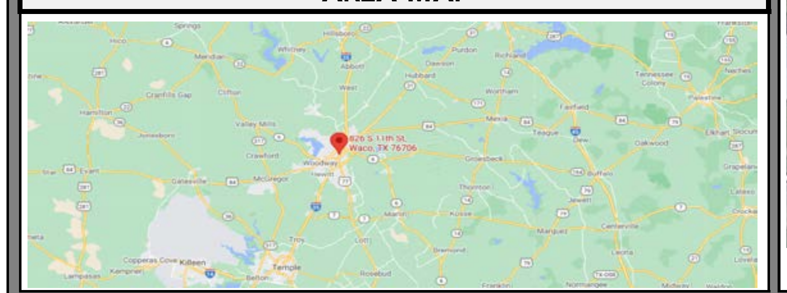
STRENGTHS/MITIGATING FACTORS

- Experienced Developer
- Attractive Design

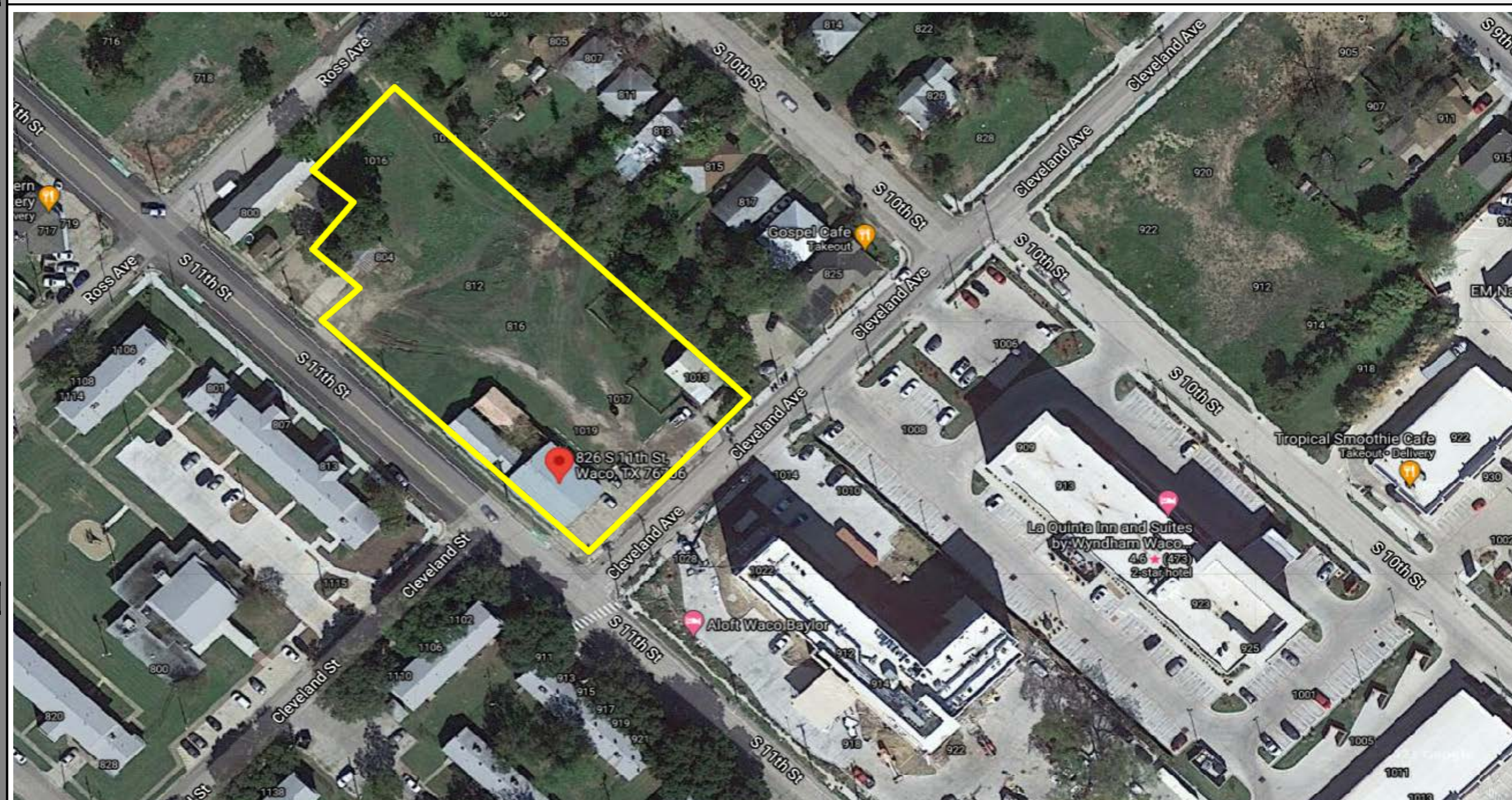
WEAKNESSES/RISKS

- 69% of units are 2 BR
- Potential increased cost due to unknown asbestos conditions
- Development in floodplain

AREA MAP



AERIAL PHOTOGRAPH(s)



Real Estate Analysis Division
Underwriting Report
July 12, 2021

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **21121** Program(s): **9% HTC**

Paige Estates

Address/Location: 826 South 11th Street

City: Waco County: McLennan Zip: 76706

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**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
LIHTC (9% Credit)	$1,122,000				**$1,122,000**				

CONDITIONS

- Receipt and acceptance by Cost Certification:
  - a: Certification that testing for asbestos and lead-based paint was performed on the existing structure(s) prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.
  - b: Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.
  - c: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.
  - d: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

    For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering both the buildings and the residents' personal property; and certification from the owner that flood insurance for the buildings and for the residents' personal property will remain in force as long as the site remains a designated floodplain.

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	8
50% of AMI	50% of AMI	28
60% of AMI	60% of AMI	18
80% of AMI	80% of AMI	10

DEVELOPMENT SUMMARY

New construction of 64 units, targeting the elderly population aged 55+. One 4-story elevator-served building, and 3,500 s.f. of community space. The unit mix is 31% one bedroom units with the other 69% being 2-bedrooms.

RISK PROFILE

	STRENGTHS/MITIGATING FACTORS
▫	Experienced Developer
▫	Attractive Design
▫	

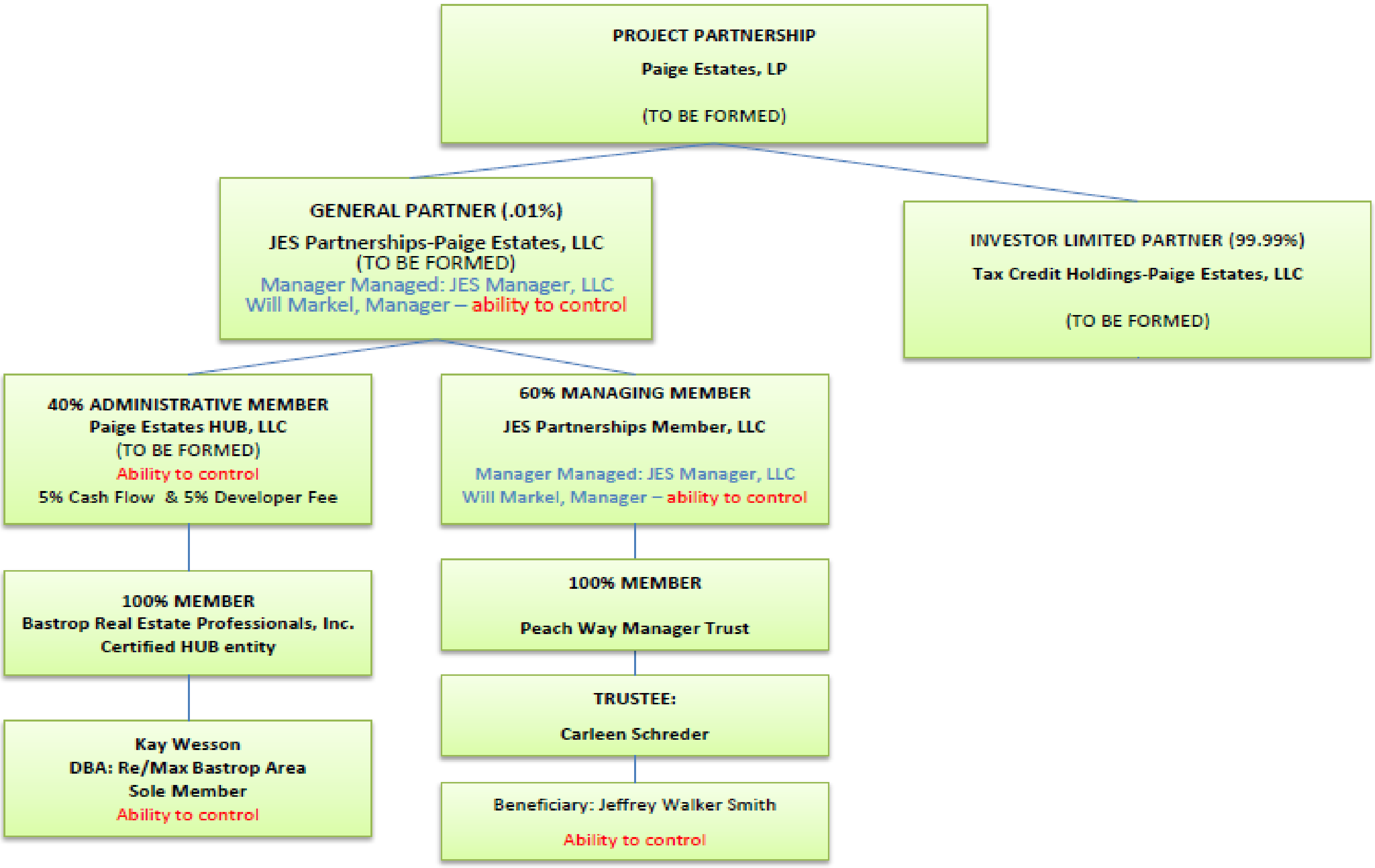
	WEAKNESSES/RISKS
▫	69% of units are 2 BR
▫	Potential increased cost due to unknown asbestos conditions
▫	Development in floodplain

DEVELOPMENT TEAM

PRIMARY CONTACTS

Name:	Brian Kimes	Name:	Jim Markel
Phone:	(573) 443-2021	Phone:	(404) 841-2227
Relationship:	Developer	Relationship:	Developer

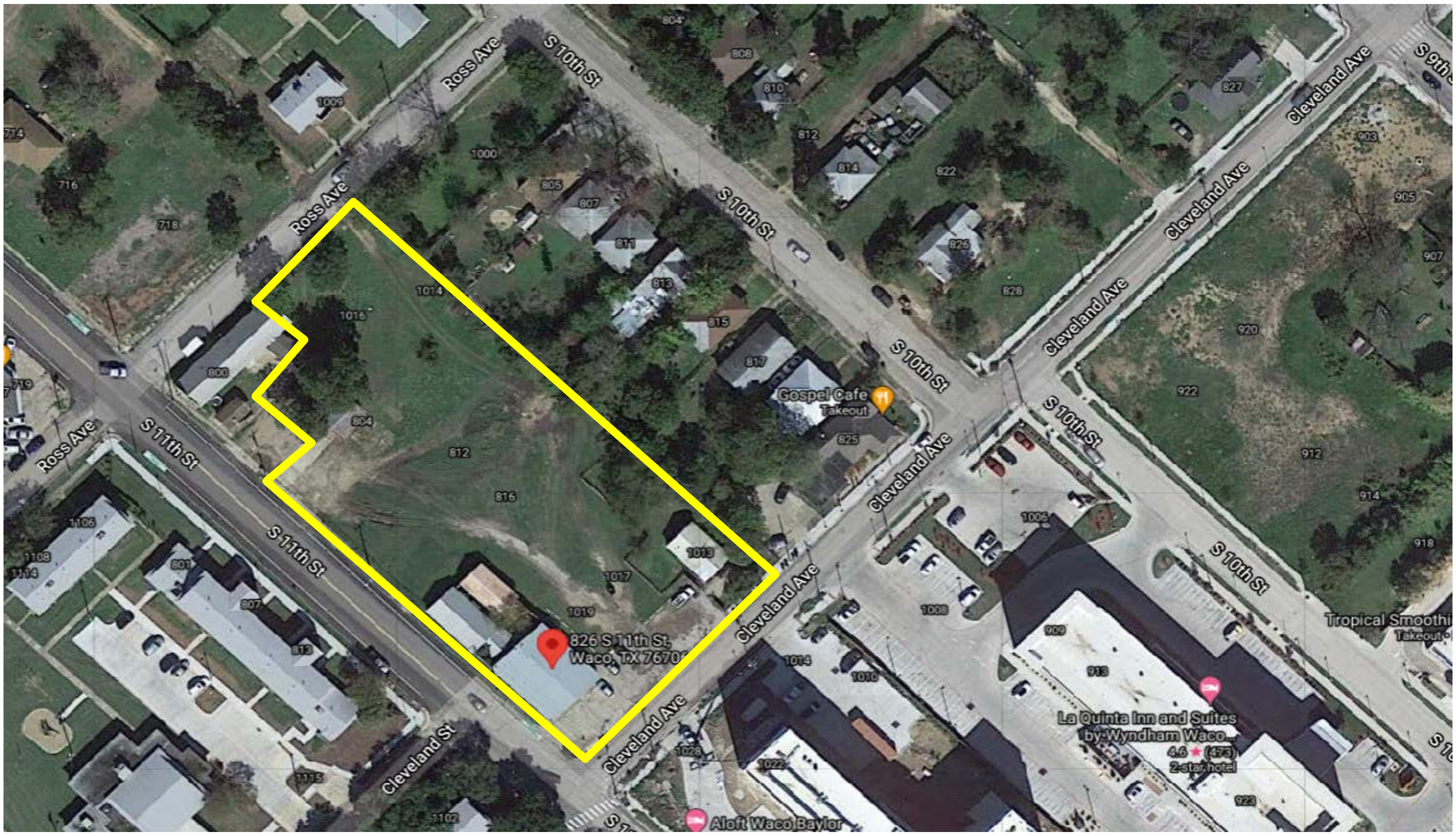
OWNERSHIP STRUCTURE

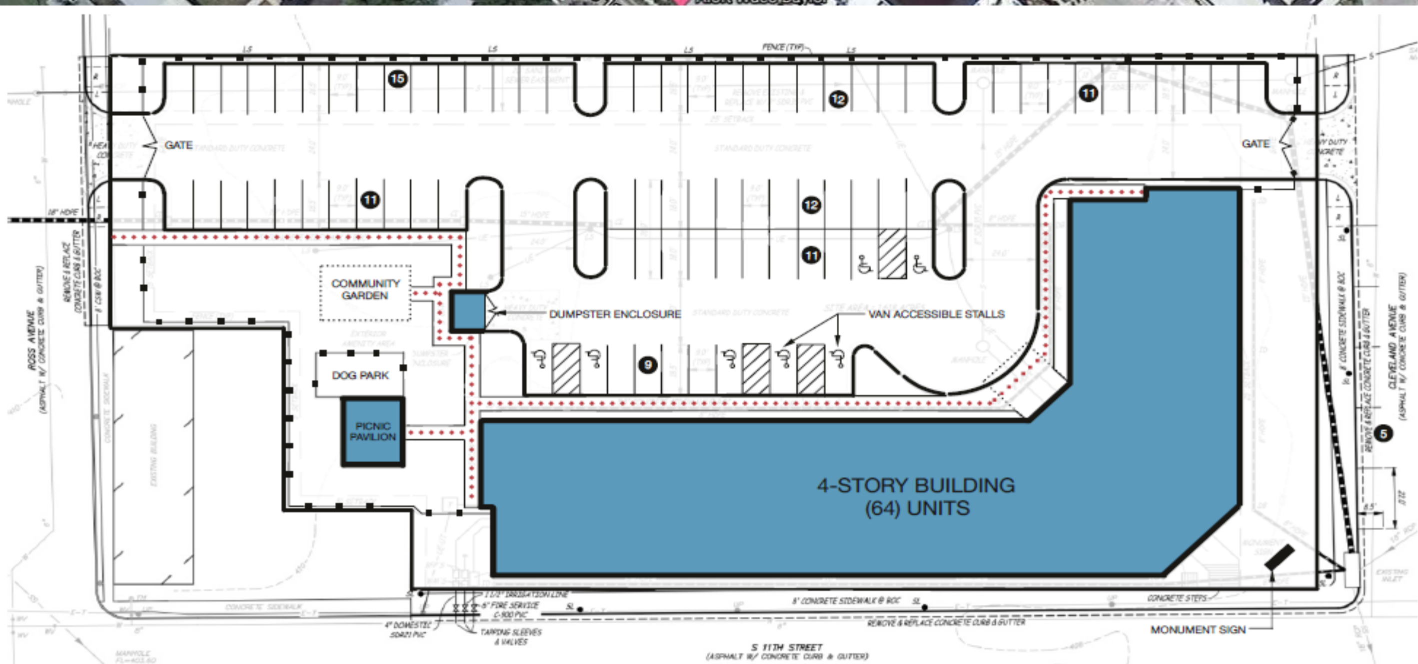


- Experienced Developer with 6 other LIHTC projects in Texas. Applicant has an in-house General Contracting and Property Management Company that will build and manage this property.

DEVELOPMENT SUMMARY

SITE PLAN





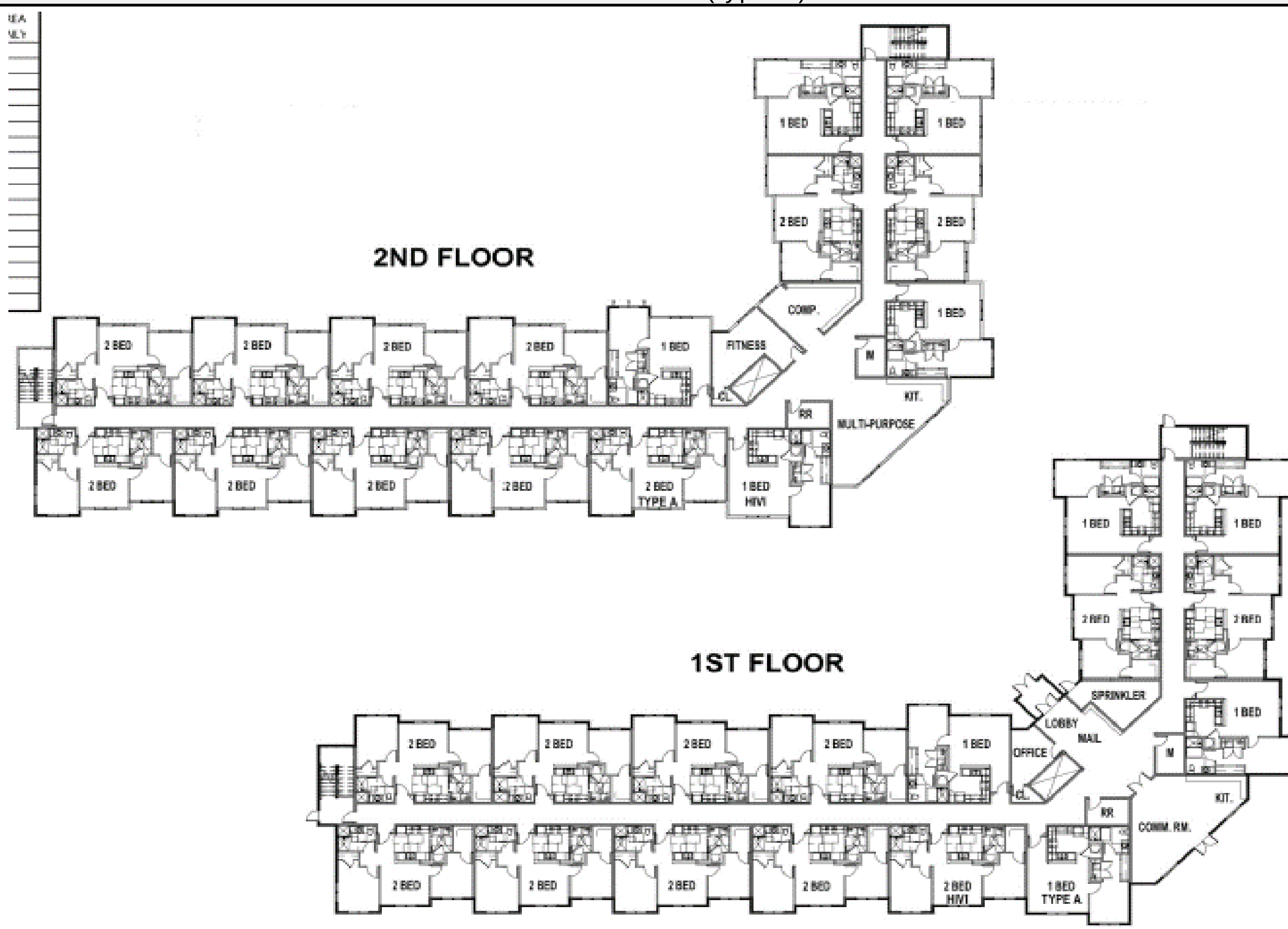
Comments:

The development of this site will require the demolition of existing building and the removal of footings and basements. The property is irregularly shaped and currently contains a single-family home, a shed, and a retail building.

The site will be provided direct access from Ross Avenue and Cleveland Avenue.

The site is proposed to provide 86 vehicular parking stalls with 7 accessible parking spaces. The required parking for this development would be108 stalls based on the provided unit count. However, the College and University Neighborhood Overlay District, allows a 20 percent multimodal parking reduction, which reduces the required stalls onsite to 86. This site can claim the reduction since it is located along a transit route. Additionally, pedestrian lighting, on-street parking, bike racks, and an 8-foot-wide concrete sidewalk along the site's frontages will be provided.

BUILDING PLAN (Typical)



Comments:

Standard rectangular units with some articulation, multiple plumbing runs throughout the building, 9 foot ceilings and walk-in showers only in all units.

BUILDING ELEVATION

Comments:
A single 4-story, elevator-served building with 9ft ceilings, 6:12 roof pitches, conditioned corridors, above average articulation and 45% masonry exteriors.

BUILDING CONFIGURATION

Building Type	4-Story											Total Buildings
Floors/Stories	4											
Number of Bldgs	1											1
Units per Bldg	64											
Total Units	64											**64**

Avg. Unit Size (SF)	**839 sf**	**Total NRA (SF)**	**53,720**	**Common Area (SF)***	**14,165**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 1.62 acres Density: 39.6 units/acre

Site Control: 1.618 **Site Plan:** 1.618 **Appraisal:** N/A **ESA:** 1.618

Feasibility Report Survey: 1.618 **Feasibility Report Engineer's Plan:** 1.618

Control Type: Commercial Contract

Development Site: 1.62 acres Cost: $1,350,000 $21,094 per unit

Seller: Lilia Gonzales Cruz

Buyer: JES Dev Co, Inc.

Related-Party Seller/Identity of Interest: No

SITE INFORMATION

Flood Zone:	AE	Scattered Site?	No
Zoning:	C-3	Within 100-yr floodplain?	No
Re-Zoning Required?	yes	Utilities at Site?	Yes
Year Constructed:	N/A	Title Issues?	No

Current Uses of Subject Site:

The subject property is currently one (1) single-story single-family structure, one (1) single-story vacant convenience store structure, three (3) single-story vacant ancillary structures, and undeveloped grassland.

Surrounding Uses:

North: Ross Avenue, residential, undeveloped grassland
South: South 11th Street, Cleveland Avenue, Cleveland Street, and Kate Ross Apartments
East: Cleveland Avenue, residential, La Quinta, and A Loft Hotel
West: South 11th Street, Ross Avenue, and Iglesia Kairos De Dios (Church)

Other Observations:

The property is currently located outside the 500-year floodplain and within Zone X, area of minimal flood hazard, as shown on FIRM Map dated December 20, 2019. However, upon speaking with Roger Glick (City Development Engineer), this property will be located within the floodplain within the next couple of months after FEMA approves the new floodplain boundaries.

Due to future floodplain elevations this site's earthwork is not expected to balance. Approximately 4,300 cubic yards of fill material is going to have to be hauled onsite in order to raise the entire site above the proposed future base flood elevation. The building will be a minimum of twelve inches (12") above the base flood elevation and the parking and drive areas no less than six inches (6") below the base flood elevation.

According to Chapter 11 of the city code, all developments within the floodplain shall be reviewed by the floodplain administrator for compliance. The proposed development will place the building finished floor a minimum of 12" above base flood elevation and the parking and drive areas no less than 6" below base flood elevation to meet federal, local, and TDHCA standards. Since the floodplain is heavily developed by flood-flow obstructing structures, the proposed building was aligned with these existing structures to minimize the impact to the base flood elevation in accordance with local requirements.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider:	Dominion Due Diligence Group	Date:	3/2/2021

Recognized Environmental Conditions (RECs) and Other Concerns:

- D3G recommends performing a limited subsurface investigation at the subject property, which includes performing a Ground Penetrating Radar (GPR) study in order to determine if a UST is present at the locations of the suspected unknown piping. If USTs are present, they should be properly closed in accordance with local, state, and federal regulations.
- D3G recommends performing a limited subsurface investigation at the subject property to determine whether the past subject property and vicinity detrimental activities have negatively affected the environmental integrity of the subject property.

- Prior to demolition activities, D3G recommends conducting a pre-demolition asbestos inspection of the site structures in accordance with 40 CFR Part 61 Subpart M by a licensed asbestos inspector. Identified ACMs should be removed from the structures prior to demolition activities in accordance with applicable regulations.

- Exterior mitigation (i.e. barrier attenuation) will need to reduce the exterior noise level.
- All generated debris containing lead-based paint is to be appropriately disposed of in accordance with applicable EPA RCRA requirements.

MARKET ANALYSIS

Provider: Novogradac Date: 3/9/2021

Contact: Houston Leifester Phone: 913-677-4600

Primary Market Area (PMA): 34 sq. miles 3 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME

McLennan County Income Limits

HH Size		1	2	3	4	5	6	7+
30% AMGI	Min	$8,856	$8,856	$10,656	$10,656	---	---	---
	Max	$13,800	$15,780	$17,760	$19,710	---	---	---
50% AMGI	Min	$14,784	$14,784	$17,760	$17,760	---	---	---
	Max	$23,000	$26,300	$29,600	$32,850	---	---	---
60% AMGI	Min	$17,736	$17,736	$21,312	$21,312	---	---	---
	Max	$27,600	$31,560	$35,520	$39,420	---	---	---
80% AMGI	Min	$23,664	$23,664	$28,416	$28,416	---	---	---
	Max	$36,800	$42,080	$47,360	$52,560	---	---	---

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
19063	Residences at Lake Waco	No	New	Elderly	79	90
Other Affordable Developments in PMA since 2016						
20171	Avanti Viking Hills		New	General	n/a	82
21024	Freedom's Path at Waco		New	Supp	n/a	34

Stabilized Affordable Developments in PMA		
	Total Units	1,527
	Total Developments	12
	Average Occupancy	99%

Proposed, Under Construction, and Unstabilized Competitive Supply:

Per Market Analyst: "Residences at Lake Waco is a proposed senior LIHTC development to be located at 1700 W. State Highway 6 that received LIHTC allocation in 2019. The mixed income development will provide 102 affordable units and 18 market rate units. It is located outside of the defined PMA, but is discussed here given its proximity to the PMA and it will also compete for low-income senior renters in Waco, similar to the Subject. We have not included the units at this proposed development in our calculations; however, when factoring these units into the analysis, the resulting capture rates are still healthy and indicative that the Subject will not burden the existing or under construction affordable developments in or around the PMA."

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	98,056			
Senior Households in the Primary Market Area	20,789			
Potential Demand from the Primary Market Area	6,417			
10% External Demand	642			
Potential Demand from Other Sources				
GROSS DEMAND	7,059			
Subject Affordable Units	64			
Unstabilized Competitive Units				
RELEVANT SUPPLY	64			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**0.9%**			

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	919	92	8	0	1%					
50% AMGI	1,705	171	28	0	1%					
60% AMGI	2,311	231	18	0	1%					
80% AMGI	1,482	148	10	0	1%					

Demand Analysis:

Minimum eligible income is calculated at 50% rent to income for Elderly developments. Gross demand includes all household sizes and both renter and owner households. Elderly is assumed age 55 and up.

As indicated above, if we included the 79 competitive units that are located outside the Subject PMA, but share some census tracts, the GCR would be 2%. This is a worst case scenario as it includes the outside supply, but none of the additional demand from 19063's PMA.

Because the competitive units are located outside the Market Analyst's determined PMA, and Underwriter's worst case scenario test produced an acceptable Gross Capture Rate, Market Analyst's capture rates are used for analysis.

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%	455	46	2	0	0%						
1 BR/50%	535	54	9	0	2%						
1 BR/60%	593	59	6	0	1%						
1 BR/80%	609	61	3	0	0%						
2 BR/30%	364	36	6	0	1%						
2 BR/50%	543	54	19	0	3%						
2 BR/60%	881	88	12	0	1%						
2 BR/80%	1,017	102	7	0	1%						

Market Analyst Comments:

The population in the PMA increased by 10.3 percent between 2000 and 2020, compared to the 24.0 percent increase in the regional MSA and 19.1 percent increase across the overall nation. The percentage of renter households in the PMA remained relatively stable between 2010 and 2020, and is estimated to be 58.8 percent as of 2020. The percentage of senior renters in the PMA is projected to increase from 34.8 to 35.9 percent between 2020 and 2025. As of 2020, the median income in the PMA is below the surrounding MSA, for both family and senior households. Historical median household income growth in the PMA trailed the MSA between 2000 and 2020. Both geographic areas experienced population growth below the overall nation during this time period. Of note, PMA income levels declined from 69 percent of the national median income in 2000 to 53 percent in 2020. Healthy population and household income growth bode well for future housing demand. Further, 52.4 percent of senior renter households are projected to make less than $40,000 in 2025, indicating a strong need for affordable senior housing such as the Subject in the area. (p. 30)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (TDHCA Pro Forma)					
NOI:	$188,602	Avg. Rent:	$702	Expense Ratio:	63.2%
Debt Service:	$163,943	B/E Rent:	$668	Controllable Expenses:	$3,045
Net Cash Flow:	$24,659	UW Occupancy:	92.5%	Property Taxes/Unit:	$783
Aggregate DCR:	1.15	B/E Occupancy:	88.1%	Program Rent Year:	2020

All units are projected at maximum HTC program rents.

In-house management company estimates a fee of 5.99%, which is consistent with their other currently managed properties.

Breakeven occupancy occurs with 7 units vacant (underwritten at 4).

Pro Forma exhibits feasibility through year 19. Any increase in the permanent loan rate would cause the pro forma to fall below the minimum 1.15 DCR threshold.

Applicant's estimate of water, sewer, trash expenses were significantly lower than the comparables. Underwriter's estimate, based on the regional comps, results in a DCR below the 1.15 minimum.

As presented, 15 year residual cash flow is $34K with a deferral of 26% of the developer fee.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$834,363/ac	$21,094/unit	**$1,350,000**	Contractor Fee	**$1,041,817**
Off-site + Site Work		$18,098/unit	**$1,158,250**	Soft Cost + Financing	**$1,666,926**
Building Cost	$109.64/sf	$92,030/unit	**$5,889,917**	Developer Fee	**$1,465,585**
Contingency	5.58%	$6,147/unit	**$393,388**	Reserves	**$110,097**
Total Development Cost	$204,312/unit	**$13,075,980**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Located in QCT with < 20% HTC units/HH

Site Work:

Certified $925K ($14K/unit) for demolition and asbestos abatement, grading, paving, concrete and utility costs. Amenity cost of $233K ($3.6K/unit) was not included in certification, but is comprised of $177K for landscaping, $14K for fencing, $15K for trash enclosures and signage.

Building Cost:

TDHCA's typical cost methodology using Marshal & Swift's ("M&S") average quality construction values adjusted for increasing lumber costs and four story build results in a total building cost estimate of $5.7M ($89K/unit - $106.06/sf), which is $193K (3.4%) lower than the Applicant's budget.

High building cost per square foot is in part due to lower number of units (64).

Applicant limited eligible basis by $1.36M for scoring purposes.

Contingency:

Contingency is understated at less than 6.0%. An additional $34K of repayable Developer fee is available for deferral as additional contingency for any cost overruns.

Comments:

Applicant's total development costs are less than 2% ($248K) higher than the Underwriter's estimate. The recommended capital structure is being determined by Applicant's cost schedule.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$13,075,980	**$9,593,577**	**$1,122,448**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Sterling Bank	Conventional Loan	$9,924,066	5.25%	83%
Affordable Equity Partners, Inc.	HTC	$1,996,760	$0.89	17%
City of Waco	§11.9(d)(2)LPS Contribution	$500	0.00%	0%
JES Partnerships-Paige Estates, LLC	Owner Equity	$110	0.00%	0%
		$11,921,436	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Sterling Bank	$2,845,000	5.00%	35	18	$2,845,000	5.00%	35	18	22%
City of Waco	$500	Fee Waiver			$500	Fee Waiver			0%
JES Partnerships-Paige Estates, LLC	$110	Owner Equity			$110	Owner Equity			0%
Total	**$2,845,610**				**$2,707,610**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
Affordable Equity Partners, Inc.	$9,983,803	$0.89		$9,983,803	$0.89	76%	
JES Dev Co, Inc.	$247,067		17%	$384,567		3%	27%
Total	**$10,230,870**			**$10,368,370**			
				$13,075,980	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.924	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.887	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

The underwriting analysis assumes an $138K adjustment to Debt Per §11.302(c)(2) to achieve the minimum 1.15x debt coverage ratio.

Gap Analysis:	
Total Development Cost	$13,075,980
Permanent Sources (debt + non-HTC equity)	$2,707,610
Gap in Permanent Financing	$10,368,370

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$9,987,794	$1,122,448
Needed to Balance Sources & Uses	$10,368,370	$1,165,218
Requested by Applicant	$9,983,803	$1,122,000

	RECOMMENDATION	
	Equity Proceeds	**Annual Credits**
Tax Credit Allocation	**$9,983,803**	**$1,122,000**

Deferred Developer Fee	**$384,567**	**(27% deferred)**
Repayable in	**14 years**	

Comments:

Recommended credit allocation is $1,122,000 as requested by the Applicant.

Underwriter:	*Diamond Unique Thompson*
Manager of Real Estate Analysis:	*Jeanna Adams*
Director of Real Estate Analysis:	*Thomas Cavanagh*

UNIT MIX/RENT SCHEDULE

Paige Estates, Waco, 9% HTC #21121

LOCATION DATA

CITY:	Waco
COUNTY:	McLennan
Area Median Income	$65,700
PROGRAM REGION:	8
PROGRAM RENT YEAR:	2020

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	20	31.3%	0	0
2	44	68.8%	0	0
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**64**	**100.0%**	**-**	**-**

Pro Forma ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	839 sf

55%	**Income**	20%	30%	40%	50%	60%	70%	80%	MR	**TOTAL**
Average Income	**# Units**	-	8	-	28	18	-	10	-	**64**
	% Total	0.0%	12.5%	0.0%	43.8%	28.1%	0.0%	15.6%	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%	$369	2	1	1	750	$369	$57	$312	$0	$0.42	$312	**$624**	**$624**	$312	**$0**	**$0**	$1,150	$1.53	$1,150
TC 50%	$616	9	1	1	750	$616	$57	$559	$0	$0.75	$559	**$5,031**	**$5,031**	$559	**$1**	**$0**	$1,150	$1.53	$1,150
TC 60%	$739	6	1	1	750	$739	$57	$682	$0	$0.91	$682	**$4,092**	**$4,092**	$682	**$1**	**$0**	$1,150	$1.53	$1,150
TC 80%	$986	3	1	1	750	$986	$57	$929	$0	$1.24	$929	**$2,787**	**$2,787**	$929	**$1**	**$0**	$1,150	$1.53	$1,150
TC 30%	$444	6	2	1	880	$444	$74	$370	$0	$0.42	$370	**$2,220**	**$2,220**	$370	**$0**	**$0**	$1,250	$1.42	$1,250
TC 50%	$740	19	2	1	880	$740	$74	$666	$0	$0.76	$666	**$12,654**	**$12,654**	$666	**$1**	**$0**	$1,250	$1.42	$1,250
TC 60%	$888	12	2	1	880	$888	$74	$814	$0	$0.93	$814	**$9,768**	**$9,768**	$814	**$1**	**$0**	$1,250	$1.42	$1,250
TC 80%	$1,184	7	2	1	880	$1,184	$74	$1,110	$0	$1.26	$1,110	**$7,770**	**$7,770**	$1,110	**$1**	**$0**	$1,250	$1.42	$1,250
TOTALS/AVERAGES:		**64**			**53,720**				**$0**	**$0.84**	**$702**	**$44,946**	**$44,946**	**$702**	**$0.84**	**$0**	**$1,219**	**$1.45**	**$1,219**

ANNUAL POTENTIAL GROSS RENT:	**$539,352**	**$539,352**

STABILIZED PRO FORMA

Paige Estates, Waco, 9% HTC #21121

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Senior Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.84	$702	$539,352	$539,352	$702	$0.84		0.0%	$0
Late Rent, forfeited deposits, vending							$20.00	$15,360						
Total Secondary Income							$20.00		$15,360	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$554,712	$554,712				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(41,603)	(41,603)	7.5% PGI			0.0%	-
Rental Concessions								-	-				0.0%	-
EFFECTIVE GROSS INCOME								$513,109	$513,109				0.0%	$0
General & Administrative	$23,006	$359/Unit	$14,510	$227	3.87%	$0.37	$310	$19,850	$14,510	$227	$0.27	2.83%	36.8%	5,340
Management	$26,393	5.7% EGI	$21,213	$331	5.99%	$0.57	$480	$30,720	$30,735	$480	$0.57	5.99%	0.0%	(15)
Payroll & Payroll Tax	$53,943	$843/Unit	$54,808	$856	13.56%	$1.30	$1,087	$69,574	$69,574	$1,087	$1.30	13.56%	0.0%	-
Repairs & Maintenance	$46,559	$727/Unit	$49,034	$766	9.00%	$0.86	$722	$46,200	$41,600	$650	$0.77	8.11%	11.1%	4,600
Electric/Gas	$13,545	$212/Unit	$8,521	$133	2.34%	$0.22	$188	$12,000	$8,521	$133	$0.16	1.66%	40.8%	3,479
Water, Sewer, & Trash	$36,234	$566/Unit	$60,665	$948	7.11%	$0.68	$570	$36,500	$60,665	$948	$1.13	11.82%	-39.8%	(24,165)
Property Insurance	$24,032	$0.45 /sf	$20,579	$322	5.61%	$0.54	$450	$28,800	$28,800	$450	$0.54	5.61%	0.0%	-
Property Tax (@ 100%) 2.6586	$31,787	$497/Unit	$41,894	$655	9.98%	$0.95	$800	$51,200	$50,142	$783	$0.93	9.77%	2.1%	1,058
Reserve for Replacements					3.12%	$0.30	$250	$16,000	$16,000	$250	$0.30	3.12%	0.0%	-
Cable TV					0.16%	$0.01	$13	$800	$800	$13	$0.01	0.16%	0.0%	-
Supportive Services					0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.50%	$0.05	$40	$2,560	$2,560	$40	$0.05	0.50%	0.0%	-
Security					0.12%	$0.01	$9	$600	$600	$9	$0.01	0.12%	0.0%	-
TOTAL EXPENSES					**61.35%**	**$5.86**	**$4,919**	**$314,804**	**$324,507**	**$5,070**	**$6.04**	**63.24%**	**-3.0%**	**$ (9,703)**
NET OPERATING INCOME ("NOI")					**38.65%**	**$3.69**	**$3,099**	**$198,305**	**$188,602**	**$2,947**	**$3.51**	**36.76%**	**5.1%**	**$ 9,703**
CONTROLLABLE EXPENSES							$2,877/Unit			$3,045/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Paige Estates, Waco, 9% HTC #21121

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**
Sterling Bank		1.09	1.15	172,300	5.00%	35	18	$2,845,000	$2,845,000	18	35	5.00%	$172,300	1.09	21.8%
Adjustment to Debt Per §11.302(c)(2)	0.00%								($138,000)	18	35	5.00%	($8,358)	1.15	-1.1%
CASH FLOW DEBT / GRANTS															
City of Waco		1.09	1.15		0.00%	0	0	$500	$500	0	0	0.00%		1.15	0.0%
JES Partnerships-Paige Estates, LLC		1.09	1.15		0.00%	0	0	$110	$110	0	0	0.00%		1.15	0.0%
				$172,300	**TOTAL DEBT / GRANT SOURCES**			**$2,845,610**	**$2,707,610**			**TOTAL DEBT SERVICE**	**$163,943**	**1.15**	20.7%
NET CASH FLOW		$16,301	$26,004						**TDHCA**	**NET OPERATING INCOME**		**$188,602**	**$24,659**	**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**
Affordable Equity Partners, Inc.	LIHTC Equity	76.4%	$1,122,000	$0.89	$9,983,803	$9,983,803	$0.8898	$1,122,000	76.4%	$17,531	Applicant Request
JES Dev Co, Inc.	Deferred Developer Fees	1.9%	(17% Deferred)		$247,067	$384,567	(26% Deferred)		2.9%	**Total Developer Fee:**	**$1,465,585**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		78.2%			$10,230,870	$10,368,370			79.3%		
TOTAL CAPITALIZATION					**$13,076,480**	**$13,075,980**				**15-Yr Cash Flow after Deferred Fee:**	**$34,341**

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				$21,094 / Unit	$1,350,000	$1,350,000	$21,094 / Unit				0.0%	$0
Off-Sites				$ / Unit	$0	$0	$ / Unit				0.0%	$0
Site Work		$855,627		$14,458 / Unit	$925,321	$925,321	$14,458 / Unit		$855,627		0.0%	$0
Site Amenities		$232,929		$3,640 / Unit	$232,929	$232,929	$3,640 / Unit		$232,929		0.0%	$0
Building Cost		$4,531,282	$109.64 /sf	$92,030/Unit	$5,889,917	$5,697,341	$89,021/Unit	$106.06 /sf	$4,531,282		3.4%	$192,576
Contingency		$393,388	7.00%	5.58%	$393,388	$393,388	5.74%	7.00%	$393,388		0.0%	$0
Contractor Fees		$841,853	14.00%	14.00%	$1,041,817	$1,014,857	14.00%	14.00%	$841,852		2.7%	$26,960
Soft Costs	$0	$824,064		$13,345 / Unit	$854,064	$854,064	$13,345 / Unit		$824,064	$0	0.0%	$0
Financing	$0	$663,099		$12,701 / Unit	$812,862	$812,862	$12,701 / Unit		$663,099	$0	0.0%	$0
Developer Fee	$0	$1,251,336	15.00%	15.00%	$1,465,585	$1,436,699	15.00%	15.00%	$1,251,336	$0	2.0%	$28,886
Reserves				3 Months	$110,097	$110,097	3 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$9,593,578**		$204,312 / Unit	**$13,075,980**	**$12,827,558**	$200,431 / Unit		**$9,593,577**	**$0**	**1.9%**	**$248,422**
Acquisition Cost	$0				$0							
Contingency		$0			$0							
Contractor's Fee		($1)			$0							
Financing Cost		$0										
Developer Fee	$0	$0			$0							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$9,593,577**		$204,312/unit	**$13,075,980**	**$12,827,558**	$200,431/unit		**$9,593,577**	**$0**	**1.9%**	**$248,422**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): $13,075,980

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Paige Estates, Waco, 9% HTC #21121

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$9,593,577	$0	$9,593,577
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$9,593,577	$0	$9,593,577
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$12,471,650	$0	$12,471,650
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$12,471,650	$0	$12,471,650
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	0	$1,122,448	$0	$1,122,448
CREDITS ON QUALIFIED BASIS	$1,122,448		$1,122,448	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8898	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$1,122,448	$9,987,794	----	----	----
Needed to Fill Gap	$1,165,218	$10,368,370	----	----	----
Applicant Request	$1,122,000	$9,983,803	**$1,122,000**	**$0**	**$0**

BUILDING COST ESTIMATE

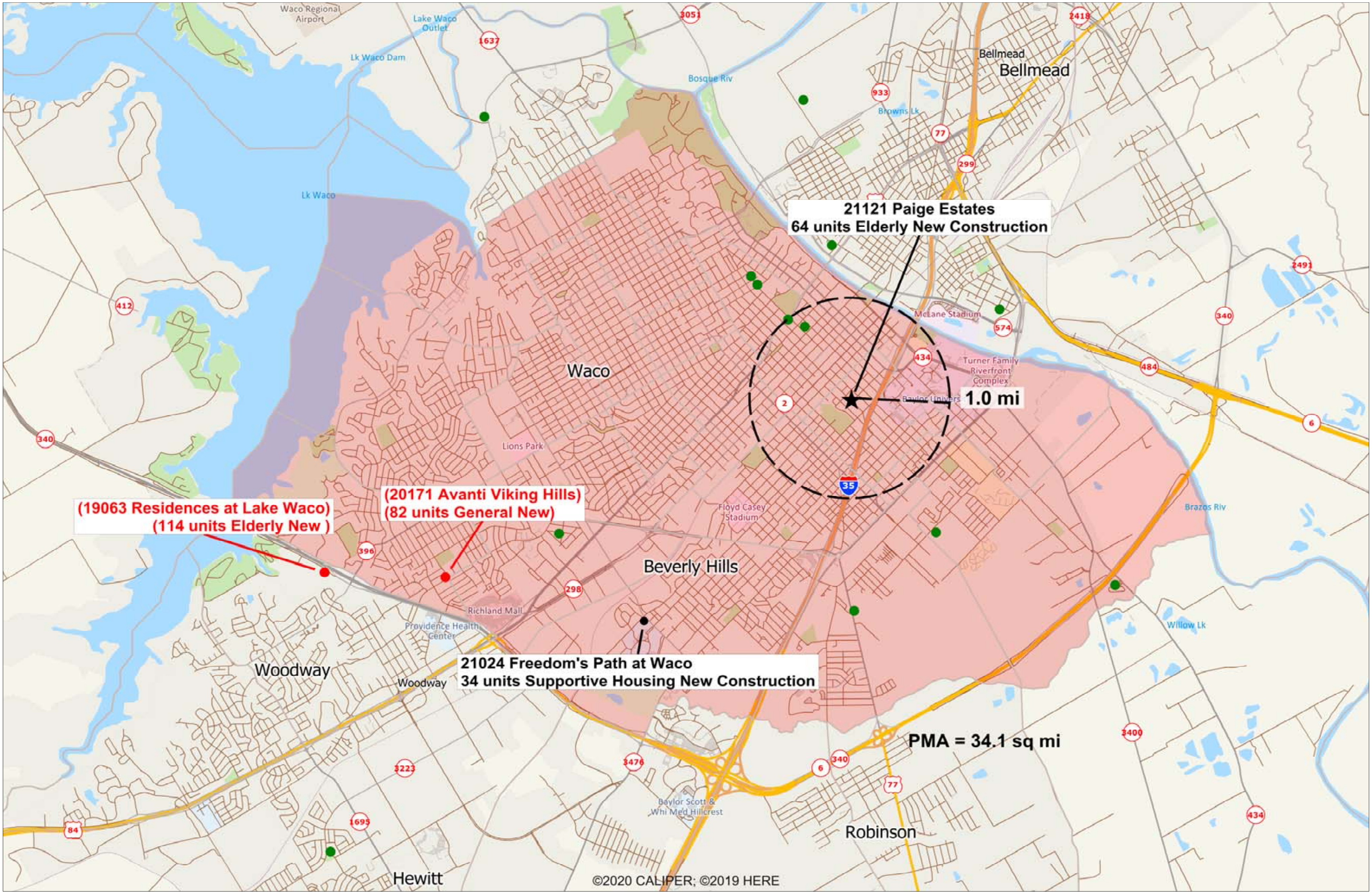
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	53,720 SF	$77.44	4,159,817
Adjustments				
Exterior Wall Finish	3.60%		2.79	$149,753
Elderly	3.00%		2.32	124,795
9-Ft. Ceilings	3.45%		2.67	143,514
Roof Adjustment(s)			1.19	64,000
Subfloor			0.22	11,953
Floor Cover			2.56	137,523
Enclosed Corridors	$68.99	10,635	13.66	733,657
Balconies	$0.00	0	0.00	0
Plumbing Fixtures	$1,080	132	2.65	142,560
Rough-ins	$530	128	1.26	67,840
Built-In Appliances	$1,830	64	2.18	117,120
Exterior Stairs	$2,460	6	0.27	14,760
Heating/Cooling			2.34	125,705
Storage Space	$68.99	0	0.00	0
Carports	$12.25	0	0.00	0
Garages		0	0.00	0
Common/Support Area	$98.52	3,530	6.47	347,790
Elevators	$150,724	1	2.81	150,724
Other:			0.00	0
Fire Sprinklers	$2.88	67,885	3.64	195,509
SUBTOTAL			**124.48**	**6,687,019**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**124.48**	**$6,687,019**
Plans, specs, survey, bldg permits	3.30%		(4.11)	($220,672)
Contractor's OH & Profit	11.50%		(14.32)	(769,007)
NET BUILDING COSTS		$89,021/unit	$106.06/sf	$5,697,341

Long-Term Pro Forma

Paige Estates, Waco, 9% HTC #21121

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	$513,109	$523,371	$533,838	$544,515	$555,405	$613,212	$677,036	$747,502	$825,303	$911,201	$1,006,040
TOTAL EXPENSES	3.00%	$324,507	$333,935	$343,639	$353,629	$363,911	$420,037	$484,911	$559,906	$646,613	$746,873	$862,818
NET OPERATING INCOME ("NOI")		**$188,602**	**$189,436**	**$190,199**	**$190,886**	**$191,494**	**$193,175**	**$192,125**	**$187,596**	**$178,690**	**$164,328**	**$143,221**
EXPENSE/INCOME RATIO		63.2%	63.8%	64.4%	64.9%	65.5%	68.5%	71.6%	74.9%	78.3%	82.0%	85.8%
MUST -PAY DEBT SERVICE												
TOTAL DEBT SERVICE		$163,943	$163,943	$163,943	$163,943	$163,943	$163,943	$163,943	$163,943	$163,943	$163,943	$163,943
DEBT COVERAGE RATIO		1.15	1.16	1.16	1.16	1.17	1.18	1.17	1.14	1.09	1.00	0.87
ANNUAL CASH FLOW		**$24,659**	**$25,493**	**$26,256**	**$26,943**	**$27,551**	**$29,233**	**$28,183**	**$23,654**	**$14,747**	**$385**	**($20,721)**
Deferred Developer Fee Balance		$359,908	$334,415	$308,159	$281,215	$253,664	$109,904	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$34,341	$163,226	$256,727	$289,800	$231,392

21121 Paige Estates PMA Map



Disclaimer: This map is not a survey. Boundaries, distance and scale are approximate only.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1089 **Agenda Date:** 7/10/2025 **Agenda #:** 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

RECOMMENDED ACTION

WHEREAS, WALIPP Senior Residence Expansion 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	WALIPP Senior Residence Expansion
Target Population	Elderly
HTC Award	$2,000,000
City	Houston
Total Units	102
HTC Units	102
Initial Year of Award	2024
Extension Requested	Six months

WALIPP Senior Residence Expansion is a 102-unit development located in Houston, Harris

County. The development received an award of 9% Housing Tax Credits in 2024, and executed a Carryover Allocation Agreement requiring that the 10% Test be met by July 1, 2025, and that all buildings be placed in service by December 31, 2026.

Although the project met the Readiness to Proceed threshold and aimed to close in April 2025, multiple unforeseen delays have pushed construction completion to February 2027. A six-month extension to the placed-in-service deadline is now required to maintain investor and lender commitments. The following factors contributed to the delay:

- The project architect took personal leave in early 2025 and later departed indefinitely, causing setbacks in finalizing construction documents and responding to permitting and pricing inquiries;
- The project spans three separate lots, requiring a complex platting process that took eight months and led to an extended construction schedule (from 16 to 18 months);
- A $2 million funding shortfall emerged when a grant from FHLB Dallas was not awarded; filling the gap required commitments from multiple soft funding sources, each with separate due diligence requirements;
- On May 16, 2025, Bank of America withdrew as sponsor of a $1 million FHLB Atlanta grant, necessitating a last-minute restructuring that was only resolved on June 20, 2025.

The accumulation of these delays has pushed the financial closing to July 16, 2025, with construction completion now expected on February 4, 2027.

The Applicant is requesting a six-month extension to the placed-in-service deadline under the QAP's force majeure provision. All permits are expected by July 11, 2025, and all soft funding and environmental clearances are in place. Approval of the extension will enable the project to proceed with financial closing and construction as scheduled.

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 the request and determined that the delays caused by the complex platting process and the loss of a $2,000,000 grant meet the criteria of a force majeure event under the rule.

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 June 30, 2027.

If the Board denies the request:

- The original 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 does not change any deadline for 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 WALIPP Senior Residence Expansion under the force majeure provisions of 10 TAC §11.6(5).

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June 25, 2025

Mr. Cody Campbell
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Re: WALIPP Senior Residence Expansion (TDHCA #24172), Houston, Harris County

Dear Mr. Campbell,

WALIPP Senior Residence Expansion (#24172) is a 2024 award of 9% Housing Tax Credits in Region 6 Urban for the new construction of 102 units of rental housing for Seniors in the Historic Third Ward neighborhood of Houston. The project met the Readiness to Proceed threshold by acquiring the land and filing for building permits prior to March 31, 2025. Due to the convergence of multiple factors beyond our control, we are requesting a 6-month extension of the Placement in Service deadline under 10 TAC §11.6(5), Credit Returns from Force Majeure Events to move the deadline from the current December 31, 2026 to June 30, 2027. By approving this extension request, the Development can swiftly move to financial closing and start of construction.

Background Information:

WALIPP was originally projected to close in April 2025 and completing prior to the current Placed in Service deadline of December 31, 2026, but several factors outside of the Development Owners control have converged to delay the financial closing and start of construction pushing the placed in-service date just past the deadline and necessitating this request for a 6-month extension. Since the current construction timeline now has the project completing in February 2027, the investor and lender must see a Placed in Service extension in order to close the financing and start construction. The financial closing and construction start date is set for July 16, 2025 and the current construction schedule has the property completing on February 4, 2027. The approval of the Placement in Service extension by the board on July 10, 2025 will ensure the project is able to close and begin construction.

The following factors beyond our control have converged to delay the closing and start of construction for this Development, necessitating this Placement in Service extension request:

- The architectural firm hired for the Development has extensive experience with low-income housing tax credit financed developments and tight infill urban design, so they were an appropriate selection for WALIPP Senior Residence Expansion. In late December 2024/early January 2025, the senior architect working on this project took personal leave. After a few weeks, the architect returned and completed submission of plans to

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the City for permitting on February 14, 2025. In early April 2025, we were notified the architect had stepped away indefinitely. While the firm has added capacity to fill the gap of institutional knowledge lost, this unforeseen and unfortunate circumstance has caused a delay in getting 100% CD plans finalized as well as responding to comments from the City of Houston on the building permits and requests for information from the General Contractor for contract pricing. This delay caused a ripple effect of not being able to finalize the lender and investor due diligence and construction cost numbers for a construction contract. This issue alone has caused a two-month delay to the closing deadline.

- The Development is the assemblage of three separate lots separated by a public right of way. The three buildings to be built on these three lots surround the existing WALIPP Senior Residence and are in close proximity of each other. However, the three separate buildings on tight infill sites has resulted in a complex platting exercise with the City of Houston that has taken 8 months from submission to final plat. In addition, the staging and construction of the three separate buildings has resulted in a longer than anticipated construction timeline from an originally anticipated 16 months to 18 months.
- In mid-October 2024, the project found out that it did not receive the $2,000,000 grant that it had applied for from the FHLB Dallas. This gap in sources coupled with rising interest rates and a $1.9M increase in total development costs from time of submission of the TDHCA application, created a need for additional soft funds. The team submitted multiple funding applications to fill the anticipated gap. By March 2025, all soft sources had been committed and the funding gap was closed; however, the multiple funding sources for the project have all had separate due diligence requirements and required approvals that have taken time to work through. In total, there are 14 interested parties who are either funders or developers/owners on this transaction.

Maintaining consistent communication and adherence to all funder requirements has caused a delay to the anticipated closing and start of construction timeline; however, the parties' participation has resulted in a financially sound development that is ready to break ground.

These multiple parties include:

- Wells Fargo Investment
- HUD Community Project Funding
- Wells Fargo Debt (and Freddie Mac)
- FHLB Dallas
- FHLB Atlanta
- Bank of America
- Capital Impact Partners
- Local Initiatives Support Corporation (LISC)
- Cullen Foundation
- Rice University
- Midtown Redevelopment Authority

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  - William A. Lawson Institute for Peace and Prosperity (owner/developer)
  - Volunteers of America National Services (owner/developer)
  - Volunteers of America Texas (owner/developer)
- The Development received a FHLB Atlanta funding award for $1,000,000. Unexpectedly on May 16, 2025, the Member Bank Sponsor of that AHP application (Bank of America) informed us that they could no longer sponsor the award because the debt and equity for the project was awarded to Wells Fargo. This notification came 5 months after the project was awarded and a grant agreement was signed. We had to scramble to find a replacement structure that met FHLB Atlanta requirements. On June 20, 2025, the project received final approval of a new structure with a replacement Member Bank. The lender has understandably held release of their draft loan documents until the structure for this funding was finalized which has also caused a delay to the closing date.

It is important to note factors that should give the Staff and Board assurance that this Development is viable and moving forward in earnest:

- Wells Fargo Bank (as lender and investor) and NEI General Contractors (as Prime contractor) have set a closing date and start of construction for July 16, 2025.
- The project has secured $5,150,000 in soft funding from 9 different sources including FHLB Dallas and FHLB Atlanta grants, Community Project Funding from HUD, Capital Magnet Funds from US Department of Treasury, and private foundational funding. Each funding source has a firm commitment to the project and is ready to close.
- The limited partnership for the Development Owner – WALIPP Senior Residence Expansion, LP – has been formed and the land has been acquired.
- The Environmental Review required for the HUD Community Project Funding has been completed.
- The plats for the three parcels have been approved and recorded.
- Permits are pending release of comment resolution with final corrected plans being submitted by June 30th and permits are expected to be issued on July 11, 2025 when all comments are addressed. All permit and impact fees have been paid.
- The construction contract will be signed on July 2, 2025.

Request:

While it was every intention for the Development to meet the Placement in Service deadline of December 31, 2026, we now can foresee that this is not possible due to the additional delays noted above. We request that the Owner be permitted to return the Tax Credits and that TDHCA reallocate the Tax Credits to the Owner in the current year in accordance with §11.6(5) of the QAP. The Owner and Development meet all of the requirements in Section 11.6(5) in that:

1) The events that caused the delays occurred before issuance of 8609s and were sudden, unforeseen circumstances outside the control of the Development Owner.

Explanation: At the time of submission of the tax credit application in 2024, total development costs were estimated at $27.65 million. Since then, total development costs for this project have increased to $29.56 million due to construction pricing increases which were unforeseen at the time of application. The combination of cost increases, high interest rates and a lost gap source caused a financing gap of $4.15 million, resulting in the need for soft funding from multiple sources. Coordinating funding requirements and closing thresholds has taken time, but all parties are now poised and ready to close. The loss of gap funding combined with rising interest rates and construction pricing, the architect's departure from the firm and the restructuring of the FHLB Atlanta funding were all sudden and unforeseen circumstances outside the control of the Development Owner.

2) The delays were not caused by willful negligence or acts of Owner, any Affiliate, or any other Related Party.

Explanation: The Development Team is experienced with a long history in the LIHTC program. The events causing the delay were unprecedented and all parties did their absolute maximum to problem solve and expedite the multiple unexpected hurdles with enormous successes made along the way. Continued high interest rates and construction pricing increases, an architect's departure and the restructuring of a committed source of funds could not have been reasonably foreseen by the Development Owner and could not have been reasonably mitigated by the Development Owner.

3) The Owner has provided evidence of the Force Majeure Events

Explanation: Please see attached **EXHIBIT A: Timelines** that evidence the delays caused by the Force Majeure events and how the combined effect prevents the Development from meeting its Placed-in-Service date from the original allocation.

4) The Owner took all reasonable steps to minimize or mitigate any delays.

Explanation: The Owner did not take a Force Majeure lightly and tried diligently to get to a place where all parties were ready to close and start construction. Now that the construction completion date is scheduled past the original PIS date, the investor and lender will require an extension before closing. This request was submitted within days of learning that it was no longer achievable to complete construction by the original PIS date. This request is being submitted now so that it can be considered in a timely manner, and the Development can close and start construction as scheduled on July 16, 2025.

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5) The Force Majeure threatens to prevent the Owner from meeting the Place in Service requirements of the original allocation to December 31, 2026.

   Explanation: As detailed in EXHIBIT A: Timelines, the Force Majeure events have pushed construction completion to February 2027 past the original PIS date of December 31, 2026.

6) The requested current year Carryover Agreement would allocate the same amount of Tax Credits as those that would be returned.

7) The Development continues to be financially feasible. There have not been any insurance proceeds received related to the Force Majeure event.

The approval of this PIS extension will allow the Development to lock in the construction contract and swiftly move forward with the financial closing for the project. Although the project has been faced with a seemingly insurmountable amount of uncontrollable delays and impacts; the project has overcome them all and is ready to close and start construction. Therefore, we respectfully request approval of this Force Majeure request. If you have any questions or would like to discuss these items further, please do not hesitate to contact me directly at 713-562-0091.

Sincerely,

Cheryl Lawson

Authorized Representative

Cc: Rene Ruiz (via email)
Deborah Welchel (via email)
Jennifer Hicks (via email)

EXHIBIT A_TIMELINES

WALIPP SENIOR RESIDENCE EXPANSION (TDHCA #24172)
DEVELOPMENT TIMELINE

March 2024	
3/1/2024	TDHCA Full Application Submission
April 2024	
4/28/2024	FHLB Dallas Full Application Submission
July 2024	
7/29/2024	FHLB Atlanta Full Application Submission
August 2024	
8/27/2024	TDHCA 9% HTC Commitment Notice Signed
8/28/2024	Notification of $800,000 in HUD Community Project Funding (CPF)
October 2024	
10/14/2024	Architectural Design Kick-Off
10/18/2024	City of Houston NOFA Application Submission
10/28/2024	Plat and Site Plan Submission to City of Houston
10/29/2024	Notice from FHLB Dallas that 2024 Application was not awarded for $2,000,000
10/31/2024	RFP For Lenders and Investors Issued
November 2024	
11/13/2024	Approval from FHLB Dallas to apply a previous award to Development - $750,000
December 2024	
12/2/2024	Notice from City of Houston that $4,000,000 was not awarded
12/13/2024	Wells Fargo Selected as Debt and Equity Provider
12/14/2024	FHLB Atlanta Grant Awarded - $1,000,000
12/19/2024	Began conversations with Rice University for $1,000,000 Grant
January 2025	
1/14/2025	Due Dilligence Kicked off with Lender and Investor
1/28/2025	Began conversations with Cullen Foundation for $500,000 Grant
February 2025	
2/14/2025	Submission to the City of Houston for Building Permits (originally planned for 1/17/2025)
March 2025	
3/4/2025	Signed Grant Agreement for $800,000 in HUD Community Project Fudning
3/20/2025	Approval from Cullen Foundation of $500,000 grant
3/27/2025	Acquired land in the name of the Development Owner
3/28/2025	Approval from Rice University for $1,000,000 Grant
3/31/2025	TDHCA Readiness to Proceed deadline is met
May 2025	
5/16/2025	Notified by Bank of America that they could not be Member Bank Sponsor of FHLB Atlanta award
June 2025	
6/20/2025	Capital Impact Partners approved by FHLB Atlanta as new Member Bank Sponsor
6/24/2025	Final plats approved by City of Houston and Recorded
July 2025	
7/2/2025	Final construction contract signed
7/10/2025	Approval of Placed in Service Extension at TDHCA Board Meeting
7/11/2025	Final comments resolved by City of Houston and Permits Issued
7/16/2025	Financial Closing and Start of Construction (originally planned for 4/21/2025)
February 2027	
2/5/2027	Project Completion and Placement in Service (originally planned for 11/16/2026)

WALIPP Senior Residence II

"Preliminary Project Schedule"

NEI

EXHIBIT A_TIMELINES

06/23/2025

Name	Start	Finish	Planned Duration
Walipp Senior Residence II	06/24/2025	02/05/2027	411d
Walipp Senior Residence II	06/24/2025	02/05/2027	411d
Substantial Completion Dates	01/26/2027	02/04/2027	7d
Substantial Completion - Building 3		01/26/2027	0d
Substantial Completion - Building 1		02/03/2027	0d
Substantial Completion - Building 2		02/04/2027	0d
Milestones	07/16/2025	11/25/2026	347d
Preconstruction	07/02/2025	09/17/2025	55d
NEI/Owner Contract		07/02/2025	0d
Building Permit Approved		07/11/2025	0d
Owner closing		07/16/2025	0d
NEI Receive Full Notice to Proceed		07/16/2025	0d
Construction Start		07/16/2025	0d
Mobilize/Site Fence Setup	07/17/2025	07/17/2025	0d
Setup Trailer		07/17/2025	0d
Permanent Power Application/Approval		09/17/2025	0d
Final Inspections/ Testing/ Commissioning	11/18/2026	02/05/2027	54d
Building 3	11/18/2026	01/25/2027	45d
Building 2	12/02/2026	02/05/2027	45d
Building 1	11/27/2026	02/02/2027	45d
Procurement	06/24/2025	05/06/2026	221d
5134 Grantwood Street [Building 3]	06/24/2025	12/01/2026	366d
Demolition & Sitework	06/24/2025	08/06/2025	31d
Grade Beams/UG MEP's/Slab	08/06/2025	12/02/2025	82d
Building Structure	12/03/2025	04/23/2026	99d
Level 1	12/03/2025	01/22/2026	34d
Level 2	01/23/2026	03/05/2026	30d
Stairs 1 & 2	02/20/2026	03/05/2026	10d
Roof	03/06/2026	04/23/2026	35d
Rough MEP	10/27/2025	06/19/2026	163d
Plumbing Rough	02/20/2026	05/06/2026	54d
Electrical & Low Voltage Rough	03/20/2026	06/12/2026	60d
HVAC Rough	03/20/2026	06/19/2026	65d
Fire Protection Rough	03/20/2026	05/14/2026	40d
MEP Inspections	10/27/2025	06/05/2026	153d
Elevator	10/07/2025	11/13/2026	280d
Finish Construction (Interiors)	06/05/2026	12/01/2026	124d
Level 2 - (19 Units)	06/05/2026	09/24/2026	78d
Level 1 - (19 Units)	06/05/2026	09/28/2026	80d

Name: Walipp Senior Residence II
ID: 25-30-0008
Data Date: 06/23/2025
Finish Date: 02/04/2027

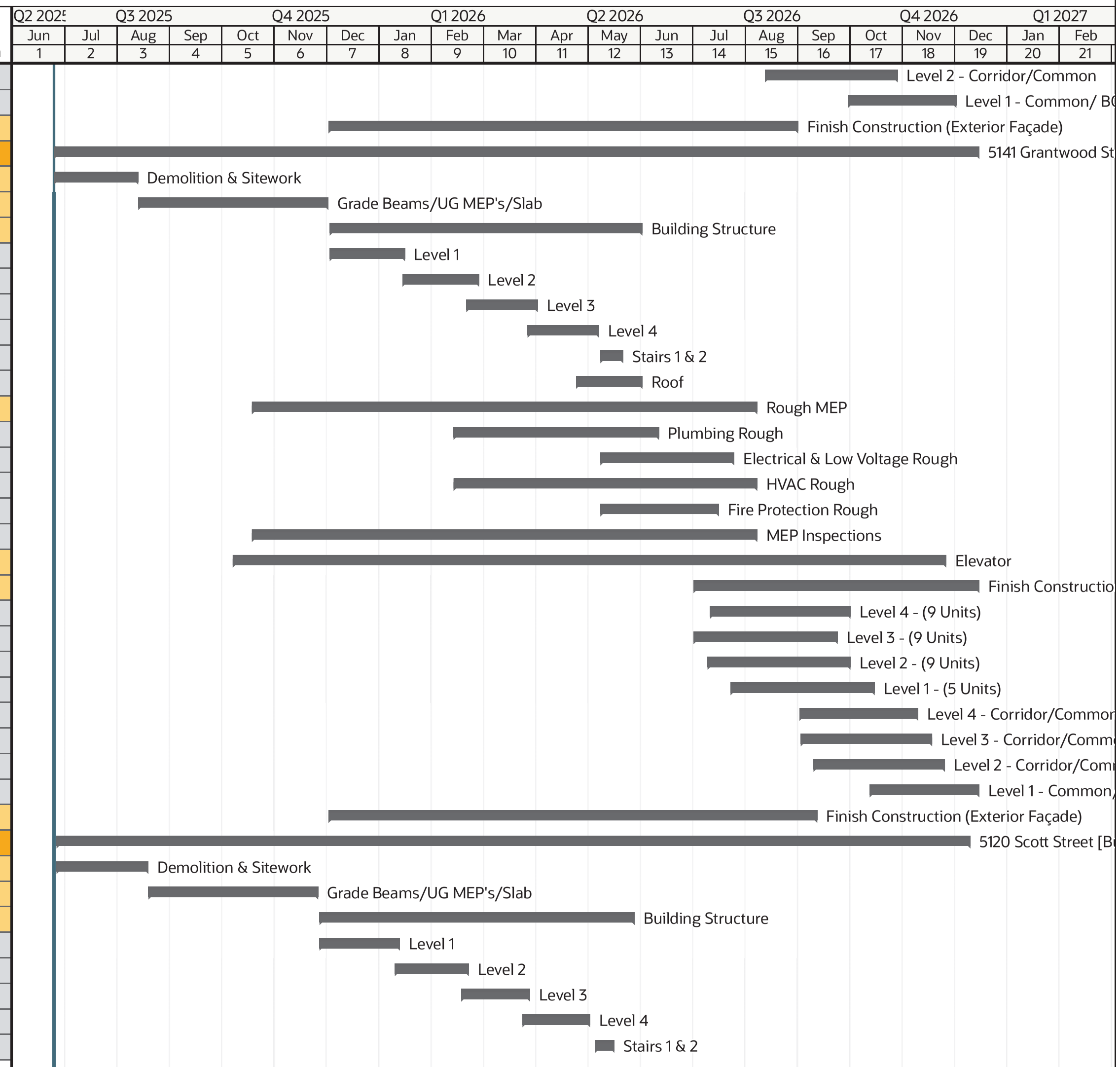
Current
Progress
Critical
Milestones
Summary

NEI

WALIPP Senior Residence II
"Preliminary Project Schedule"

06/23/2025

Name	Start	Finish	Planned Duration
Level 2 - Corridor/Common	08/12/2026	10/28/2026	56d
Level 1 - Common/ BOH	09/29/2026	12/01/2026	44d
Finish Construction (Exterior Façade)	12/01/2025	08/31/2026	190d
5141 Grantwood Street [Building 2]	06/24/2025	12/14/2026	375d
Demolition & Sitework	06/24/2025	08/12/2025	35d
Grade Beams/UG MEP's/Slab	08/12/2025	12/01/2025	77d
Building Structure	12/02/2025	06/01/2026	126d
Level 1	12/02/2025	01/15/2026	31d
Level 2	01/14/2026	02/25/2026	30d
Level 3	02/19/2026	04/01/2026	30d
Level 4	03/26/2026	05/06/2026	30d
Stairs 1 & 2	05/07/2026	05/20/2026	10d
Roof	04/23/2026	06/01/2026	27d
Rough MEP	10/17/2025	08/07/2026	203d
Plumbing Rough	02/12/2026	06/10/2026	84d
Electrical & Low Voltage Rough	05/07/2026	07/24/2026	55d
HVAC Rough	02/12/2026	08/07/2026	125d
Fire Protection Rough	05/07/2026	07/15/2026	48d
MEP Inspections	10/17/2025	08/07/2026	203d
Elevator	10/06/2025	11/25/2026	289d
Finish Construction (Interiors)	06/30/2026	12/14/2026	116d
Level 4 - (9 Units)	07/10/2026	09/30/2026	58d
Level 3 - (9 Units)	06/30/2026	09/23/2026	60d
Level 2 - (9 Units)	07/08/2026	09/30/2026	60d
Level 1 - (5 Units)	07/22/2026	10/14/2026	60d
Level 4 - Corridor/Common	09/01/2026	11/09/2026	50d
Level 3 - Corridor/Common	09/02/2026	11/17/2026	54d
Level 2 - Corridor/Common	09/09/2026	11/24/2026	54d
Level 1 - Common/ BOH	10/12/2026	12/14/2026	44d
Finish Construction (Exterior Façade)	12/01/2025	09/11/2026	199d
5120 Scott Street [Building 1]	06/25/2025	12/09/2026	371d
Demolition & Sitework	06/25/2025	08/18/2025	38d
Grade Beams/UG MEP's/Slab	08/18/2025	11/25/2025	70d
Building Structure	11/26/2025	05/27/2026	126d
Level 1	11/26/2025	01/12/2026	31d
Level 2	01/09/2026	02/20/2026	30d
Level 3	02/16/2026	03/27/2026	30d
Level 4	03/23/2026	05/01/2026	30d
Stairs 1 & 2	05/04/2026	05/15/2026	10d



Name: Walipp Senior Residence II
ID: 25-30-0008
Data Date: 06/23/2025
Finish Date: 02/04/2027

Current
Progress
Critical
Milestones
Summary

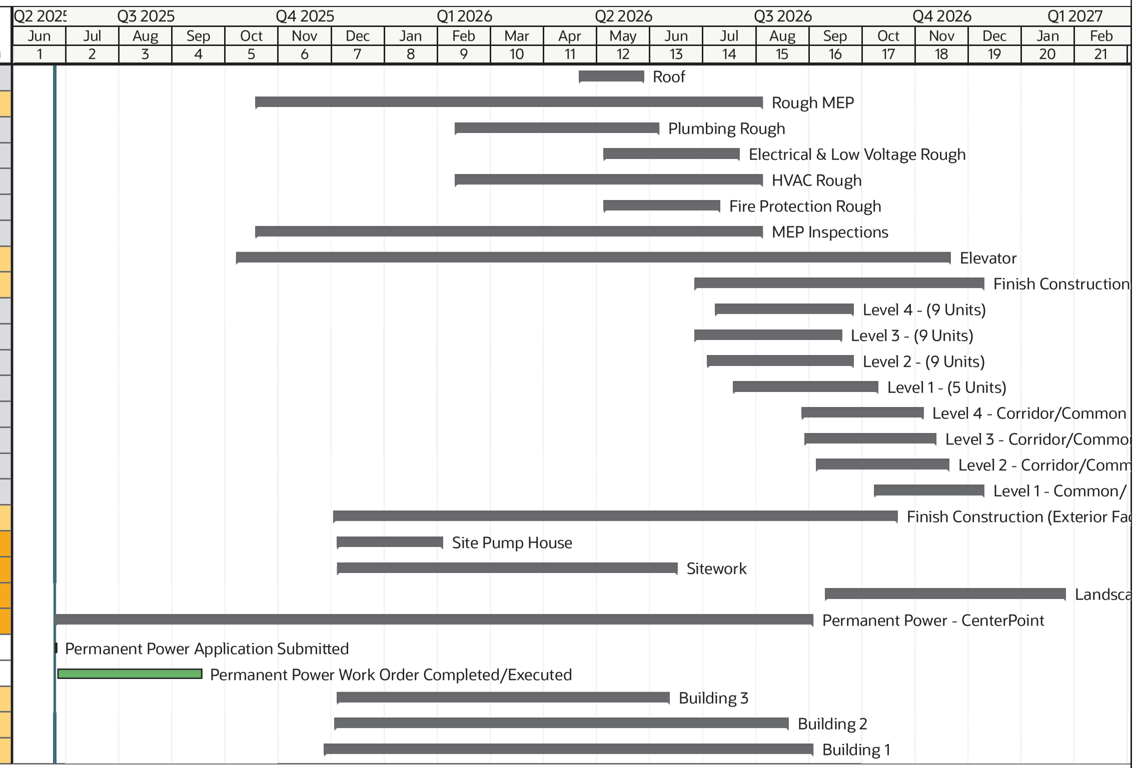
NEI

WALIPP Senior Residence II

"Preliminary Project Schedule"

06/23/2025

Name	Start	Finish	Planned Duration
Roof	04/20/2026	05/27/2026	27d
Rough MEP	10/17/2025	08/04/2026	200d
Plumbing Rough	02/09/2026	06/05/2026	84d
Electrical & Low Voltage Rough	05/04/2026	07/21/2026	55d
HVAC Rough	02/09/2026	08/04/2026	125d
Fire Protection Rough	05/04/2026	07/10/2026	48d
MEP Inspections	10/17/2025	08/04/2026	200d
Elevator	10/06/2025	11/20/2026	286d
Finish Construction (Interiors)	06/25/2026	12/09/2026	116d
Level 4 - (9 Units)	07/07/2026	09/25/2026	58d
Level 3 - (9 Units)	06/25/2026	09/18/2026	60d
Level 2 - (9 Units)	07/02/2026	09/25/2026	60d
Level 1 - (5 Units)	07/17/2026	10/09/2026	60d
Level 4 - Corridor/Common	08/27/2026	11/04/2026	50d
Level 3 - Corridor/Common	08/28/2026	11/12/2026	54d
Level 2 - Corridor/Common	09/04/2026	11/19/2026	54d
Level 1 - Common/ BOH	10/07/2026	12/09/2026	44d
Finish Construction (Exterior Façade)	12/01/2025	10/20/2026	226d
Site Pump House	12/03/2025	02/03/2026	42d
Sitework	12/03/2025	06/15/2026	135d
Landscaping & Hardscapes	09/09/2026	01/26/2027	95d
Permanent Power - CenterPoint	06/24/2025	09/02/2026	304d
Permanent Power Application Submitted	06/24/2025	06/24/2025	1d
Permanent Power Work Order Completed/Executed	06/25/2025	09/17/2025	60d
Building 3	12/03/2025	06/11/2026	133d
Building 2	12/02/2025	08/19/2026	182d
Building 1	11/26/2025	09/02/2026	195d



Current
Progress
Critical
Milestones
Summary

24172 WALIPP Senior Residence Expansion - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 8, 2024

PROPERTY IDENTIFICATION	
Application #	24172
Development	WALIPP Senior Residence Expansion
City / County	Houston / Harris
Region/Area	6 / Urban
Population	Elderly Limitation
Set-Aside	Non-Profit
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$2,000,000	$2,000,000	$19,608/Unit	$0.92

KEY PRINCIPALS / SPONSOR

- Volunteers of America National Services / Deborah Welchel
- William A Lawson Institute for Peace and Prosperity (WALIPP) / Cheryl Lawson

Related Parties	Contractor - No	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO

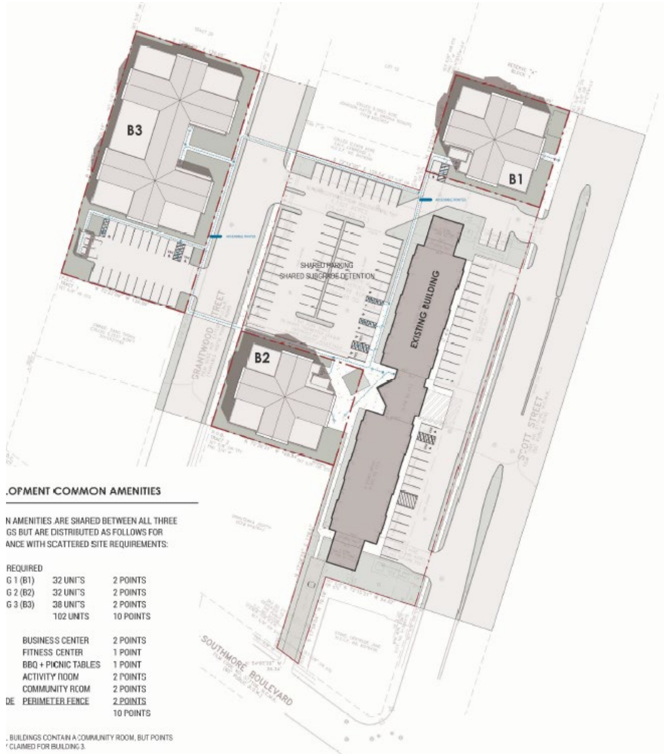
UNIT DISTRIBUTION / **INCOME DISTRIBUTION**

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	102	100%	30%	11	11%
2	-	0%	40%	-	0%
3	-	0%	50%	41	40%
4	-	0%	60%	50	49%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	102	100%	TOTAL	102	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten	TDHCA's Pro Forma		
Debt Coverage	1.29	Expense Ratio	54.3%
Breakeven Occ.	82.9%	Breakeven Rent	$766
Average Rent	$858	B/E Rent Margin	$92
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	$5,320/unit	Controllable	$3,190/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			1.5%
Highest Unit Capture Rate	6%	1 BR/70%	50
Dominant Unit Cap. Rate	6%	1 BR/70%	50
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten	Applicant's Costs		
Avg. Unit Size	610 SF	Density	77.4/acre
Acquisition		$06K/unit	$623K
Building Cost	$203.21/SF	$124K/unit	$12,644K
Hard Cost		$161K/unit	$16,426K
Total Cost		$271K/unit	$27,651K
Developer Fee	$3,255K	(22% Deferred)	Paid Year: 7
Contractor Fee	$2,300K	30% Boost	Yes

DEBT (Must Pay)

Source	Term	Rate	Amount	DCR
Amegy Bank	18/40	6.50%	$5,027,855	1.29
TOTAL DEBT (Must Pay)			**$5,027,855**	

CASH FLOW DEBT / GRANT FUNDS

Source	Term	Rate	Amount	DCR
City of Houston	0/0	0.00%	$500	1.29
FHLB Dallas AHP	0/0	0.00%	$2,000,000	1.29
Sponsor Loan (VOANS) - CMF	40/0	5.00%	$750,000	1.29
Sponsor Loan (WALIPP) - charitab	40/0	1.00%	$750,000	1.29
CASH FLOW DEBT / GRANTS			**$3,500,500**	

EQUITY / DEFERRED FEES

Source	Amount
National Equity Fund	$18,398,160
VOANS/WALIPP	$724,435
TOTAL EQUITY SOURCES	**$19,122,595**
TOTAL DEBT SOURCES	**$8,528,355**
TOTAL CAPITALIZATION	**$27,650,950**

CONDITIONS

1 Receipt and acceptance by Cost Certification:

a: Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.

b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

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.

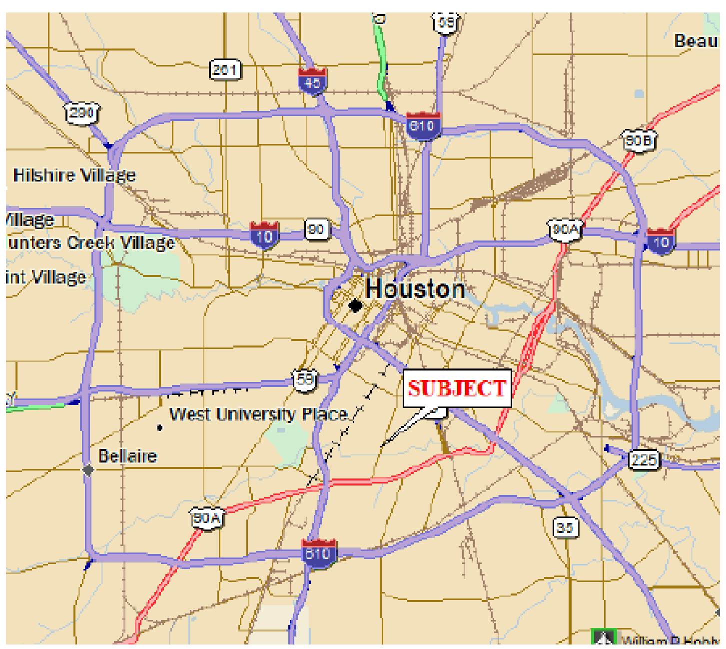
RISK PROFILE

STRENGTHS/MITIGATING FACTORS

- Overall Feasibility Indicators
- Developer Fee repaid in year 7
- Low Gross Capture Rate

WEAKNESSES/RISKS

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
July 8, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24172** Program(s): **9% HTC**

WALIPP Senior Residence Expansion

Address/Location: 5120 Scott St., 5134 Grantwood St., 5141 Grantwood St.

City: Houston County: Harris Zip: 77004

Population: Elderly Limitation Program Set-Aside: Non-Profit Area: Urban

Activity: New Construction Building Type: Elevator Served Region: 6

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

1 Receipt and acceptance by Cost Certification:

a: Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.

b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

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	41
60% of AMI	60% of AMI	50

DEVELOPMENT SUMMARY

The William A. Lawson Institute for Peace and Prosperity (WALIPP) Senior Residence Expansion will increase the inventory for affordable housing for persons age 55 and better. The existing WAILPP Senior Residence is located at 5220 Scott Street and it provides 50 units. The expansion will be located on 3 non-contiguous sites. One site is located adjacent to the existing development at 5220 Scott Street and 2 sites will be located acres Grantwood St. The three buildings will add 102 units and will be designed to complement the existing housing community.

Amenities will be distributed amongst the three buildings based on the unit count of each building. Amenities include community room, business center, fitness center, and activity room. The building located at 5134 Grantwood St. will be two-story, elevator served and the two buildings located at 5120 Scott St. and 5141 Grantwood St. will be four-story, elevator served.

The properties are located in the Tax Increment Reinvestment Zone #7 Old Spanish Trail/Almeda.

RISK PROFILE

	STRENGTHS/MITIGATING FACTORS
▫	Overall Feasibility Indicators
▫	Developer Fee repaid in year 7
▫	Low Gross Capture Rate

	WEAKNESSES/RISKS
▫	
▫	
▫	

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

Owner:
WALIPP Senior Residence Expansion, LP
100%
(a Texas Limited Partnership)

General Partner:
WALIPP Senior, LLC
.01%
(a Texas Limited Liability Company)
Ability to Exercise Control

Special Limited Partner:
WALIPP VOANS-VOATX1, LLC
.01%
(a Texas Limited Liability Company)
Ability to Exercise Control

Investor Limited Partner:
National Equity Fund
99.98%

Sole Member/Manager:
William A. Lawson Institute for Peace and Prosperity
100%
(a 501c3 non-profit corporation)

Board of Directors
0%
*Ability to Exercise Control

Cheryl Lawson, Executive Director*
Mary Ramos, Chair*
Yolanda Smith, Secretary*
Chavon Carr, Director
Terence Frederick, Director
Eric Goodie, Director
Bryce Kennard, Director
Champ Warren, Director

Member:
Volunteers of America National Services
90%
(a Minnesota non-profit corporation)

Board of Directors
0%
*Ability to Exercise Control

Michael King, President/CEO*
Nancy Rase, Chair*
Derrick Perkins, Vice-Chair*
Karen Erickson, Treasurer*
Andy Edeburn, Secretary*
Patti Andreini Arnold, Director
Beth Mullen, Director
Edwina Carrington, Director
Pierre Vigilance, Director
Voris Vigee, Director
Keith Knapp, Director
Patrick Sheridan, Director
Shawn Bloom, Director
Jeanne Peterson, Director
Karen Hackett, Director
Nancy Gavin, Assistant Secretary/Treasurer*
Joseph A. Budzynski – Assistant Treasurer/Secretary*
Peter Desjardins, Assistant Treasurer/Secretary*
Faith Nutz, Assistant Secretary/Treasurer*
David Paskoff, Assistant Secretary/Treasurer*
Kimberly Black King, Assistant Treasurer/Secretary*
David Nisivoccia, Assistant Treasurer/Secretary*

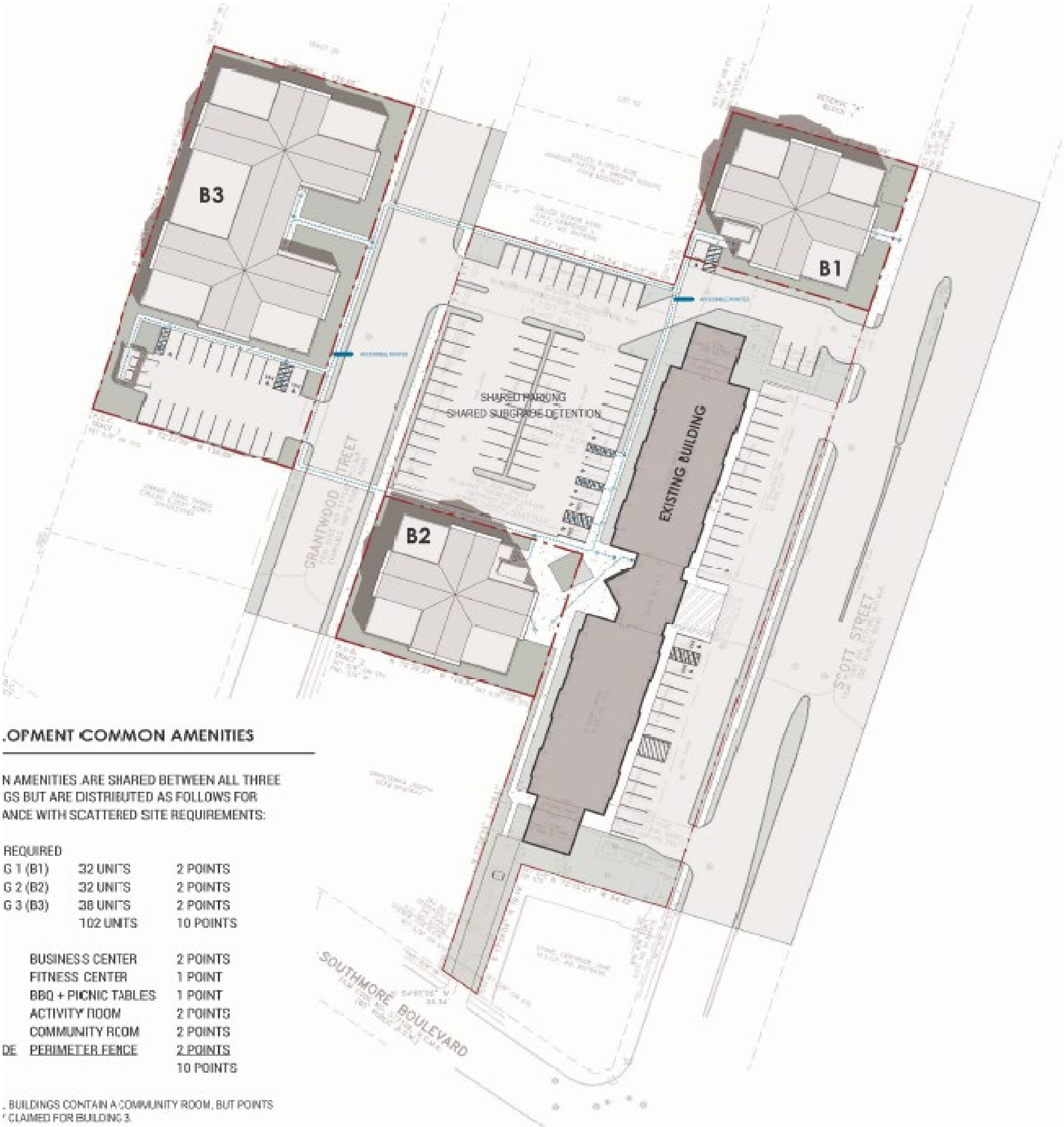
Member:
Volunteers of America Texas, Inc.
10%
(a Texas non-profit corporation)

Board of Directors
0%
*Ability to Exercise Control

Angela King, President & CEO
Duane Lock, Chair*
Lori Little, Vice-Chair*
Luke Elliott, Treasurer*
Jessica Hernandez, Secretary*
Dave Carner, Director
Dan Addison, Director
Bruce Woodward, Director
Debbie Perrault, Director
Cathy David, Director
Nancy Berge, Director
Seenu Akunuri, Director
Robert L. Stephens, Director
Jenni Steele, Director

DEVELOPMENT SUMMARY

SITE PLAN



AERIAL

Comments:

The existing building with 50 units plus the proposed three new buildings with 102 units will have a total of 152 units. The City of Houston parking Code requires 0.75 spaces per unit, but also allows for reductions in parking spaces if bicycle parking is provided. The combined existing parking spaces plus the parking spaces for the proposed development will be 108 spaces (0.7/unit) which is in compliance with City Code. All parking will be provided at no charge to the residents.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	B1	B2	B3										Total Buildings
Floors/Stories	4	4	2										
Number of Bldgs	1	1	1										3
Units per Bldg	32	32	38										
Total Units	32	32	38										**102**

Avg. Unit Size (SF)	**610 sf**	**Total NRA (SF)**	**62,220**	**Common Area (SF)***	**21,309**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 1.32 acres Density: 77.4 units/acre

Site Control: 1.32 **Site Plan:** 1.32 **Appraisal:** 1.32 **ESA:** 1.32

Feasibility Report Survey: 1.32 **Feasibility Report Engineer's Plan:** 1.32 **Existing LURA:** n/a

Control Type: Option Agreement

Tract 1: 0.7483 acres Cost: $0 Grantor: Midtown Redevelopment Authority

Tract 2: 0.2938 acres Cost: $0 Grantor: Midtown Redevelopment Authority

Grantor: Midtown Redevelopment Authority

Grantee: William A. Lawrence Institute for Peace and Prosperity ("WALIPP")

Control Type: Purchase and Sale Agreement

Tract 3: 0.2749 acres Cost: $595,000 Seller: WALIPP

Seller: William A. Lawrence Institute for Peace and Prosperity ("WALIPP")

Buyer: WALIPP Senior Residence Expansion, LP

Total Development Site: 1.32 acres Cost: $595,000 $5,833 per unit

Related-Party Seller/Identity of Interest: Yes

Comments:

Site acquisition is the combination of 7 lots that assembled into three distinct non-contiguous sites. Tracts 1 and 2 are grants / donations from Midtown Redevelopment Authority to WALIPP.

Applicant closed on the acquisition of Tract 3 on 10/04/2021 at a purchase price of $595K, which is $40K below current appraised value. The current appraisal was performed to address the identity of interest.

APPRAISED VALUE

Appraiser:	Araiza Appraisal & Consulting		Date:	2/28/2024
Land as Vacant: 0.275 acres	$635,000	Per Unit:	$6,225	
Total Development: (as-is)	**$635,000**	Per Unit:	**$6,225**	

SITE INFORMATION

Flood Zone:	Zone X	Scattered Site?	Yes
Zoning:	No Zoning	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	N/A	Title Issues?	No

Other Observations:

Storm water will be handled through subgrade detention on an adjacent parcel with shared surface parking.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider:	ECS Southwest	Date:	2/28/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- Lee Auto Service operated from 1985 - 1988 is located at 5106 Scott St, 90 feet north-northwest from the subject. It is topographically up-gradient relative to the subject, and is therefore considered a REC for the subject. Additional environmental assessment is warranted.
- "Evidence of a REC" - The historical use of the subject use as a dry-cleaning facility 1971 does represent a REC for the subject at 5120 Scott Street. Additional environmental assessment is warranted.

Comments:

ESA provided performed a preliminary noise study. Indications show the noise level along Scott St to be 70dB, which is "normally unacceptable" per HUD guild lines.

ESA provider conducted a Vapor Encroachment Study (VES). The results indicated that chemical sources of concern or vapor encroachment concerns would not be expected to impact the property.

Three (3) pole-mounted transformers are located on the east property boundary along Scott Street. No staining was observed on the transformers or surfaces in the vicinity of the transformers.

Various surrounding properties had uses that had potential for environmental impact, however, they were either distant enough away from the subject and/or were down-gradient from the subject, ECS considered them not to represent a REC for the subject.

MARKET ANALYSIS

Provider: Araiza Appraisal & Consulting

Date: 3/20/2024

Primary Market Area (PMA): 21 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
	None		#N/A	#N/A		#N/A

Stabilized Affordable Developments in PMA		
	Total Units	2,389
	Total Developments	14
	Average Occupancy	95%

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	34,936			
Senior Households in the Primary Market Area	15,427			
Potential Demand from the Primary Market Area	6,059			
10% External Demand	606			
Potential Demand from Other Sources	0			
GROSS DEMAND	6,665			
Subject Affordable Units	102			
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	102			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**1.5%**			

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	2,174	217	11	0	0.5%						
50% AMGI	1,713	171	41	0	2.2%						
60% AMGI	2,171	217	50	0	2.1%						

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%	1,291	129	11	0	0.8%						
1 BR/60%	861	86	41	0	4.3%						
1 BR/70%	772	77	50	0	5.9%						

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (TDHCA Pro Forma)					
NOI:	$457,155	Avg. Rent:	$858	Expense Ratio:	54.3%
Debt Service:	$353,231	B/E Rent:	$766	Controllable Expenses:	$3,190
Net Cash Flow:	$103,924	UW Occupancy:	92.5%	Property Taxes/Unit:	$0
Aggregate DCR:	1.29	B/E Occupancy:	82.9%	Program Rent Year:	2023

Units are restricted to 30%, 50% and 60% of AMI.

Underwriter utilized Applicant's cost for insurance as it is reflective of current insurance rates in the Houston area.

Underwriter utilized tax exempt status for the property taxes since the Applicant will be applying for tax exempt status for the expansion. The TDHCA NOI is the basis for the Pro Forma. If the Applicant's operating expenses are utilized, the resulting DCR is 1.16 and meets TDHCA criteria.

As underwritten, the long-term Pro Forma exhibits a 15 year residual cash flow of $1.2M after repayment of deferred developer fee in year 7.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$451,784/ac	$6,112/unit	**$623,418**	Contractor Fee	**$2,299,652**
Off-site + Site Work		$26,547/unit	**$2,707,810**	Soft Cost + Financing	**$4,559,457**
Building Cost	$203.21/sf	$123,958/unit	**$12,643,670**	Developer Fee	**$3,255,000**
Contingency	7.00%	$10,535/unit	**$1,074,604**	Reserves	**$487,340**
Total Development Cost	$271,088/unit	**$27,650,950**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Non-Qualified Elderly not in QCT covered by Revitalization Plan [9% only]

Acquisition:

As determined by the Araiza Appraisal & Consulting appraisal report, Applicant's land acquisition cost of $595,000 is $40,000 less than appraised value of $635,000.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$27,650,950	$20,122,520	$2,354,335

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
Amegy Bank	Conventional Loan	$17,500,000	7.50%	63%
National Equity Fund	HTC	$5,519,448	$0.92	20%
City of Houston	§11.9(d)(2)LPS Contribution	$500	0.00%	0%
FHLB Dallas AHP	Grant	$2,000,000	0.00%	7%
VOANS/WALIPP	Deferred Dev Fee	$1,131,002	0.00%	4%
Sponsor Loan (VOANS) - CMF	Private Loan	$750,000	0.00%	3%
Sponsor Loan (WALIPP) - charitable	Private Loan	$750,000	0.00%	3%
		$27,650,950	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Amegy Bank	$5,027,855	6.50%	40	18.0	$5,027,855	6.50%	40	18.0	18%
City of Houston	$500	0.00%	0	0.0	$500	0.00%	0	0.0	0%
FHLB Dallas AHP	$2,000,000	0.00%	0	0.0	$2,000,000	0.00%	0	0.0	7%
Sponsor Loan (VOANS) - CMF	$750,000	5.00%	0	40.0	$750,000	5.00%	0	40.0	3%
Sponsor Loan (WALIPP) - charitable	$750,000	1.00%	0	40.0	$750,000	1.00%	0	40.0	3%
Total	**$8,528,355**				**$8,528,355**				

Comments:

Federal Home Loan Bank of Dallas Affordable Housing Program funding in the amount of $2M will be awarded as a grant to Williams A. Lawson Institute for Peace and Prosperity (WALIPP). WALIPP will have a sponsor pass-through loan to the Development Owner for $2M that will be in the form of a cash flow loan.

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
National Equity Fund	$18,398,160	$0.92		$18,398,160	$0.92	67%	
VOANS/WALIPP	$724,435		22%	$724,435		3%	22%
Total	**$19,122,595**			**$19,122,595**			
				$27,650,950	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.956	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.858	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	$27,650,950
Permanent Sources (debt + non-HTC equity)	$8,528,355
Gap in Permanent Financing	$19,122,595

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$21,657,715	$2,354,335
Needed to Balance Sources & Uses	$19,122,595	$2,078,751
Requested by Applicant	$18,398,160	$2,000,000

	RECOMMENDATION	
	Equity Proceeds	**Annual Credits**
Tax Credit Allocation	**$18,398,160**	**$2,000,000**

Deferred Developer Fee	**$724,435**	**(22% deferred)**
Repayable in	**7 years**	

Recommendation:

Underwriter recommends $2,000,000 in annual 9% HTC as requested by Applicant.

Underwriter:	*Laura Rogers*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

WALIPP Senior Residence Expansion, Houston, 9% HTC #24172

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
Area Median Income	$93,200
PROGRAM REGION:	6
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	610 sf

53%	**Income**	20%	30%	40%	50%	60%	70%	80%	EO / MR	**TOTAL**
Average Income	**# Units**	-	11	-	41	50	-	-	-	**102**
	% Total	0.0%	10.8%	0.0%	40.2%	49.0%	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%	$524	11	1	1	610	$524	$64	$460	$0	$0.75	$460	**$5,060**	**$5,060**	$460	$0.75	$0	$1,290	$2.11	$1,290
TC 50%	$874	41	1	1	610	$874	$64	$810	$0	$1.33	$810	**$33,210**	**$33,210**	$810	$1.33	$0	$1,290	$2.11	$1,290
TC 60%	$1,049	50	1	1	610	$1,049	$64	$985	$0	$1.61	$985	**$49,250**	**$49,250**	$985	$1.61	$0	$1,290	$2.11	$1,290
TOTALS/AVERAGES:		**102**			**62,220**				**$0**	**$1.41**	**$858**	**$87,520**	**$87,520**	**$858**	**$1.41**	**$0**	**$1,290**	**$2.11**	**$1,290**

ANNUAL POTENTIAL GROSS RENT:	**$1,050,240**	**$1,050,240**

*MFDL units float among Unit Types

STABILIZED PRO FORMA

WALIPP Senior Residence Expansion, Houston, 9% HTC #24172

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Houston Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.41	$858	$1,050,240	$1,050,240	$858	$1.41		0.0%	$0
late fees, apps fees, retained deposits							$25.00	$30,600						
Total Secondary Income							$25.00		$30,600	$25.00			0.0%	$0
POTENTIAL GROSS INCOME								$1,080,840	$1,080,840				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(81,063)	(81,063)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$999,777	$999,777				0.0%	$0
General & Administrative	$45,839	$449/Unit	$48,769	$478	3.31%	$0.53	$325	$33,110	$45,839	$449	$0.74	4.58%	-27.8%	(12,729)
Management	$42,389	3.5% EGI	$46,967	$460	5.00%	$0.80	$490	$49,989	$49,989	$490	$0.80	5.00%	0.0%	0
Payroll & Payroll Tax	$150,993	$1,480/Unit	$137,719	$1,350	14.64%	$2.35	$1,435	$146,400	$137,719	$1,350	$2.21	13.77%	6.3%	8,681
Repairs & Maintenance	$80,635	$791/Unit	$66,719	$654	6.53%	$1.05	$640	$65,250	$66,300	$650	$1.07	6.63%	-1.6%	(1,050)
Electric/Gas	$26,001	$255/Unit	$33,989	$333	2.00%	$0.32	$196	$20,000	$20,000	$196	$0.32	2.00%	0.0%	-
Water, Sewer, & Trash	$78,477	$769/Unit	$55,495	$544	6.50%	$1.04	$637	$65,000	$55,495	$544	$0.89	5.55%	17.1%	9,505
Property Insurance	$83,210	$1.34 /sf	$79,930	$784	13.77%	$2.21	$1,350	$137,700	$137,700	$1,350	$2.21	13.77%	0.0%	-
Property Tax (@ 0%) 2.129811	$82,015	$804/Unit	$87,952	$862	4.30%	$0.69	$422	$43,000	$0	$0	$0.00	0.00%	0.0%	43,000
Reserve for Replacements					2.55%	$0.41	$250	$25,500	$25,500	$250	$0.41	2.55%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.41%	$0.07	$40	$4,080	$4,080	$40	$0.07	0.41%	0.0%	-
TOTAL EXPENSES					**59.02%**	**$9.48**	**$5,785**	**$590,029**	**$542,622**	**$5,320**	**$8.72**	**54.27%**	**8.7%**	**$ 47,407**
NET OPERATING INCOME ("NOI")					**40.98%**	**$6.59**	**$4,017**	**$409,748**	**$457,155**	**$4,482**	**$7.35**	**45.73%**	**-10.4%**	**$ (47,407)**

CONTROLLABLE EXPENSES	$3,233/Unit		$3,190/Unit

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

WALIPP Senior Residence Expansion, Houston, 9% HTC #24172

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
Amegy Bank		1.29	1.16	353,231	6.50%	40	18.0	$5,027,855	$5,027,855	18.0	40.0	6.50%	$353,231	1.29	18.2%
CASH FLOW DEBT / GRANTS															
City of Houston		1.29	1.16		0.00%	0	0.0	$500	$500	0.0	0.0	0.00%		1.29	0.0%
FHLB Dallas AHP		1.29	1.16		0.00%	0	0.0	$2,000,000	$2,000,000	0.0	0.0	0.00%		1.29	7.2%
Sponsor Loan (VOANS) - CMF		1.29	1.16		5.00%	0	40.0	$750,000	$750,000	40.0	0.0	5.00%		1.29	2.7%
Sponsor Loan (WALIPP) - charitable		1.29	1.16		1.00%	0	40.0	$750,000	$750,000	40.0	0.0	1.00%		1.29	2.7%
				$353,231	**TOTAL DEBT / GRANT SOURCES**			**$8,528,355**	**$8,528,355**		**TOTAL DEBT SERVICE**		**$353,231**	**1.29**	30.8%
NET CASH FLOW		$103,924	$56,517						**TDHCA**	**NET OPERATING INCOME**		**$457,155**	**$103,924**	**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
National Equity Fund	LIHTC Equity	66.5%	$2,000,000	$0.92	$18,398,160	$18,398,160	$0.92	$2,000,000	66.5%	$19,608	Applicant Request
VOANS/WALIPP	Deferred Developer Fees	2.6%	(22% Deferred)		$724,435	$724,435	(22% Deferred)		2.6%	**Total Developer Fee:**	**$3,255,000**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		69.2%			$19,122,595	$19,122,595			69.2%		
TOTAL CAPITALIZATION					**$27,650,950**	**$27,650,950**			**15-Yr Cash Flow after Deferred Fee:**		**$1,239,732**

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				$5,833 / Unit	$595,000	$595,000	$5,833 / Unit				0.0%	$0
Closing costs & acq. legal fees					$28,418	$28,418					0.0%	$0
Off-Sites		$425,000		$4,167 / Unit	$425,000	$425,000	$4,167 / Unit		$425,000		0.0%	$0
Site Work		$1,712,810		$18,998 / Unit	$1,937,810	$1,937,810	$18,998 / Unit		$1,712,810		0.0%	$0
Site Amenities		$345,000		$3,382 / Unit	$345,000	$345,000	$3,382 / Unit		$345,000		0.0%	$0
Building Cost		$9,003,856	$203.21 /sf	$123,958/Unit	$12,643,670	$11,940,785	$117,067/Unit	$191.91 /sf	$9,003,856		5.9%	$702,885
Contingency		$774,317	6.74%	7.00%	$1,074,604	$1,025,402	7.00%	6.74%	$774,317		4.8%	$49,202
Contractor Fees		$1,657,038	13.51%	14.00%	$2,299,652	$2,194,360	14.00%	13.51%	$1,657,038		4.8%	$105,292
Soft Costs	$0	$1,941,500		$19,525 / Unit	$1,991,500	$1,991,500	$19,525 / Unit		$1,941,500	$0	0.0%	$0
Financing	$0	$1,695,000		$25,176 / Unit	$2,567,957	$2,567,957	$25,176 / Unit		$1,695,000	$0	0.0%	$0
Developer Fee	$0	$2,568,000	14.63%	14.99%	$3,255,000	$3,145,130	15.00%	14.63%	$2,568,000	$0	3.5%	$109,870
Reserves				6 Months	$487,340	$487,340	7 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$20,122,520**		$271,088 / Unit	**$27,650,950**	**$26,683,701**	$261,605 / Unit		**$20,122,520**	**$0**	**3.6%**	**$967,249**
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**	**$20,122,520**		$271,088/unit	**$27,650,950**	**$26,683,701**	$261,605/unit		**$20,122,520**	**$0**	**3.6%**	**$967,249**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$27,650,950**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

WALIPP Senior Residence Expansion, Houston, 9% HTC #24172

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	**Construction Rehabilitation**	**Acquisition**	**Construction**
ADJUSTED BASIS	$0	$20,122,520	$0	$20,122,520
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$20,122,520	$0	$20,122,520
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$26,159,276	$0	$26,159,276
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$26,159,276	$0	$26,159,276
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$2,354,335	$0	$2,354,335
CREDITS ON QUALIFIED BASIS	$2,354,335		$2,354,335	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.9199	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$2,354,335	$21,657,715	----	----	----
Needed to Fill Gap	$2,078,751	$19,122,595	----	----	----
Applicant Request	$2,000,000	$18,398,160	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Elevator Served		62,220 SF	$135.67	8,441,550
Adjustments				
Exterior Wall Finish	3.53%		4.79	$297,937
Elderly	9.00%		12.21	759,740
9-Ft. Ceilings	3.44%		4.67	290,489
Roof Adjustment(s)			0.00	0
Subfloor			(0.26)	(16,270)
Floor Cover			3.68	228,970
Enclosed Corridors	$124.32	13,269	26.51	1,649,637
Balconies	$36.23	495	0.29	17,934
Plumbing Fixtures	$2,130	0	0.00	0
Rough-ins	$790	204	2.59	161,160
Built-In Appliances	$3,675	102	6.02	374,850
Exterior Stairs	$3,550	14	0.80	49,700
Heating/Cooling			3.12	194,126
Storage Space	$124.32	619	1.24	76,956
Carports	$16.05	0	0.00	0
Garages	$30.00	0	0.00	0
Common/Support Area	$130.98	5,234	11.02	685,530
Elevators	$168,600	3	8.13	469,400
Other:			0.00	0
Fire Sprinklers	$3.65	81,342	4.77	296,898
SUBTOTAL			**225.25**	**14,015,006**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**225.25**	**$14,015,006**
Plans, specs, survey, bldg permits	3.30%		(7.43)	($462,495)
Contractor's OH & Profit	11.50%		(25.90)	(1,611,726)
NET BUILDING COSTS		$117,067/unit	$191.91/sf	$11,940,785

Long-Term Pro Forma

WALIPP Senior Residence Expansion, Houston, 9% HTC #24172

	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%	$999,777	$1,019,773	$1,040,168	$1,060,971	$1,082,191	$1,194,826	$1,319,185	$1,456,486	$1,608,079	$1,775,449	$1,960,239	$2,164,262
TOTAL EXPENSES	3.00%	$542,622	$558,401	$574,643	$591,363	$608,573	$702,516	$811,112	$936,660	$1,081,827	$1,249,696	$1,443,840	$1,668,397
NET OPERATING INCOME ("NOI")		**$457,155**	**$461,371**	**$465,525**	**$469,609**	**$473,618**	**$492,310**	**$508,073**	**$519,826**	**$526,252**	**$525,753**	**$516,399**	**$495,865**
EXPENSE/INCOME RATIO		54.3%	54.8%	55.2%	55.7%	56.2%	58.8%	61.5%	64.3%	67.3%	70.4%	73.7%	77.1%
MUST -PAY DEBT SERVICE													
Amegy Bank		$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231
TOTAL DEBT SERVICE		$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231	$353,231
DEBT COVERAGE RATIO		1.29	1.31	1.32	1.33	1.34	1.39	1.44	1.47	1.49	1.49	1.46	1.40
ANNUAL CASH FLOW		**$103,924**	**$108,140**	**$112,294**	**$116,378**	**$120,387**	**$139,079**	**$154,842**	**$166,595**	**$173,021**	**$172,522**	**$163,168**	**$142,634**
Deferred Developer Fee Balance		$620,512	$512,371	$400,078	$283,700	$163,313	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$495,678	$1,239,732	$2,051,049	$2,905,730	$3,772,467	$4,610,989	$5,370,218

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1090 **Agenda Date:** 7/10/2025 **Agenda #:** 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

RECOMMENDED ACTION

WHEREAS, Skyline at Cedar Crest was awarded 9% housing tax credits during the 2021 Competitive Housing Tax Credit cycle, and then received supplemental housing tax credits in 2023;

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, 2025;

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 2021 Qualified Allocation Plan, Uniform Multifamily Rules, and the 2025 Program Calendar shall be applicable to the Development.

BACKGROUND

Development	Skyline at Cedar Crest
Target Population	General
HTC Award	$1,725,000
City	Dallas
Total Units	107
HTC Units	85
Initial Year of Award	2021
Extension Requested	Six months

Skyline at Cedar Crest is a 107-unit development located in Dallas, Dallas County. The development received an award of 9% housing tax credits in 2021, and then received supplemental housing tax credits in 2023, making the current deadline to place in service December 31, 2025.

Construction of the Development is current 72% complete. Although the development initiated permitting and predevelopment activities promptly, a combination of permitting delays, financing challenges, and severe weather events have pushed the construction timeline beyond the current placed in service deadline. The Development Owner is requesting a six-month extension under the force majeure provision. The following factors contributed to the delay:

- Extensive permitting delays from the City of Dallas, despite early meetings and diligence by the development team;
- Closing delays caused by rising interest rates and the need to restructure financing, which resulted in the loss of committed investors and required additional time to secure new commitments;
- Construction complications caused by poor existing offsite utility conditions that were not visible or documented, requiring re-engineering and re-permitting;
- Severe weather events in 2023, 2024, and January 2025, including extreme heat, storms, and winter freeze conditions, that caused delays in site preparation and early construction activities.

The Applicant asserts that these cumulative delays are outside their control and meet the QAP's definition of force majeure. A six-month extension is requested to extend the placed-in-service deadline to June 30, 2026, allowing sufficient time to complete construction.

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 the request and determined that the delays caused by the extensive permitting process, weather events, and financial gaps meet the criteria of a force majeure event under the rule.

IMPACT OF BOARD DECISION

If the Board approves the request:

- The credits will be returned and reallocated, with the 2021 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 original 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 does not change any deadline for 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 Skyline at Cedar Crest under the force majeure provisions of 10 TAC §11.6(5).

CSH Skyline at Cedar Crest, LTD

3701 Kirby Drive, Suite 860
Houston, TX 77098

June 5th, 2025

Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78701
Attn: Cody Campbell

RE: Request for Return and Reallocation of Tax Credits – Force Majeure under 10 TAC 11.6(5)
Skyline at Cedar Crest (TDHCA Application #21004, #22833, #23901)

Dear Mr. Campbell,

CSH Skyline at Cedar Crest, Ltd. (the "Applicant") received an award of 2021 9% Low Income Housing Tax Credits and an award of 2023 Supplemental 9% Housing Tax Credits (the "Tax Credit Awards") for Skyline at Cedar Crest (the "Development") located in Dallas, Texas.

The Development closed in May 2024 with construction beginning immediately. Prior to Closing, the Development experienced extensive delays related to higher construction cost, rising interest rates, identifying sources so the Development remained feasible, municipal plan reviews and issuance of building permits. Since Closing, construction progress has been negatively impacted and delayed due to inspections and severe storms. Delays to the Development have resulted from unforeseen conditions outside the control of the Applicant. The Applicant believes the circumstances, individually and collective, constitute "force majeure" events. The Applicant is requesting a Force Majeure Extension and exchange of tax credits to extend the placed-in-service deadline.

The Applicant requests that the Board (TDHCA) consider and approve this request to exchange the 2023 9% Low Income Housing Tax Credits for CSH Skyline at Cedar Crest, LTD (#23901) to an allocation of 2025 Tax Credits and establish the placed-in-service deadline as June 30, 2026. The request is being made under 10 TAC 11.6(5). The force majeure exchange would allow Skyline at Cedar Crest to meet the Placed-In-Service ("PIS") deadlines and satisfy a requirement from the Investor that the Applicant obtain an extension to the placed-in-service deadline.

Sudden and Unforeseen Circumstances Outside of the Applicant's Control

1. Permitting Delays

The Applicant experienced delays in the design and permitting phase due to a very lengthy permitting process and prolonged approvals from the City of Dallas which created significant delays to the Closing. The property consists of two adjacent parcels. Following initial submissions and an initial predevelopment meeting, the City required the project to be submitted as two entirely separate projects with shared utilities. The development was reviewed and permitted as two entirely independent properties by separate plan reviewers working independently of each other. The delays were primarily caused by this requirement for separate independent plan reviews. The condition put the applicant in the position of navigating conflicting review comments from multiple staff members who reviewed plans with no effort to coordinate reviews and avoid conflicting comments. The requirement to submit and obtain separate permits was not known to the Applicant or the design team prior to the initial submission. The number of days from the time of the Initial Plat Submittal to the City of Dallas in 2021 until building permits were received from the City of Dallas in 2024, was approximately 975 days (2.5+ years). There were substantial delays due to configuring two plans sets, numerous resubmissions, prolonged plan reviews, staff changes and conflicting review comments.

The Applicant attempted to mitigate the impact of the lengthy plan approval and permitting process by early initiation of plan preparation, timely submissions and resubmissions, engaging locally based consultants and hiring a highly experienced plan expeditor with extensive knowledge of the permitting process at the City of Dallas. Despite the best efforts, the process was inefficient and prolonged. The extreme inefficiency and the excessively prolonged nature of the permitting process could not have been foreseen by the Applicant.

2. **Finance and Closing Delays**

Higher construction cost and rising interest rates negatively impacted feasibility prior to Closing. To mitigate against higher construction hard costs and higher interest rates, the Applicant applied for and was awarded funding from LISC Dallas in the amount of $5,000,000 (the "LISC Opportunity Fund") and the City of Dallas in the amount of $3,750,000 (the "Dallas Grant") from a CHDO HOME CF Loan.

At commitment from LISC, LISC had not yet identified the investors and/or secured capital for the opportunity fund. Once this commitment was made, LISC went to market to identify and target investors then raised the capital for their opportunity fund. Due to the process of identifying investors and securing capital for the opportunity fund, LISC ability to provide the committed funding and thus the closing was delayed significantly. The application to LISC was submitted in October 2022 with final funding approval being received in April 2024.

The release of funding for the Dallas Grant required City staff to initiate and complete an environmental clearance process in addition to a clearance for compliance matters prior to Closing. The process was prolonged and controlled entirely by staff at the City of Dallas. The process was impacted by changes to key staff in addition to a ransomware attack on the City of Dallas in May 2023. The Dallas Grant was approved by City Council in August 2022. The AUGF or authority to release the Dallas Grant funding was received Dec 2023 and the clearance for compliance matters occurred in April 2024 .

The proceeds from Dallas Grant and the LISC Opportunity Fund closed the gaps and insured feasibility for the Development, however, the processes and length of time was unforeseen by the Applicant and out of the control of the Applicant.

3. **Weather and Construction Delays**

Construction has been delayed by severe weather, unforeseen condition of offsite underground utilities and scheduling & completion of inspections with the City of Dallas. Change orders for time have been justifiable and granted to the Contractor. The Contractor change orders for time total 121 days.

The onsite waterlines were connected to an existing offsite waterline. During construction it was discovered that the existing offsite waterline was extremely old, in poor condition and buried significantly deeper than anticipated. Due to the age and obsolete piping material of the existing offsite waterlines, the City of Dallas required extensive testing/re-testing and remediation (chlorination) for the two connections to the offsite waterlines. The depth, poor condition and the requirements for extensive testing and remediation of the existing offsite waterline was unforeseen and delayed the start of other critical construction activities such as underground utilities and paving by 18 days.

Construction was significantly delayed by repeated cancellation and rescheduling of inspections of the fire suppression sprinkler systems by the City of Dallas. The inspections were required before other phases of the construction could begin. Citing a heavy workload and being under-staffed, the City inspectors repeatedly cancelled and rescheduled inspections of the fire suppression sprinkler system over a period of 42 days.

Weather related delays have included severe storms and flooding in October 2023 prior to closing as well as severe weather during construction in May 2024 (DR-4871-TX), August 2024, December 2024 and winter storms in Jan 2025. Weather delays have added 61 days to the Contractor construction schedule.

The Contractor's construction schedule anticipated Completion and achieving placed-in-service by November 2025. Based on the Contractor change orders for time, the anticipated Completion and achievement of placed-in-service is March 2026.

4. Summaries

The following Force Majeure events have materially impeded progress toward closing, completion and achieving placed-in-service for the Development:

- Assessment, planning and adjustment to unfavorable economic conditions
- Identifying and securing additional Sources
- Lender(s) closing due diligence and readiness to close
- Municipal plan reviews and excessively prolonged permitting processes
- Poor condition and remediation of offsite utilities
- Repeated cancellation of key municipal inspections
- Severe weather events that directly impacted the City of Dallas

The Applicant believes circumstances, individually and collectively, have created Force Majeure events that have significantly impeded the Applicant's ability to comply with the current placed-in-service deadline. Force Majeure events were unforeseen and have been out the control of the Applicant

The Applicant kindly requests this matter for Skyline at Cedar Crest be presented to the Board with a recommendation for approval for a Force Majeure Tax Credit Exchange with a place-in-service deadline of June 30, 2026. If any additional information is required, please feel free to contact me directly.

Your helpful attention to this matter is greatly appreciated.

Sincerely,

CSH Skyline at Cedar Crest, LTD

Eleanor M.C. Fanning

Eleanor M.C. Fanning
emcfanning@bromptonchdc.org

Attachments:

Attachment A

Timeline and Key Milestones and Approvals from the City of Dallas

08/2021 Design Team Engaged
09/2021 Initial Plat Preparation
12/2021 Preliminary Plat Approvals
12/2021 Predevelopment Meeting (City requires 2 plan Sets)
03/2022 Initial Site Plan Submittals - Paving & Storm Drain Plan – Plan Set 1
05/2022 Initial Site Plan Submittals - Paving & Storm Drain Plan – Plan Set 2
12/2022 Building Plans Accepted and Submitted
01/2023 Meetings with City Staff and responses by Design Team (2-3 iterations of each site)
03/2023 Easement Abandonments Acceptance
05/2023 Easement Abandonments Approved
04/2024 Site Plans submitted as final to account for all changes during the engineering process.
05/2024 North Addition Development Permit Received
05/2024 South Addition Development Permit Received

Attachment B

Contractor Change Orders for Time Delays

CO #1 05/20/2024 15 days added - severe storms and flooding
CO #2 08/13/2024 7 days added - severe storms and flooding
CO #3 09/17/2024 17 days added - excessive heat
CO #4 12/19/2024 7 days added - severe storms and flooding
CO #4 12/19/2024 18 days added – testing and inspection of old offsite waterline
CO #5 01/16/2025 15 days added - winter snow storms
CO #6 05/15/2025 42 days added – inspection of fire suppression & sprinkler systems

Skyline at Cedar Crest (TDHCA Application #21004, #22833, #23901)
Request for Return and Reallocation of Tax Credits – Force Majeure under 10 TAC 11.6(5)
Supplemental Information on Status of Construction and Completion.

The Applicant is engaged in ongoing and proactive review of the construction progress for Skyline at Cedar Crest. The Applicant is working actively with the Contractor and Construction Services Manager toward eliminating potential delays going forward and targeting a timely completion of construction an d placed-in-service for the Development.

Eliminating Sources of Delay
The Applicant has reviewed the current construction status and the prior sources of delay with the Contractor, Architect and Construction Services Manager. The Applicant has concluded that the issues that impeded construction have been mitigated or eliminated entirely.

The utility (water and sanitary sewer) connections are complete, and utilities are extended to the sites. The utility connections will not be a source of delay going forward.

Site grading and major sitework are complete. Paving has been installed at the site. With grading complete and paved surfaces at the site, inclement weather will have less impact on construction. The Development is well into the vertical phase of construction with the Contractor having more ability to control and predict the construction progress.

The Applicant has executed all agreements and coordinated design with Oncor (electrical service provider). The Contractor and Construction Services Manager have been diligent in keeping Oncor engaged to minimize and eliminate potential delays with setting transformers, installing meters, and activating electrical services.

The initial difficulty with obtaining inspections from the City of Dallas was due to the City transitioning to a new computer system. The City of Dallas completed the transition to the new system. Following the implementation of the new system, the inspection process has returned to normal with inspections being completed in a reasonable time frame.

Construction Completion
Per reports from the Architect and Construction Services Manager, construction was more than 72% complete at the end of June 2025 (see Attachment C). Going forward, the development will be in phases of construction that are more controllable and predictable for the Contractor. The Contractor has provided an update to the construction schedule (Attachment D)

Following the in-depth review of the progress to-date and the current path to completion as outlined in the schedule provided by the Contractor, the Applicant is confident that construction will be completed and the development will be placed-in-service within the timeframe specified in the request for a Force Majeure Exchange for Skyline at Cedar Crest.

Attachment C

June 24, 2025

CSH Skyline at Cedar Crest, LTD.
3701 Kirby Drive, Suite 860
Houston, TX 77098
713-205-4024

Project:	Skyline
Project Number:	21110
Project Location:	2820 E. Kiest Blvd Dallas, TX 75216
Date of Inspection:	June 19, 2025
Next Inspection:	July 17, 2025
Pay Application:	14
Weather:	Sunny, 91 Degrees at 1:00PM
Delta #:	9

Attendance: Shane Berryman – Nations
Jeremy Encinia – Nations
Jason Knotowicz – Vigilance Development
Adam Everett – Cross Architects

An on-site visit was made by the Cross Architects representative(s) listed above as a visual observation of the above-mentioned project. Please see attached photos.

Observations:

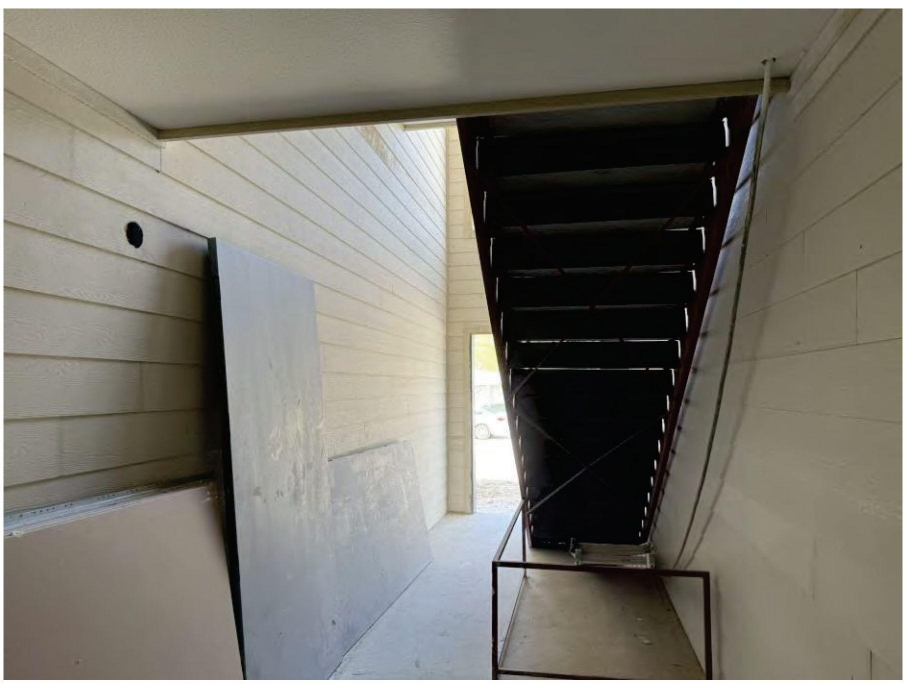
The overall project is approximately 71% complete and appeared to be in compliance with the construction documents.

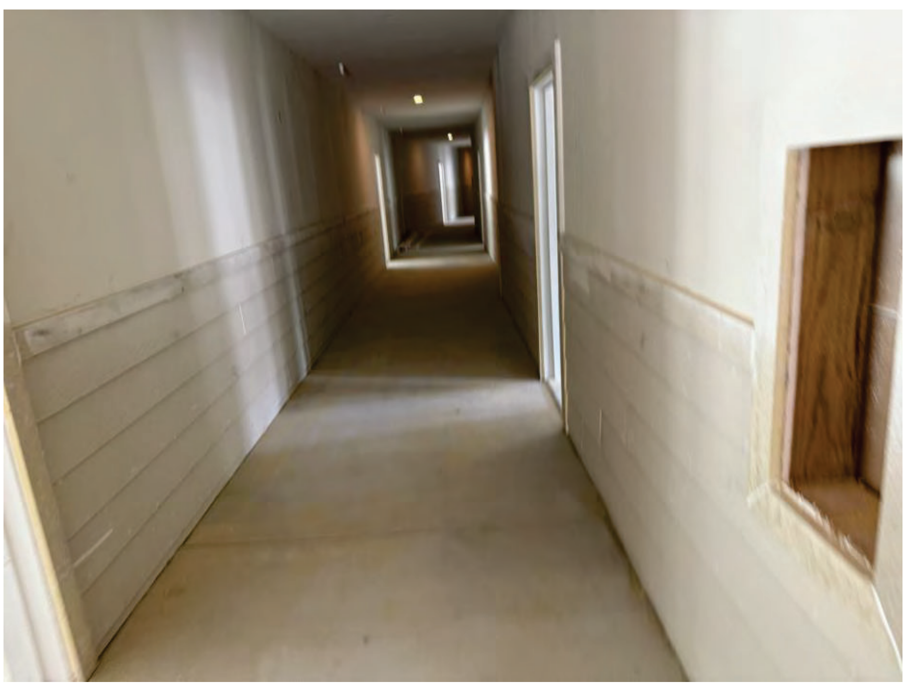
General Notes:

- Job trailer is on site
- Porta potties are on site
- 3rd floor handrail to die into wall
- South stairs need through-bolts
- Stand pipe riser to be moved to corner in stairwell

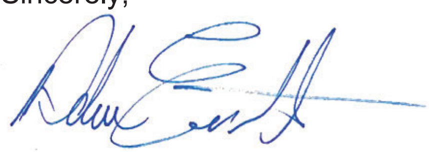
Site Work:

- Demolition is at 99.6%
- Erosion control is at 72%
- Layout/survey is at 89%
- Testing is at 78%
- Earthwork is at 98%
- Utilities are at 99%
- Retaining wall is at 99%
- Landscaping /irrigation is at 8%
- Paving is at 99%





Sincerely,



Adam Everett
Cross Architects, PLLC

VIGILANCE DEVELOPMENT GROUP, LLC

PERCENTAGE OF COMPLETION

DEMOLITION	99.6%
EROSION & CONTROL	72%
LAYOUT & SURVEY	89%
TESTING	78%
EARTHWORK	98%
UTILITIES	99%
RETAINING WALL	99%
TERMITE TREATMENT	100%
PAVING	99%
LANDSCAPE & IRRIGATION	8%
FENCING	28%
CONCRETE	99%
LIGHTWEIGHT CONCRETE & GYPCRETE	54%
MASONRY	58%
METALS/STAIRS/RAILINGS	82%
ROUGH CARPENTRY	97%
FINISH CARPENTRY & INTERIOR DOORS	85%
INSULATION	49%
ROOFING	99%
EXTERIOR DOORS	77%
WINDOWS	99%
STOREFRONT WINDOWS	45%
HARDWARE,PARTITIONS & ACCESSORIES	11%
DRYWALL	70%
PAINT	22%
ELEVATOR	50%
HVAC	75%
PLUMBING	75%
FIRE SPRINKLERS	76%
ELECTRICAL	73%
FIXTURES	22%
PRIMARY & SECONDARY TRENCH ALLOWANCE	98%
FIRE ALARM & LOW VOLTAGE	72%
STREETLIGHTS	31%
C.O #7 OWNER SCOPE MODIFICATIONS	100%
GENERAL CONDITIONS	71%
OVERHEAD	71%
PROFIT	71%
TOTAL % OF COMPLETION:	**71%**

VIGILANCE
DEVELOPMENT GROUP, LLC

PHOTOS 6.19.25

VIGILANCE
DEVELOPMENT GROUP, LLC

Attachment D

Skyline Apartments (Dates below are completion dates for each item)

	Color Key:	No Work (white)	Work Complete	Work In Progress	Work Behind
Building Numbers :	North Building 1	North Building 2	South Building 1	South Building 2	
On-Site Mobilization	5/3/2024				
Install Trailer, Temp Toilets, SWPPP	5/8/2024				
SWPPP: Entrance, Silt Fence & TBMs	5/10/2024				
Start Power & Cable Design with Providers	5/11/2024				
Sitework Bldg: Demo, Tree Survey, Layout	5/25/2024	7/4/2024	8/13/2024	9/22/2024	
May Weather Delays	6/9/2024	7/19/2024	8/28/2024	10/7/2024	
Begin Building Pads - Compacted Lifts	6/29/2024	8/8/2024	9/17/2024	10/27/2024	
Stolen Equipment Delays	7/6/2024	8/15/2024	9/24/2024	11/3/2024	
Final Grade Building Pads (Bluetop)	7/16/2024	8/25/2024	10/4/2024	11/13/2024	
Start Storm Water	7/17/2024	8/26/2024	10/5/2024	11/14/2024	
Start Sewer	7/31/2024	9/9/2024	10/19/2024	11/28/2024	
Start Water/Fire Lines	8/14/2024	9/23/2024	11/2/2024	12/12/2024	
Set Building Corners & Batter Boards	7/23/2024	9/1/2024	10/11/2024	11/20/2024	
Plumbing Rough In & Inspection	8/2/2024	9/11/2024	10/21/2024	11/30/2024	
August Weather Delays	8/19/2024	9/28/2024	11/7/2024	12/17/2024	
Set Forms	8/22/2024	10/1/2024	11/10/2024	12/20/2024	
Dig Footings	8/29/2024	10/8/2024	11/17/2024	12/27/2024	
Termite Treat	8/30/2024	10/9/2024	11/18/2024	12/28/2024	
Install Poly & PT Cables	9/6/2024	10/16/2024	11/25/2024	1/4/2025	
Install electrical underground	9/8/2024	10/18/2024	11/27/2024	1/6/2025	
Foundation Inspection	9/10/2024	10/20/2024	11/29/2024	1/8/2025	
Pour Foundation	9/12/2024	10/22/2024	12/1/2024	1/10/2025	
Install Irrigate, Telcom & Electric Sleeves	9/13/2024	10/23/2024	12/2/2024	1/11/2025	
Start Blue Top Paving	9/20/2024	10/30/2024	12/9/2024	1/18/2025	
Stake and Form Paving	9/25/2024	11/4/2024	12/14/2024	1/23/2025	
Pour paving & Start lumber delivery'	10/2/2024	11/11/2024	12/21/2024	1/30/2025	
Frame 1st Floor	10/3/2024	11/12/2024	12/22/2024	1/31/2025	
City Waterline Delays	10/21/2024	11/30/2024	1/9/2025	2/18/2025	
Truss Top of 1st and Deck	10/28/2024	12/7/2024	1/16/2025	2/25/2025	
Frame 2nd Floor	11/4/2024	12/14/2024	1/23/2025	3/4/2025	
November Weather Delays	11/11/2024	12/21/2024	1/30/2025	3/11/2025	
Truss Top of 2nd and Deck	11/18/2024	12/28/2024	2/6/2025	3/18/2025	
Frame 3rd Floor	11/25/2024	1/4/2025	2/13/2025	3/25/2025	
December Weather Delays	12/10/2024	1/19/2025	2/28/2025	4/9/2025	
Truss Top of 3rd and Deck			3/7/2025	4/16/2025	
Frame 4th Floor			3/14/2025	4/23/2025	
Set Roof Trusses	12/31/2024	2/9/2025	3/21/2025	4/30/2025	
Fascia & Windstorm	1/5/2025	2/14/2025	3/26/2025	5/5/2025	
Deck Roof & Sheathing Inspection	1/10/2025	2/19/2025	3/31/2025	5/10/2025	
Start House Wrap	1/14/2025	2/23/2025	4/4/2025	5/14/2025	
Set felt paper & start shingles	1/15/2025	2/24/2025	4/5/2025	5/15/2025	
Start setting windos & exterioro doors	1/16/2025	2/25/2025	4/6/2025	5/16/2025	
Start install Siding/stone/plaster	1/21/2025	3/2/2025	4/11/2025	5/21/2025	
Plumbing Rough In	1/31/2025	3/12/2025	4/21/2025	5/31/2025	
HVAC Rough In	2/10/2025	3/22/2025	5/1/2025	6/10/2025	
Fire Sprinkler Rough In	2/20/2025	4/1/2025	5/11/2025	6/20/2025	
Electrical Rough in	2/26/2025	4/7/2025	5/17/2025	6/26/2025	
TV & Tel & Low Voltage Rough In	3/5/2025	4/14/2025	5/24/2025	7/3/2025	
Install Steel Stairs	3/9/2025	4/18/2025	5/28/2025	7/7/2025	
Pour Bal. & Breezeways	3/11/2025	4/20/2025	5/30/2025	7/9/2025	
City of Dallas delays	4/22/2025				
MEP Inspections	4/24/2025	6/3/2025	7/13/2025	8/22/2025	
Framing Inspection	4/26/2025	6/5/2025	7/15/2025	8/24/2025	
Insulation & PolySeal	5/3/2025	6/12/2025	7/22/2025	8/31/2025	
Insulation Inspection	5/4/2025	6/13/2025	7/23/2025	9/1/2025	
Start Pool	5/5/2025				
Hang Sheetrock	5/18/2025	6/27/2025	8/6/2025	9/15/2025	
Tape, Bed & Texture	6/3/2025	7/13/2025	8/22/2025	10/1/2025	
Pour Gypsum Flooring	6/6/2025	7/16/2025	8/25/2025	10/4/2025	
Primer Walls	6/10/2025	7/20/2025	8/29/2025	10/8/2025	
Deliver & Install Trim	6/22/2025	8/1/2025	9/10/2025	10/20/2025	

Paint Trim and 1st Coat on Walls	6/27/2025	8/6/2025	9/15/2025	10/25/2025	
Start install Balconey Rails	6/28/2025	8/7/2025	9/16/2025	10/26/2025	
Deliver & Stage Cabinets	6/30/2025	8/9/2025	9/18/2025	10/28/2025	
Install Cabinets & Tops	7/14/2025	8/23/2025	10/2/2025	11/11/2025	
Install Electrical Service & Inspection	7/15/2025	8/24/2025	10/3/2025	11/12/2025	
Install Ceramic Tile	7/21/2025	8/30/2025	10/9/2025	11/18/2025	
Start Sidewalks	7/22/2025	8/31/2025	10/10/2025	11/19/2025	
Box & Penetration Seal/caulk in units	7/25/2025	9/3/2025	10/13/2025	11/22/2025	
Install Second Trim & Hardware/Bath	7/31/2025	9/9/2025	10/19/2025	11/28/2025	
Del. Dishwashers & disposals	8/1/2025	9/10/2025	10/20/2025	11/29/2025	
Start plumbing Trim and Fixtures	8/7/2025	9/16/2025	10/26/2025	12/5/2025	
Set HVAC condensors and start trim	8/12/2025	9/21/2025	10/31/2025	12/10/2025	
Electrical Trim & Set Fixtures	8/19/2025	9/28/2025	11/7/2025	12/17/2025	
Start Landscaping	8/20/2025	9/29/2025	11/8/2025	12/18/2025	
Power Company Sets Meters	8/21/2025	9/30/2025	11/9/2025	12/19/2025	
Start Elevator Installation			11/10/2025	12/20/2025	
Install Mirrors & Shower Doors	8/23/2025	10/2/2025	11/11/2025	12/21/2025	
Electrical Hot punch	9/2/2025	10/12/2025	11/21/2025	12/31/2025	
AC Startup	9/12/2025	10/22/2025	12/1/2025	1/10/2026	
Patches and 2nd coat on walls	9/22/2025	11/1/2025	12/11/2025	1/20/2026	
Install Blinds	9/24/2025	11/3/2025	12/13/2025	1/22/2026	
Install Signage	9/25/2025	11/4/2025	12/14/2025	1/23/2026	
1st clean on units	9/28/2025	11/7/2025	12/17/2025	1/26/2026	
Fire Alarm & Sprinkler Trim	10/1/2025	11/10/2025	12/20/2025	1/29/2026	
Install Vinyl Flooring & Carpet	10/8/2025	11/17/2025	12/27/2025	2/5/2026	
Set Toilets	10/11/2025	11/20/2025	12/30/2025	2/8/2026	
Nations Internal Punch	10/17/2025	11/26/2025	1/5/2026	2/14/2026	
Clean & Stripe Paving	10/18/2025	11/27/2025	1/6/2026	2/15/2026	
MEP Finals	10/19/2025	11/28/2025	1/7/2026	2/16/2026	
Building Finals & State Elevator Inspection	10/21/2025	11/30/2025	1/9/2026	2/18/2026	
Fire Marshall Final Inspection	10/22/2025	12/1/2025	1/10/2026	2/19/2026	
2nd Clean on Units	10/25/2025	12/4/2025	1/13/2026	2/22/2026	
Owner Punch Walk	10/26/2025	12/5/2025	1/14/2026	2/23/2026	
Complete Punchlist	11/1/2025	12/11/2025	1/20/2026	3/1/2026	
Certificate of Occupancy	11/2/2025	12/12/2025	1/21/2026	3/2/2026	
Powder Puff & Management Turn Over	11/4/2025	12/14/2025	1/23/2026	3/4/2026	

Real Estate Analysis Division
February 17, 2023

Addendum to Underwriting Report

TDHCA Application #: 23901_21004 Program(s): 9% HTC

Skyline at Cedar Crest

Address/Location: 2720 East Kiest Blvd

City: Dallas County: Dallas Zip: 75216

	APPLICATION HISTORY
Report Date	PURPOSE
02/17/23	**Supplemental Credit Memo**
07/20/21	Original Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
LIHTC (9% Credit)	$1,500,000				**$1,725,000**				

CONDITIONS STATUS

1 Receipt and acceptance by Cost Certification:

a: Certification of asbestos sampling and subsurface exploration of the observed debris and fill materials as recommended in the ESA; and that all necessary mitigation and disposal measures were implemented.

b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

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	9
50% of AMI	50% of AMI	34
60% of AMI	60% of AMI	42

ANALYSIS

The Development received a 9% HTC allocation in 2021 and is requesting a 15% increase in annual tax credit allocation consistent with the 2023 QAP Subchapter F, Supplement Housing Tax Credits. Tax credits will be calculated at cost certification based on actual eligible costs incurred.

Per Subchapter F, the developer fee cannot increase from the previously published underwriting report, and the deferred developer fee cannot decrease from the previously published underwriting report.

The underwriter recommends a total annual credit allocation of $1,725,000.

Underwriter:	*Deborah Willson*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

21004 Skyline at Cedar Crest - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 20, 2021

PROPERTY IDENTIFICATION

Application #	21004
Development	Skyline at Cedar Crest
City / County	Dallas / Dallas
Region/Area	3 / Urban
Population	General
Set-Aside	Non-Profit
Activity	New Construction

RECOMMENDATION

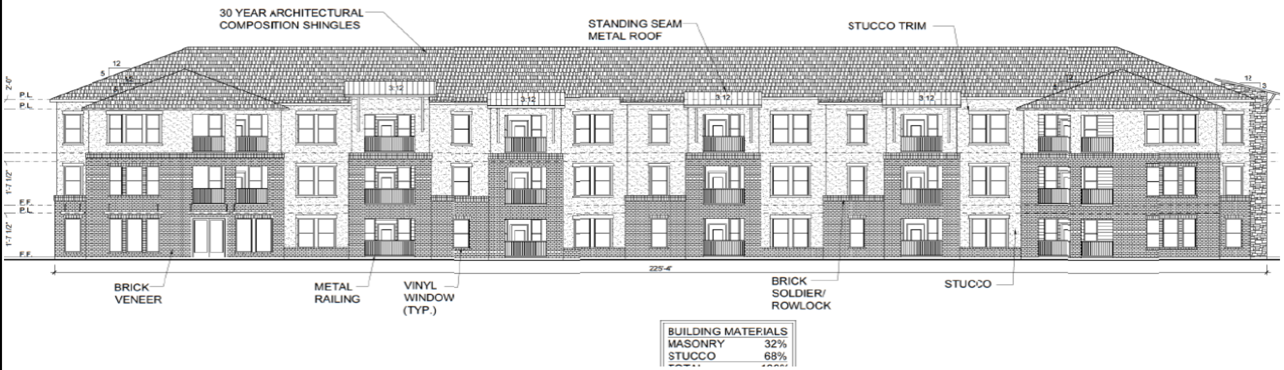
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$1,500,000	$1,500,000	$14,019/Unit	$0.90

KEY PRINCIPALS / SPONSOR

• Eleanor M.C. Fanning / Brompton Community Housing Development Corporation {501(3)(c) Non-Profit}

Related Parties	Contractor - No	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO



UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	41	38%
2	50	47%
3	16	15%
4	-	0%
TOTAL	107	100%

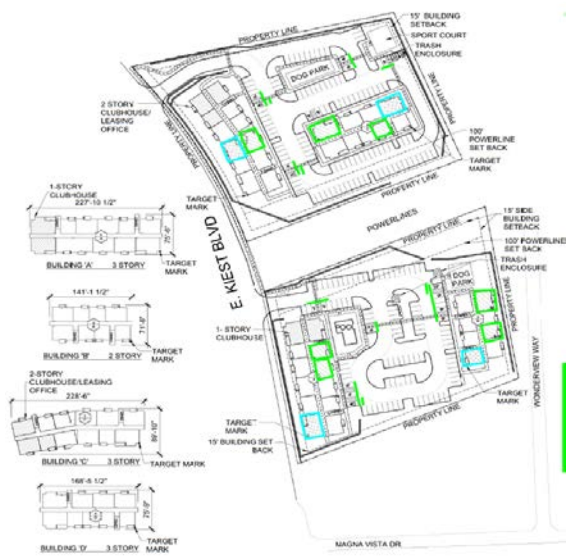
INCOME DISTRIBUTION

Income	# Units	% Total
20%	-	0%
30%	9	8%
40%	-	0%
50%	34	32%
60%	42	39%
70%	-	0%
80%	-	0%
MR	22	21%
TOTAL	107	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.16	Expense Ratio	59.6%
Breakeven Occ.	87.2%	Breakeven Rent	$924
Average Rent	$981	B/E Rent Margin	$57
Property Taxes	$1,509/unit	Exemption/PILOT	0%
Total Expense	$6,589/unit	Controllable	$3,774/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (15% Maximum)			6.9%
Highest Unit Capture Rate	26%	3 BR/60%	7
Dominant Unit Cap. Rate	22%	2 BR/60%	19
Premiums (↑60% Rents)	Yes		$261/Avg.
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	892 SF	Density	17.0/acre
Acquisition		$12K/unit	$1,251K
Building Cost	$97.70/SF	$87K/unit	$9,324K
Hard Cost		$118K/unit	$12,660K
Total Cost		$201K/unit	$21,515K
Developer Fee	$2,456K	(41% Deferred)	Paid Year: 13
Contractor Fee	$1,772K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Regions (Const to Perm)	15/35	4.75%	$7,000,000	1.16
TOTAL DEBT (Must Pay)			$7,000,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Dallas	45/0	1.00%	$500	1.16
CASH FLOW DEBT / GRANTS			$500	

EQUITY / DEFERRED FEES	
Source	Amount
Regions	$13,497,300
CSH Skyline at Cedar Crest Ltd	$1,017,075
TOTAL EQUITY SOURCES	$14,514,375
TOTAL DEBT SOURCES	$7,000,500
TOTAL CAPITALIZATION	$21,514,875

CONDITIONS

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RISK PROFILE

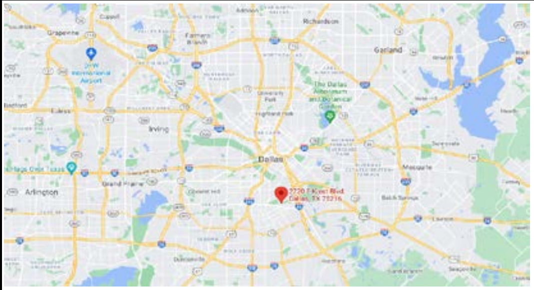
STRENGTHS/MITIGATING FACTORS

- Developer experience
- Overall Feasibility Indicators
- Located in proximity to jobs area

WEAKNESSES/RISKS

- Low 15 year cash flow
- High 60% AMGI Capture Rate

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
July 20, 2021

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **21004** Program(s): **9% HTC**

Skyline at Cedar Crest

Address/Location: 2720 East Kiest Blvd

City: Dallas County: Dallas Zip: 75216

Population: General Program Set-Aside: Non-Profit Area: Urban

Activity: New Construction Building Type: Garden (Up to 4-story) Region: 3

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
LIHTC (9% Credit)	$1,500,000				**$1,500,000**				

CONDITIONS

1 Receipt and acceptance by Cost Certification:

a: Certification of asbestos sampling and subsurface exploration of the observed debris and fill materials as recommended in the ESA; and that all necessary mitigation and disposal measures were implemented.

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SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	9
50% of AMI	50% of AMI	34
60% of AMI	60% of AMI	42

DEVELOPMENT SUMMARY

New construction of 107 general population units. The unit mix is 38% one-bedroom units with the other 62% being two and three bedrooms. There are 85 HTC units and 22 market rate units. There are three 3-story buildings and one two-story building that will be of walk-up, garden style design.

RISK PROFILE

	STRENGTHS/MITIGATING FACTORS
▫	Developer experience
▫	Overall Feasibility Indicators
▫	Located in proximity to jobs area
▫	Low gross capture rate

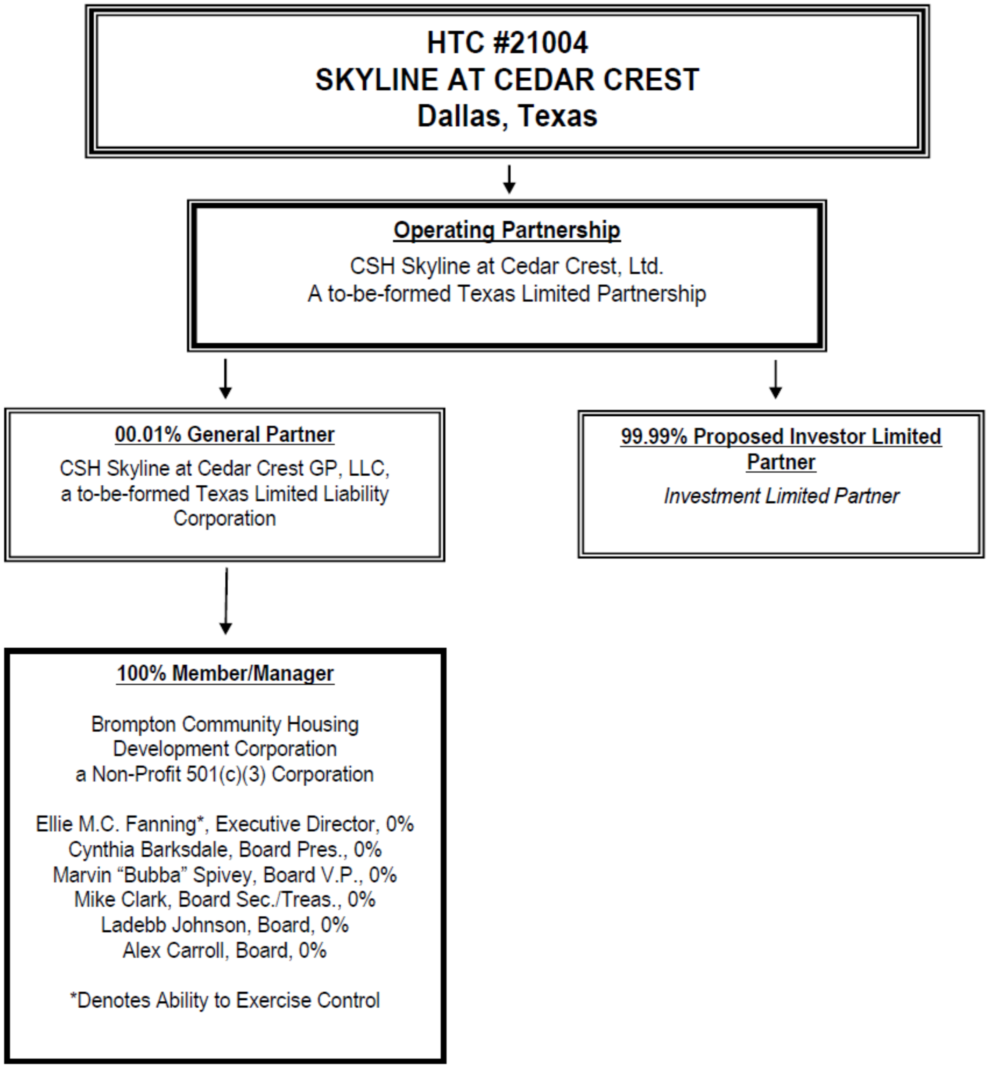
	WEAKNESSES/RISKS
▫	Low 15 year cash flow
▫	High 60% AMGI Capture Rate
▫	
▫	

DEVELOPMENT TEAM

PRIMARY CONTACTS

Name:	Eleanor M.C. Fanning	Name:	Matt Higgins
Phone:	(713) 526-6634	Phone:	(817) 683-1571
Relationship:	Sponsor/Developer	Relationship:	Developer

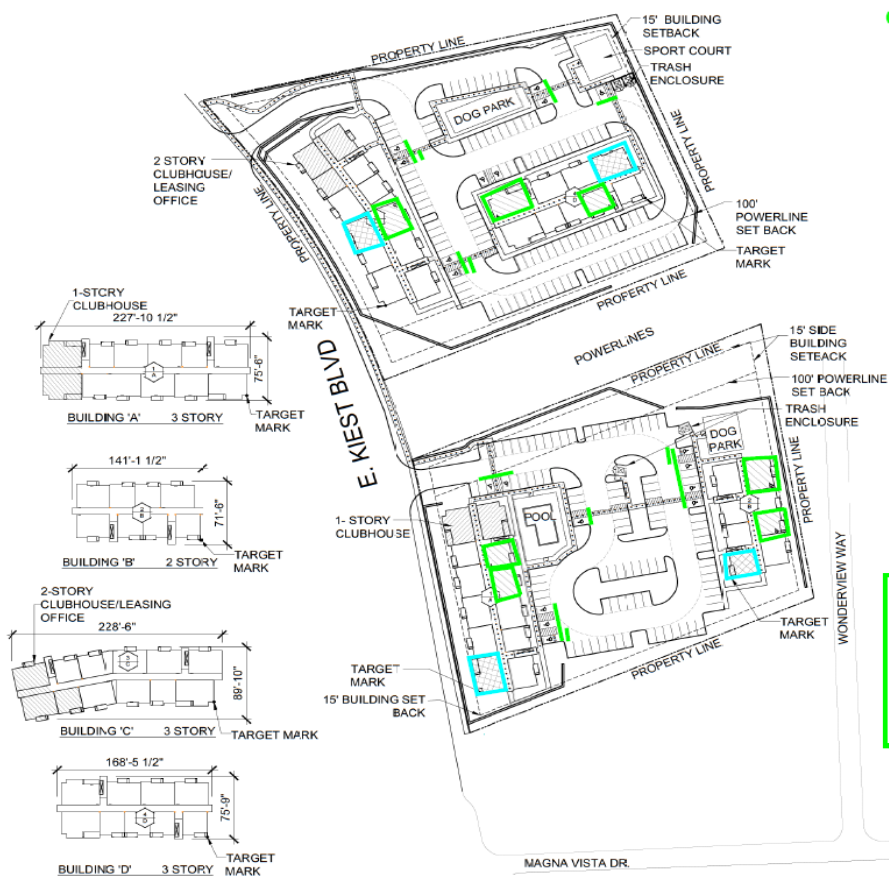
OWNERSHIP STRUCTURE



- Sponsor and Developer are related entities.
- Brompton Community Housing Development Corporation is a certified CHDO that was founded in 1999 and is based out of Houston. Previous participation was reported to include 8 HTC properties in Texas.

DEVELOPMENT SUMMARY

SITE PLAN



Comments:

The topography of the site is steep and will require retaining walls to be put in. There is a powerline easement going between the two land parcels. The ingress and egress to the site is from E Kiest Blvd. located along the west property line for both parcels. Site amenities include a dog park, sport court, fitness center, business center, a furnished multi-purpose room, a clubhouse and swimming pool.

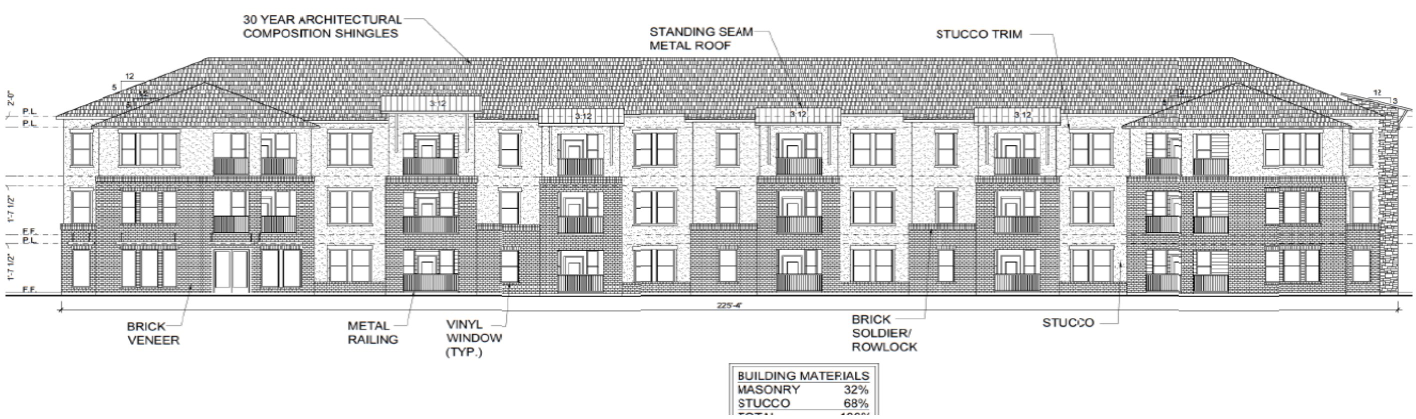
The parking requirement is 216 spaces. A total of 216 surface parking spaces will be provided.

BUILDING PLAN (Typical)

Comments:

General unit features include single vanities, in-unit washer and dryers, breakfast bar, wet kitchen island, walk-in closets and a covered balcony. Plumbing run is efficient with open breezeways that are not climate controlled.

BUILDING ELEVATION



Comments:

The development consists of four buildings total. There are 3 three-story garden-style buildings and one two-story garden-style building. The roof is pitched at 5/12 with composition shingles. Extended breezeways and decorative parapet walls provide attractive exterior building articulation and ornamentation. The building is comprised of 32% masonry and 68% stucco.

BUILDING CONFIGURATION

Building Type	A	B	C	D									Total Buildings
Floors/Stories	3	2	3	3									
Number of Bldgs	1	1	1	1									4
Units per Bldg	34	16	30	27									
Total Units	34	16	30	27									**107**

Avg. Unit Size (SF)	**892 sf**	**Total NRA (SF)**	**95,440**	**Common Area (SF)***	**4,451**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 6.30 acres Density: 17.0 units/acre

Site Control: 6.297 **Site Plan:** 6.295 **Appraisal:** n/a **ESA:** 6.295

Feasibility Report Survey: 6.295 **Feasibility Report Engineer's Plan:** 6.295

Control Type: Commercial Contract

Tract 1:	3.249	acres	Cost:	$1,000	Seller:	Juan Simon Castillo and Maria Elisa Castillo
Tract 2:	3.048	acres	Cost:	$1,250,000	Seller:	Juan Simon Castillo and Maria Elisa Castillo

Development Site: 6.30 acres Cost: $1,251,000 $11,692 per unit

Seller: Juan Simon Castillo and Maria Elisa Castillo

Buyer: Brompton Community Housing Development Corporation

Assignee: CSH Skyline at Cedar Crest, Ltd.

Related-Party Seller/Identity of Interest: No

Comments:

The difference in the Site Control and other acreages listed above is due to a a slight difference in the acreage based on records found at the Dallas County Appraisal District and the actual surveyed acreage.

SITE INFORMATION

Flood Zone:	Zone X	Scattered Site?	Yes
Zoning:	MF-2(A)	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	n/a	Title Issues?	No

Current Uses of Subject Site:

The subject property has two tracts of land separated by a powerline easement. Both tracts are vacant, wooded land.

Surrounding Uses:

North: commercial business/trucking company
East: Wonderview Park and vacant wooded land
South: Bethesda Pentecostal Church/Epiphany Episcopal Church
West: East Kiest Boulevard, vacant wooded land, and single-family residences

Other Observations:

Remnants of asphalt parking associated with prior development of the subject property as an apartment complex were observed.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Targus Associates, LLC   Date: 2/17/2021

Recognized Environmental Conditions (RECs) and Other Concerns:

- The debris, drums/containers, fill soil, and tires from unknown sources, stained soil, and potential presence of other waste materials to be buried on the subject property are collectively considered a recognized environmental condition.
- Targus recommends subsurface exploration to reduce uncertainty regarding the potential presence of petroleum or hazardous substances associated with or attributable to this REC. The recommended subsurface exploration would also provide information helpful in assessing the identified business environmental risk by assessing the volume of discarded materials and providing information regarding disposal options.
- Targus observed several piles of debris on-site containing suspect asbestos-containing materials including variuos floor tile with mastic or bedding material, carpet with mastic, roofing shingles, felt materials, and grout.
  No asbestos sampling reports or documentation regarding source(s) of debris were prroivded. Asbestos sampling of these materials should be performed to assess disposal options.
- Based on the proximity of the subject property to East Kiest Boulevard (four-lane thoroughfares), the Dallas Executive Airport (located about 5 miles southwest of the subject property), and the BNSF Railway (located about 2,500 feet east), a noise survey is recommended.

MARKET ANALYSIS

Provider:	Apartment MarketData, LLC	Date:	3/22/2021
Contact:	Darrell G Jack	Phone:	(210) 530-0040

Primary Market Area (PMA): 20 sq. miles 3 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME								
Dallas County Income Limits								
HH Size		1	2	3	4	5	6	7+
30% AMGI	Min	$14,550	$14,550	$17,460	$17,460	$20,160	$20,160	---
	Max	$18,120	$20,700	$23,280	$25,860	$27,930	$30,000	---
50% AMGI	Min	$24,240	$24,240	$29,100	$29,100	$33,600	$33,600	---
	Max	$30,200	$34,500	$38,800	$43,100	$46,550	$50,000	---
60% AMGI	Min	$29,100	$29,100	$34,920	$34,920	$40,320	$40,320	---
	Max	$36,240	$41,400	$46,560	$51,720	$55,860	$60,000	---

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
21411	Gateway Oak Cliff	Yes	New	General	158	230
21615	The Terrace at Southern Oaks	Yes	New	General	300	300
Other Affordable Developments in PMA since 2016						
16440	Saint James Manor		New	General	n/a	100
16439	Peoples El Shaddai Village		New	General	n/a	100
19420	Pythian Manor		A/R	Elderly	n/a	76
21400	The Oaks		New	Elderly	n/a	260
Stabilized Affordable Developments in PMA					Total Units	1,486
					Total Developments	10
					Average Occupancy	96.4%

Proposed, Under Construction, and Unstabilized Competitive Supply:

Underwriter's capture rates are based on Market Analyst's qualified demand, but include the above referenced competitive properties that were not included in Market Analyst's capture rate calculations. The analyst did not include Gateway Oak Cliff (TDHCA # 21411) and The Terrace at Southern Oaks. Both are competitive 9% deals that will compete directly with Subject. Because the competitive units are located in the Market Analyst's determined PMA, Underwriter's capture rates are used for analysis.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
	HTC	Assisted	HTC	
Total Households in the Primary Market Area	26,921		26,921	
Potential Demand from the Primary Market Area	7,149		7,149	
10% External Demand	715		715	
Potential Demand from Other Sources			0	
GROSS DEMAND	7,864		7,864	
Subject Affordable Units	85		85	
Unstabilized Competitive Units			458	
RELEVANT SUPPLY	85		543	
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**1.1%**		**6.9%**	

Population:	**General**	**Market Area:**	**Urban**	**Maximum Gross Capture Rate:**	**15%**

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND										
	Market Analyst					Underwriter				
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate
30% AMGI	1,826	183	9		0%	1,826	183	9	0	0%
50% AMGI	2,331	233	34		1%	2,331	233	34	0	1%
60% AMGI	2,992	299	42		1%	2,992	299	42	458	15%

Demand Analysis:

The capture rate calculation determines the percentage of the qualified demand that is needed to absorb the proposed units.

The 60% AMI Band Capture rate is at the maximum allowable 15%.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE										
	Market Analyst					Underwriter				
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	375	38	4		1.0%	375	38	4	0	1%
1 BR/50%	296	30	13		4.0%	296	30	13	0	4%
1 BR/60%	502	50	16		2.9%	502	50	16	117	24%
2 BR/30%	537	54	4		0.7%	537	54	4	0	1%
2 BR/50%	449	45	16		3.2%	449	45	16	0	3%
2 BR/60%	849	85	19		2.0%	849	85	19	189	22%
3 BR/30%	355	36	1		0.3%	355	36	1	0	0%
3 BR/50%	270	27	5		1.7%	270	27	5	0	2%
3 BR/60%	562	56	7		1.1%	562	56	7	152	26%

Market Analyst Comments:

The overall average occupancy for market rate units is 94.2%. Occupancies for larger units at many luxury apartment communities have been notably affected by the high volume of home purchases during 2020. (p14.)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$477,772	Avg. Rent:	$981	Expense Ratio:	59.6%
Debt Service:	$410,640	B/E Rent:	$924	Controllable Expenses:	$3,774
Net Cash Flow:	$67,133	UW Occupancy:	92.5%	Property Taxes/Unit:	$1,509
Aggregate DCR:	1.16	B/E Occupancy:	87.2%	Program Rent Year:	2020

The 22 market units are underwritten at Applicant's assumption of $152-$199 less than market analyst determined market rents; $146-$202 premium over gross 60% HTC rents. If the market units only achieve 60% gross rents, then DCR is 1.16.

The project is underwritten with 8 units vacant and the breakeven vacancy is 13 units. The average rent is $57 above the break-even rent.

The Applicant based the water, sewer trash costs on four (4) properties within its portfolio and located in Region 3, including Hillside West Seniors, Taylors Farm Apartments, Millennium McKinney, and Post Oak Apartments. The landlord is paying WST for the subject property.

As underwritten, 15 year residual cash flow is $242K after repayment of deferred developer fee.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$198,571/ac	$11,692/unit	**$1,251,000**	Contractor Fee	**$1,772,363**
Off-site + Site Work		$25,539/unit	**$2,732,630**	Soft Cost + Financing	**$2,682,949**
Building Cost	$97.70/sf	$87,141/unit	**$9,324,105**	Developer Fee	**$2,455,669**
Contingency	5.00%	$5,636/unit	**$603,000**	Reserves	**$693,159**
Total Development Cost	$201,074/unit	**$21,514,875**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Non-Qualified Elderly not in QCT covered by Revitalization Plan [9% only]

Off-site:

Certified total off-sitework of $89K ($834/unit) is for abandoning an existing sewer and replacing it with a new sewer.

Site Work:

Certified total sitework of $2M ($19K/unit) for grading, concrete, paving and utility costs. $47K is for detention costs and $460K for retaining walls. The CPA letter determined $1,838,360 is eligible.

Amenity cost of $610K ($5.7K/unit) was not included in the site work certification, but is comprised of $200K for landscaping, $180K for pool & decking, $110K for fencing, $100K for athletic court and $20K for BBQ and pool amenities.

Building Cost:

The Underwriter used TDHCA's typical methodology, Marshal & Swift's ("M&S") average quality construction values resulting in a total building cost estimate of $8.7M ($82K/unit), which is $540K less than Sponsor's budget, a variance of 6.2%.

Applicant limited eligible basis by $1.8M for scoring purposes.

Reserves:

Applicant's total capitalized reserves represent approximately 7 months of operating expenses and debt service.

Comments:

Applicant's Total Development Cost varies from TDHCA's estimate by less than 5%. As a result, the recommended capital structure is being determined by Applicant's cost schedule.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$21,514,875	**$16,417,391**	**$1,524,552**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Regions (Const to Perm)	Conventional Loan	$7,000,000	3.75%	34%
Regions (Bridge Loan)	Conventional Loan	$8,617,853	3.75%	42%
Regions	HTC	$2,699,460	$0.90	13%
City of Dallas	§11.9(d)(2)LPS Contribution	$500	1.00%	0%
CSH Skyline at Cedar Crest Ltd	Deferred Fee	$2,216,000		11%
		$20,533,813	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Regions (Const to Perm)	$7,000,000	4.75%	35	15	$7,000,000	4.75%	35	15	33%
City of Dallas	$500	1.00%	0	45	$500	1.00%	0	45	0%
Total	**$7,000,500**				**$7,000,500**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Regions	$13,497,300	$0.90		$13,497,300	$0.90	63%	
CSH Skyline at Cedar Crest Ltd	$1,018,043		41%	$1,017,075		5%	43%
Total	**$14,515,343**			**$14,514,375**			
				$21,514,875	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.968	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.884	Minimum Credit Price below which the Development would be characterized as infeasible

Comments:

Total Capital Contribution of $13,497,300 from Regions Bank is being provided at a $0.90 credit price.

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	$21,514,875
Permanent Sources (debt + non-HTC equity)	$7,000,500
Gap in Permanent Financing	$14,514,375

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$13,718,223	$1,524,552
Needed to Balance Sources & Uses	$14,514,375	$1,613,031
Requested by Applicant	$13,497,300	$1,500,000

	RECOMMENDATION	
	Equity Proceeds	**Annual Credits**
Tax Credit Allocation	**$13,497,300**	**$1,500,000**
Deferred Developer Fee	**$1,017,075**	**(43% deferred)**
Repayable in	**13 years**	

Comments:

Recommended tax credit allocation is $1,500,000 as requested by the Applicant.

Underwriter:	*Deborah Willson*
Manager of Real Estate Analysis:	*Jeanna Adams*
Director of Real Estate Analysis:	*Thomas Cavanagh*

UNIT MIX/RENT SCHEDULE

Skyline at Cedar Crest, Dallas, 9% HTC #21004

LOCATION DATA	
CITY:	Dallas
COUNTY:	Dallas
Area Median Income	$86,200
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2020

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	41	38.3%	0	0
2	50	46.7%	0	0
3	16	15.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**107**	**100.0%**	**-**	**-**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	79.37%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	892 sf

53%	**Income**	20%	30%	40%	50%	60%	70%	80%	MR	**TOTAL**
Average Income	**# Units**	-	9	-	34	42	-	-	22	**107**
	% Total	0.0%	8.4%	0.0%	31.8%	39.3%	0.0%	0.0%	20.6%	**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%	$485	4	1	1	700	$485	$66	$419	$0	$0.60	$419	**$1,676**	**$1,676**	$419	**$1**	**$0**	$1,116	$1.59	$1,268
TC 50%	$808	13	1	1	700	$808	$66	$742	$0	$1.06	$742	**$9,646**	**$9,646**	$742	**$1**	**$0**	$1,116	$1.59	$1,268
TC 60%	$970	16	1	1	700	$970	$66	$904	$0	$1.29	$904	**$14,464**	**$14,464**	$904	**$1**	**$0**	$1,116	$1.59	$1,268
MR		8	1	1	700	$0	$66		NA	$1.59	$1,116	**$8,928**	**$8,928**	$1,116	**$2**	**NA**	$1,116	$1.59	$1,268
TC 30%	$582	4	2	2	970	$582	$86	$496	$0	$0.51	$496	**$1,984**	**$1,984**	$496	**$1**	**$0**	$1,339	$1.38	$1,538
TC 50%	$970	16	2	2	970	$970	$86	$884	$0	$0.91	$884	**$14,144**	**$14,144**	$884	**$1**	**$0**	$1,339	$1.38	$1,538
TC 60%	$1,164	19	2	2	970	$1,164	$86	$1,078	$0	$1.11	$1,078	**$20,482**	**$20,482**	$1,078	**$1**	**$0**	$1,339	$1.38	$1,538
MR		11	2	2	970	$0	$86		NA	$1.38	$1,339	**$14,729**	**$14,729**	$1,339	**$1**	**NA**	$1,339	$1.38	$1,538
TC 30%	$672	1	3	2	1,140	$672	$109	$563	$0	$0.49	$563	**$563**	**$563**	$563	**$0**	**$0**	$1,546	$1.36	$1,708
TC 50%	$1,120	5	3	2	1,140	$1,120	$109	$1,011	$0	$0.89	$1,011	**$5,055**	**$5,055**	$1,011	**$1**	**$0**	$1,546	$1.36	$1,708
TC 60%	$1,344	7	3	2	1,140	$1,344	$109	$1,235	$0	$1.08	$1,235	**$8,645**	**$8,645**	$1,235	**$1**	**$0**	$1,546	$1.36	$1,708
MR		3	3	2	1,140	$0	$109		NA	$1.36	$1,546	**$4,638**	**$4,638**	$1,546	**$1**	**NA**	$1,546	$1.36	$1,708
TOTALS/AVERAGES:		**107**			**95,440**				**$0**	**$1.10**	**$981**	**$104,954**	**$104,954**	**$981**	**$1.10**	**$0**	**$1,285**	**$1.44**	**$1,460**
ANNUAL POTENTIAL GROSS RENT:												**$1,259,448**	**$1,259,448**						

STABILIZED PRO FORMA

Skyline at Cedar Crest, Dallas, 9% HTC #21004

	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						$1.10	$981	$1,259,448	$1,259,448	$981	$1.10		0.0%	$0
Cleaning, Late, NSF Fees							$14.95	$19,200						
Total Secondary Income							$14.95		$19,200	$14.95			0.0%	$0
POTENTIAL GROSS INCOME								$1,278,648	$1,278,648				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(95,899)	(95,899)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$1,182,749	$1,182,749				0.0%	$0
General & Administrative	$60,625	$567/Unit	$51,983	$486	3.97%	$0.49	$439	$46,920	$51,983	$486	$0.54	4.40%	-9.7%	(5,063)
Management	$51,694	3.5% EGI	$46,788	$437	5.00%	$0.62	$553	$59,132	$59,137	$553	$0.62	5.00%	0.0%	(5)
Payroll & Payroll Tax	$144,359	$1,349/Unit	$150,391	$1,406	14.77%	$1.83	$1,632	$174,655	$174,655	$1,632	$1.83	14.77%	0.0%	-
Repairs & Maintenance	$74,952	$700/Unit	$94,635	$884	6.53%	$0.81	$722	$77,270	$69,550	$650	$0.73	5.88%	11.1%	7,720
Electric/Gas	$27,480	$257/Unit	$15,092	$141	2.08%	$0.26	$230	$24,600	$15,092	$141	$0.16	1.28%	63.0%	9,508
Water, Sewer, & Trash	$77,789	$727/Unit	$102,507	$958	6.80%	$0.84	$751	$80,400	$102,507	$958	$1.07	8.67%	-21.6%	(22,107)
Property Insurance	$38,938	$0.41 /sf	$42,053	$393	3.80%	$0.47	$421	$45,000	$49,500	$463	$0.52	4.19%	-9.1%	(4,500)
Property Tax (@ 100%) 2.7129	$126,180	$1,179/Unit	$104,634	$978	13.65%	$1.69	$1,509	$161,500	$167,395	$1,564	$1.75	14.15%	-3.5%	(5,895)
Reserve for Replacements					2.71%	$0.34	$300	$32,100	$26,750	$250	$0.28	2.26%	20.0%	5,350
Supportive Services					0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.29%	$0.04	$32	$3,400	$3,400	$32	$0.04	0.29%	0.0%	-
TOTAL EXPENSES					**59.60%**	**$7.39**	**$6,589**	**$704,977**	**$719,970**	**$6,729**	**$7.54**	**60.87%**	**-2.1%**	**$ (14,993)**
NET OPERATING INCOME ("NOI")					**40.40%**	**$5.01**	**$4,465**	**$477,772**	**$462,780**	**$4,325**	**$4.85**	**39.13%**	**3.2%**	**$ 14,993**

CONTROLLABLE EXPENSES	$3,774/Unit		$3,867/Unit	

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Skyline at Cedar Crest, Dallas, 9% HTC #21004

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
Regions (Const to Perm)		1.13	1.16	410,640	4.75%	35	15	$7,000,000	$7,000,000	15	35	4.75%	$410,640	1.16	32.5%
CASH FLOW DEBT / GRANTS															
City of Dallas		1.13	1.16		1.00%	0	45	$500	$500	45	0	1.00%		1.16	0.0%
				$410,640	**TOTAL DEBT / GRANT SOURCES**			**$7,000,500**	**$7,000,500**			**TOTAL DEBT SERVICE**	**$410,640**	**1.16**	32.5%
NET CASH FLOW		$52,140	$67,132						**APPLICANT**	**NET OPERATING INCOME**		**$477,772**	**$67,133**	**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
Regions	LIHTC Equity	62.7%	$1,500,000	0.89982	$13,497,300	$13,497,300	$0.8998	$1,500,000	62.7%	$14,019	Applicant Request
CSH Skyline at Cedar Crest Ltd	Deferred Developer Fees	4.7%	(41% Deferred)		$1,018,043	$1,017,075	(41% Deferred)		4.7%	**Total Developer Fee:**	**$2,455,669**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		67.5%			$14,515,343	$14,514,375			67.5%		
TOTAL CAPITALIZATION					**$21,515,843**	**$21,514,875**			**15-Yr Cash Flow after Deferred Fee:**		**$242,498**

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				$11,692 / Unit	$1,251,000	$1,251,000	$11,692 / Unit				0.0%	$0
Off-Sites				$834 / Unit	$89,270	$89,270	$834 / Unit				0.0%	$0
Site Work		$1,838,360		$19,003 / Unit	$2,033,360	$2,033,360	$19,003 / Unit		$1,838,360		0.0%	$0
Site Amenities		$610,000		$5,701 / Unit	$610,000	$610,000	$5,701 / Unit		$610,000		0.0%	$0
Building Cost		$7,513,000	$97.70 /sf	$87,141/Unit	$9,324,105	$8,783,775	$82,091/Unit	$92.03 /sf	$7,513,000		6.2%	$540,330
Contingency		$603,000	6.05%	5.00%	$603,000	$603,000	5.24%	6.05%	$603,000		0.0%	$0
Contractor Fees		$1,479,000	14.00%	14.01%	$1,773,000	$1,696,717	14.00%	14.00%	$1,479,000		4.5%	$76,283
Soft Costs	$0	$1,278,500		$12,416 / Unit	$1,328,500	$1,328,500	$12,416 / Unit		$1,278,500	$0	0.0%	$0
Financing	$0	$954,531		$12,658 / Unit	$1,354,449	$1,354,449	$12,658 / Unit		$954,531	$0	0.0%	$0
Developer Fee	$0	$2,141,000	15.00%	15.00%	$2,456,000	$2,374,715	15.00%	15.00%	$2,141,000	$0	3.4%	$81,285
Reserves				7 Months	$693,159	$565,305	6 Months				22.6%	$127,854
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$16,417,391**		$201,083 / Unit	**$21,515,843**	**$20,690,091**	$193,365 / Unit		**$16,417,391**	**$0**	**4.0%**	**$825,752**
Acquisition Cost	$0				$0							
Contingency		$0			$0							
Contractor's Fee		$0			($637)							
Financing Cost		$0										
Developer Fee	$0	$0		15.00%	($331)							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$16,417,391**		$201,074/unit	**$21,514,875**	**$20,690,091**	$193,365/unit		**$16,417,391**	**$0**	**4.0%**	**$824,784**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$21,514,875**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Skyline at Cedar Crest, Dallas, 9% HTC #21004

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$16,417,391	$0	$16,417,391
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$16,417,391	$0	$16,417,391
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$21,342,608	$0	$21,342,608
Applicable Fraction	79.37%	79.37%	79%	79%
TOTAL QUALIFIED BASIS	$0	$16,939,465	$0	$16,939,465
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	0	$1,524,552	$0	$1,524,552
CREDITS ON QUALIFIED BASIS	$1,524,552		$1,524,552	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8998	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$1,524,552	$13,718,223	----	----	----
Needed to Fill Gap	$1,613,031	$14,514,375	----	----	----
Applicant Request	$1,500,000	$13,497,300	**$1,500,000**	**$0**	**$0**

BUILDING COST ESTIMATE

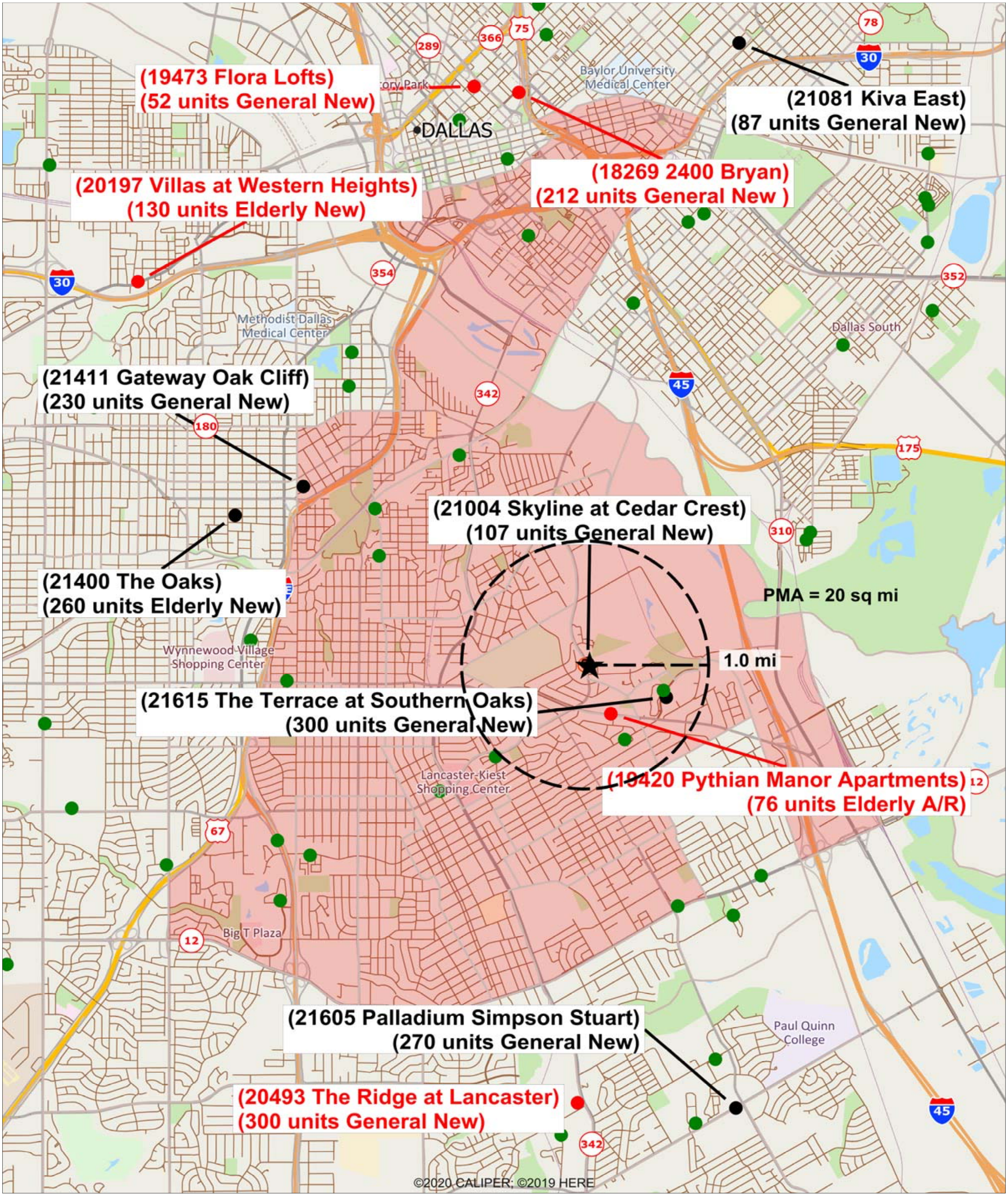
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Garden (Up to 4-story)		95,440 SF	$70.82	6,758,962
Adjustments				
Exterior Wall Finish	8.00%		5.67	$540,717
Elderly	0.00%		0.00	0
9-Ft. Ceilings	4.00%		2.83	270,358
Roof Adjustment(s)			0.00	0
Subfloor			(0.27)	(25,407)
Floor Cover			2.56	244,326
Breezeways	$30.11	21,578	6.81	649,709
Balconies	$30.22	7,809	2.47	235,989
Plumbing Fixtures	$1,080	198	2.24	213,840
Rough-ins	$530	214	1.19	113,420
Built-In Appliances	$1,830	107	2.05	195,810
Exterior Stairs	$2,460	8	0.21	19,680
Heating/Cooling			2.34	223,330
Storage Space	$30.11	0	0.00	0
Carports	$12.25	0	0.00	0
Garages		0	0.00	0
Common/Support Area	$93.94	5,493	5.41	516,029
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	$2.88	122,511	3.70	352,832
SUBTOTAL			**108.02**	**10,309,595**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**108.02**	**$10,309,595**
Plans, specs, survey, bldg permits	3.30%		(3.56)	($340,217)
Contractor's OH & Profit	11.50%		(12.42)	(1,185,603)
NET BUILDING COSTS		$82,091/unit	$92.03/sf	$8,783,775

Long-Term Pro Forma

Skyline at Cedar Crest, Dallas, 9% HTC #21004

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	$1,182,749	$1,206,404	$1,230,532	$1,255,143	$1,280,246	$1,413,495	$1,560,613	$1,723,043	$1,902,378	$2,100,379	$2,318,988
TOTAL EXPENSES	3.00%	$704,977	$725,535	$746,698	$768,484	$790,911	$913,349	$1,054,922	$1,218,637	$1,407,980	$1,626,985	$1,880,326
NET OPERATING INCOME ("NOI")		**$477,772**	**$480,869**	**$483,835**	**$486,660**	**$489,335**	**$500,146**	**$505,691**	**$504,405**	**$494,398**	**$473,394**	**$438,662**
EXPENSE/INCOME RATIO		59.6%	60.1%	60.7%	61.2%	61.8%	64.6%	67.6%	70.7%	74.0%	77.5%	81.1%
MUST -PAY DEBT SERVICE												
TOTAL DEBT SERVICE		$410,640	$410,640	$410,640	$410,640	$410,640	$410,640	$410,640	$410,640	$410,640	$410,640	$410,640
DEBT COVERAGE RATIO		1.16	1.17	1.18	1.19	1.19	1.22	1.23	1.23	1.20	1.15	1.07
ANNUAL CASH FLOW		**$67,133**	**$70,230**	**$73,195**	**$76,020**	**$78,696**	**$89,506**	**$95,051**	**$93,766**	**$83,759**	**$62,754**	**$28,023**
Deferred Developer Fee Balance		$949,943	$879,713	$806,518	$730,498	$651,802	$224,064	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$242,498	$716,982	$1,159,702	$1,520,390	$1,736,068

21004 Skyline at Cedar Crest PMA Map



Disclaimer: This map is not a survey. Boundaries, distance and scale are approximate only.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1092 **Agenda Date:** 7/10/2025 **Agenda #:** 23.

Presentation, discussion, and possible action regarding an appeal of the termination of the Application for Liberty Senior Living

RECOMMENDED ACTION

WHEREAS, Liberty Senior Living is a 2025 9% housing tax credit Application that requests $2,000,000 for the New Construction of 84 Units in Hurst, Tarrant County;

WHEREAS, the Application's Development Team includes an entity and an individual, both acting as the Development Consultant, for which the Executive Director has recommended a six -month debarment;

WHEREAS, the affected parties have appealed that debarment, and that appeal is being heard at this meeting; and

WHEREAS, unless that appeal is granted by the Governing Board, the Application would require termination as it contains a debarred party and cannot be changed in accordance with state statute;

NOW, therefore, it is hereby

RESOLVED, that the appeal of the termination for Liberty Senior Living is hereby denied.

BACKGROUND

Liberty Senior Living is a 2025 9% housing tax credit Application that requests $2,000,000 for the New Construction of 84 Units in Hurst, Tarrant County. After the Application was submitted, the Executive Director issued a determination that recommends a debarment term of six months for four parties, including Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher. That determination has been appealed, and the appeal scheduled to be presented to the Governing Board at the same meeting as this item. This item does not directly address that debarment. For information concerning the debarment, please refer to the relevant item in the published materials for this meeting.

The Application includes Sonoma Housing Advisors and Bill Fisher listed as the Application Consultant on Tab 42, which is the section of the Application in which the Development Team Members are specified. The Application also specifies that the proposed fee for the Consultant is $149,000. 10 TAC §11.1(d)(38) and (41) define "Consultant" and "Development Team" as:

> (38) 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.
>
> (41) 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.

Because the Application includes a debarred party as a member of the Development Team, the Department determined that this Application cannot be awarded, as a debarred party may not participate in new Department financing and assistance opportunities until the debarment is fully resolved. Tex. Gov't Code §2306.6708 prohibits Applicants from changing an Application after the filing deadline except for providing clarifying information or corrective administrative deficiencies, and therefore, there does not appear to be an opportunity to change the Application and somehow remove or replace a debarred party, as the filing deadline has passed. Accordingly, on June 25, 2025, staff terminated the Application.

The Applicant timely appealed this termination. The appeal makes three primary arguments.

First, the appeal argues that the debarment is not in effect until the Board votes to approve the Final Order of Debarment. Because this had not occurred as of the date the Application was terminated, the Applicant suggests that termination was premature; however, in accordance with 10 TAC §2.401(m), until the Responsible Party's Debarment referral is fully resolved, the Responsible Party may not participate in new Department financing and assistance opportunities. The affected parties became ineligible to participate in new financing opportunities as of the date that the Debarment referral was issued, subject to their normal appeal rights.

Second, the appeal suggests that the terminated Application may not represent a "new" funding opportunity, as the Application was submitted prior to the date of the Debarment referral. While "new" is not specifically defined in rule, 10 TAC §2.401(n) stipulates that, "any person who has been debarred is prohibited from participation as set forth in the final order of Debarment for the term of their Debarment." The Final Order of Debarment presented to the Board for approval at this meeting explicitly states that:

> Respondents are barred from future participation in any capacity for all programs administered by the Department for a term ending January 10, 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.** [emphasis added]

Presuming that the Board upholds the Debarment and approves the Final Order without modifications, then the Order clearly stipulates that any "pending or future funding" may not be considered during the debarment term.

The appeal's final argument warrants the most consideration. The appeal asks the Department to consider what it actually means for a Consultant to be debarred, and what effect this should have on an Application. The Applicant suggests that the Consultant, as a party with no Control of the Application, should not render an Application ineligible even if that Consultant is debarred. The appeal cites 10 TAC §11.202(1)(A) of the Qualified Allocation Plan (QAP), which states that:

> (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)

The Applicant argues that, because the affected entities are not listed on the organizational chart for the Applicant, Developer, or Guarantor, then the debarment of the Consultant does not render the Application ineligible. While this rule does specify one consequence of Debarment, it is not reasonable to presume that all possible ramifications of Debarment are covered by it. The Department's Debarment rule covers all of the Department's programs, not just the Housing Tax Credit Program, and is necessarily broader than what is covered specifically in the QAP. In accordance with 10 TAC §2.401(a), related to Debarment, "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). Following the appeal's logic, a brand new Application including the debarred Consultant could be submitted after the Final Order of Debarment was approved by the Board, and that Application would not be ineligible unless is specifically included the Consultant on the organizational chart for the Applicant, Developer, or Guarantor. Staff does not believe that this is the intended outcome of debarring a Consultant.

The appeal requests that, should the Final Order of Debarment be approved by the Board, the Department should require the Applicant to remove the debarred entities from the Application so as to allow it to proceed normally. As part of this arrangement, the debarred entities would be prohibited from receiving a fee from the Development. While the Department appreciates this suggestion, it has no available mechanism to enforce such an arrangement, as the payments made to vendors and Consultants from Department-funded Developments are private business transactions that do not require Department approval.

Staff recommends that the appeal be denied.

Shackelford
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July 2, 2025

VIA ELECTRONIC MAIL

Mr. Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711

RE: TD HCA Applicant# 25211 – Liberty Senior Living ("the ***Project***") - Appeal

Dear Mr. Wilkinson:

Our Firm represents TX Liberty Senior, LP ("Liberty") ("***Applicant***"), the applicant of the above Project. We have been requested by Applicant to appeal the Texas Department of Housing and Community Affairs' ("***TDHCA***") decision to terminate Applicant's 2025 9% Competitive Housing Tax Credit application (the "***Application***") due to two consultants listed in the Application being recommended for debarment April 11, 2025, over a month after the Full Application Delivery Date of February 28, 2025.

BACKGROUND

In 2024, Applicant's principals began the arduous process to conceptualize a multifamily senior living affordable housing project. They began the quest for property, funding partners, and the myriad professionals to make the vision become reality.

After extensive envisioning, searching, negotiating, committing, and assembling a team to bring their vision to fruition, they submitted the Application on February 28, 2025, the Full Application Delivery Date.

On April 11, 2025, you, as the Executive Director of TDHCA ("ED"), determined that debarment is warranted for two of the consultants listed in the filed Application. However, the debarment recommendation has not yet been heard by the TDHCA Board of Directors for its consideration. The hearing is set for the monthly Board meeting on July 10, 2025.

June 25, 2025, arrives with an Application termination notice based on the application consultants being debarred. To determine whether the Application warrants termination on the basis stated in such notice, it requires the statutes governing multifamily housing tax credit applications and TDHCA's debarment statutes be fully analyzed to properly apply them to this unique scenario.

Three questions must be addressed to reach a proper conclusion:

(1) When does a recommended debarment by the ED under 10 TAC Section 2.401(k) become an actual debarment?

(2) Who or what is an ineligible debarred person or entity under 10 TAC Section 11.202(1)(A)?

(3) What does the statute mean by "new" Department financing and assistance opportunities regarding debarred persons under 10 TAC Section 2.401(m)?

STATUTORY BACKGROUND

(1) When does a recommended debarment under 10 TAC Section 2.401(k) by the ED become an actual debarment?

Debarment becomes effective once the Board has made the determination that debarment is appropriate based on the facts, and the Board issues the Final Order of Debarment. 10 TAC § 2.401(m).

The ED makes a recommendation that debarment is warranted. Following that, the party recommended for debarment has seven days to appeal the recommendation to the ED. 10 TAC § 1.7(e)(1). Following that appeal period, TDHCA evaluates the appeal and, if it denies the appeal, the debarment recommendation must be taken to the next Board meeting for which the matter can be properly posted. 10 TAC § 2.401(l). Under the Texas Open Records Act, TDHCA must publish the matter on the agenda and publish the materials 72 hours before the Board meeting.

If the Board agrees with the debarment recommendation, it can accept or change the terms. The final terms, as determined by the Board, are incorporated into a Final Order of Debarment. The recommended debarment becomes an actual debarment when the Board issues the Final Order of Debarment on the day it makes the decision.

(2) Who or what is an ineligible debarred person or entity under 10 TAC Section 11.202(1)(A)?

An ineligible debarred person or entity is an Applicant, a Guarantor, or a Developer who is not acting as a consultant without control.

Under 10 Tex. Admin. Code Section 11.202(1), "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. (*emphasis added*)

Who is Ineligible?

"An Applicant is ineligible if the Applicant, Developer, or Guarantor has been or is barred, suspended, or terminated from participation in a state or Federal program…." 10 Tex. Admin. Code Section 11.202(1)(A).

Who is a Developer?

A Developer is "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." 10 Tex. Admin. Code Section 11.1(d)(34). (*emphasis added*)

Who is a Person?

A Person is "[w]ithout 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." 10 Tex. Admin. Code Section 11.1(d)(91).

What is Control?

"Control (including the terms 'Controlling,' 'Controlled by,' and 'under common Control with') is 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." 10 Tex. Admin. Code Section 11.1(d)(29).

Who has Control?

Multiple persons may be deemed to have Control simultaneously. Controlling individuals and entities are set forth in subparagraphs (A) - (E)

> (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) Regarding nonprofits - intentionally omitted
>
> (C) Regarding trusts - intentionally omitted
>
> (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. (*emphasis added*)

10 Tex. Admin. Code Section 11.1(d)(29).

(3) What does the statute mean by "new" Department financing and assistance opportunities regarding debarred persons under 10 TAC Section 2.401(m)?

"New" Department financing and assistance opportunities mean those arising, at the earliest, after a recommendation for debarment by the ED and during the period of debarment.

10 TAC § 2.401(m) states, "Until the Responsible Party's Debarment referral is fully resolved, the Responsible Party may not participate in ***new*** Department financing and assistance opportunities."

The term "new" is not a defined term. When a statute does not define a term, we presume the Legislature intended for the term to have its ordinary meaning, which we determine by looking to a term's common usage. In common usage, "new" is understood to mean, "Not existing before; made, introduced, or discovered recently or now for the first time." (Oxford English Dictionary).

The concept of "new" necessarily requires relation to something already in existence or a point in time after which all things are "new." The date the ED makes a recommendation for debarment is the earliest point in time and status change date, after which, Department financing and assistance opportunities are new.

APPLICATION OF THE STATUTES

The termination letter states that the Application "is ineligible for funding, as a debarred party may not participate in new Department financing and assistance opportunities until the debarment is fully resolved." This reasoning conflates multiple concepts governed by statute. The first concept is when debarment begins, the second is what constitutes "new Department financing and assistant opportunities" and the third is who is an ineligible party included in a project team.

Has Debarment Begun?

Debarment has not begun. The Board has not heard the debarment recommendation matter and has not issued a Final Order of Debarment for Bill Fisher and Sonoma Housing Advisors, LLC, the ("Application Consultants").

The basis for the debarment recommendation for the Application Consultants does not result in mandatory debarment, therefore, the Board is not required to agree with the TDHCA staff's recommendation for debarment. The Application Consultants will not be debarred unless and until the Board enters a Final Order of Debarment with the terms of debarment.

When is an opportunity new?

The point in time after which all things are new is, at the earliest, when the ED makes a recommendation for debarment. The prohibition from participation applies until the recommended debarment is fully resolved by either being dismissed or the Board issuing a Final Order of Debarment. Therefore, *new* opportunities arise after April 11, 2025, when the ED sent the recommendation for debarment notice.

The Application is not a new opportunity. It was filed February 28, 2025, well before the ED's debarment recommendation on April 11, 2025. In fact, the project concept began months before the Application was filed. The Application was in existence and already filed, working its way through TDHCA's process, when the ED determined debarment was warranted.

Are the Application Consultants Ineligible Entities if Debarred?

The Application Consultants are not ineligible entities even if they are debarred at the July 10, 2025, Board meeting. The termination letter states that the Application is ineligible for funding due to a debarred party participating. However, that interpretation of ineligibility is superficial. The Application Consultants are not the Applicant or Guarantor. They are not Developers either because they are *acting as consultants with no Control.*

Instead, the Application Consultants to the Developer are persons who do not have control because neither is a manager, a member, a general partner, or an owner in the Applicant, Developer, or Guarantor. Therefore, the Application Consultants are not ineligible parties *in this role as consultants without control* due to debarment even if the Board issues a Final Order of Debarment.

The Application Consultants' participation in the project does not disqualify the Application because they are not ineligible entities.

IMPLICATIONS

The rules do not discuss the logistics of a debarment recommendation arising after an application is filed and it is easy to say a debarred party is an ineligible entity. However, the impact on an application should reasonably be based on what was known at the time of the Application. This aligns with the debarment rules in which debarred parties are expected to complete their existing projects in process. Defining what is "new" based on the ED's recommendation of debarment (at the earliest) is consistent with the existing approach to tie breaker points pursuant to 10 TAC §11.7(2) where the determination is made based on *what was known at the time the application was submitted.*

Basing the Application termination on a debarment that has not occurred creates problems. If the Board does not debar the Application Consultants, the Application will have been improperly terminated. There is no mechanism to restore the Application's status due to an erroneous termination after the appeal period ends. This possible scenario shows the fallacy of terminating an Application, that is timely filed before a recommended debarment arises, before a Final Order of Debarment is issued.

If the debarment had occurred prior to filing the Application, the Applicant could have changed Application Consultants. Applicants may change their architect, engineer, attorney and any other professional on the application after filing because compelling individuals to perform work is enslavement. Applicants must remove an individual listed in an application if the person dies. Architects and engineers are typically consultants without control working for the Developer. This is similar to talking to several architects and attorneys during the lengthy process to compile and ready an application for filing. An applicant and developer are talking to multiple service providers to ensure they find the best party to do the work. It is reasonable to later determine that a professional does not have an aligned vision with the applicant, the two discontinue working together, and the Developer must find a replacement. There is no statute or TDHCA rule requiring termination of an application if a consultant listed in the application dies. Only a change of parties with Control requires consent from TDHCA. 10 TAC § 10.405, 10 TAC § 11.1(d)(34).

Here, the Application Consultants are consultants (like an architect, attorney, engineer, or application consultant) that can be removed by the Applicant without changing the Application, regardless of whether they are debarred. Further, they are not ineligible entities if debarred because they are consultants without control working for the Developer.

ALTERNATIVES TO TERMINATION

Understanding that the goal of the prohibition of debarred parties participating in projects for financial gain is to deter bad behavior, it is reasonable for TDHCA to require that the consultants no longer participate in the Project and do not receive a fee out of the government funding.

In the Application as submitted, the consultants at issue are Application Consultants so their work was substantially complete by February 28, 2025, when the Application was submitted. The Applicant can easily remove the Application Consultants without disturbing the project. Due to the Application Consultants not having control and not being part of the organization chart, their removal is not a material change to the Application.

Where a recommended debarment would make a consultant on an application ineligible, an amendment could be used to exclude the ineligible party without materially changing the application. The change to the Application would be to remove the consultant and their fees. The change does not impact other parts of the Application.

In closing, we respectfully request that you reinstate the Application. We greatly appreciate your careful consideration of this appeal. This is a unique issue and is not foreseeable to an Applicant working with consultants that have no prior sanctions that would suggest their involvement could become problematic. If you determine that the request does not merit granting it, then Applicant hereby requests that your decision be appealed to the Board and that this letter be made the basis for the appeal of your decision for consideration at the July Board meeting.

Very truly yours,

John C. Shackelford

cc: Beau Eccles, Esq. *(via email)*
Cody Campbell *(via email)*
Lisa Fisher *(via email)*

June 25, 2025

Writer's direct dial: 512-475-1676
Email: cody.campbell@tdhca.texas.gov

Lisa Fisher
16812 Dallas Parkway
Dallas, Texas 75248

RE: Termination of Liberty Senior Living (TDHCA #25211)

Ms. Fisher,

The Texas Department of Housing and Community Affairs (Department) received the Application named above on February 28, 2025. The Application was submitted to compete within the Urban 3 subregion and requests $2,000,000 in Competitive Housing Tax Credits for the new construction of 84 affordable units in Hurst.

On April 11, 2025, the Department's Executive Director issued a determination of a six-month debarment term for four parties, including Sonoma Housing Advisors, LLC and James R. (Bill) Fisher, initially set to begin June 12, 2025, to coincide with the June Board Meeting. This determination has been appealed by the affected parties and is scheduled to be heard by the Department's Governing Board at the meeting to be held on July 10, 2025.

The Application for Liberty Senior Living includes Sonoma Housing Advisors and Bill Fisher listed as the Application Consultant on Tab 42, which is the section of the Application in which the Development Team Members are specified. The Application also specifies that the proposed fee for the Consultant is $149,000. 10 TAC §11.1(d)(38) and (41) define "Consultant" and "Development Team" as:

> (38) 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.
>
> (41) 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.

Because the Application includes a debarred party as a member of the Development Team, the Department has determined that it is ineligible for funding, as a debarred party may not participate in new Department financing and assistance opportunities until the debarment is fully resolved. Tex. Gov't Code §2306.6708 prohibits Applicants from changing an Application after the filing deadline except for providing clarifying information or corrective administrative deficiencies, and therefore, there does not appear to be an opportunity to change the Application and remove a debarred party, as the filing deadline has passed. Accordingly, the Application is terminated.

An appeal process exists for the Housing Tax Credit Program. 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 #: 1093 **Agenda Date:** 7/10/2025 **Agenda #:** 24.

Presentation, discussion, and possible action regarding an appeal of the termination of the Application for Culebra Apartments

RECOMMENDED ACTION

WHEREAS, Culebra Apartments is a 2025 9% housing tax credit Application that requests $2,000,000 for the New Construction of 86 Units in San Antonio, Bexar County;

WHEREAS, the Application's Development Team includes an entity and an individual, both acting as the Development Consultant, for which the Executive Director has recommended a six -month debarment;

WHEREAS, the affected parties have appealed that debarment, and that appeal is being heard at this meeting; and

WHEREAS, unless that appeal is granted by the Governing Board, the Application would require termination as it contains a debarred party and cannot be changed in accordance with state statute;

NOW, therefore, it is hereby

RESOLVED, that the appeal of the termination for Culebra Apartments is hereby denied.

BACKGROUND

Culebra Apartments is a 2025 9% housing tax credit Application that requests $2,000,000 for the New Construction of 86 Units in San Antonio, Bexar County. After the Application was submitted, the Executive Director issued a determination that recommends a debarment term of six months for four parties, including Sonoma Housing Advisors, LLC, and James R. (Bill) Fisher. That determination has been appealed, and the appeal scheduled to be presented to the Governing Board at the same meeting as this item. This item does not directly address that debarment. For information concerning the debarment, please refer to the relevant item in the published materials for this meeting.

The Application includes Sonoma Housing Advisors and Bill Fisher listed as the Application Consultant on Tab 42, which is the section of the Application in which the Development Team Members are specified. The Application also specifies that the proposed fee for the Consultant is $149,000. 10 TAC §11.1(d)(38) and (41) define "Consultant" and "Development Team" as:

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> (41) 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.

Because the Application includes a debarred party as a member of the Development Team, the Department determined that this Application cannot be awarded, as a debarred party may not participate in new Department financing and assistance opportunities until the debarment is fully resolved. Tex. Gov't Code §2306.6708 prohibits Applicants from changing an Application after the filing deadline except for providing clarifying information or corrective administrative deficiencies, and therefore, there does not appear to be an opportunity to change the Application and somehow remove or replace a debarred party, as the filing deadline has passed. Accordingly, on June 25, 2025, staff terminated the Application.

The Applicant timely appealed this termination. The appeal makes three primary arguments.

First, the appeal argues that the debarment is not in effect until the Board votes to approve the Final Order of Debarment. Because this had not occurred as of the date the Application was terminated, the Applicant suggests that termination was premature; however, in accordance with 10 TAC §2.401(m), until the Responsible Party's Debarment referral is fully resolved, the Responsible Party may not participate in new Department financing and assistance opportunities. The affected parties became ineligible to participate in new financing opportunities as of the date that the Debarment referral was issued, subject to their normal appeal rights.

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> Respondents are barred from future participation in any capacity for all programs administered by the Department for a term ending January 10, 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.** [emphasis added]

Presuming that the Board upholds the Debarment and approves the Final Order without modifications, then the Order clearly stipulates that any "pending or future funding" may not be considered during the debarment term.

The appeal's final argument warrants the most consideration. The appeal asks the Department to consider what it actually means for a Consultant to be debarred, and what effect this should have on an Application. The Applicant suggests that the Consultant, as a party with no Control of the Application, should not render an Application ineligible even if that Consultant is debarred. The appeal cites 10 TAC §11.202(1)(A) of the Qualified Allocation Plan (QAP), which states that:

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> > (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)

The Applicant argues that, because the affected entities are not listed on the organizational chart for the Applicant, Developer, or Guarantor, then the debarment of the Consultant does not render the Application ineligible. While this rule does specify one consequence of Debarment, it is not reasonable to presume that all possible ramifications of Debarment are covered by it. The Department's Debarment rule covers all of the Department's programs, not just the Housing Tax Credit Program, and is necessarily broader than what is covered specifically in the QAP. In accordance with 10 TAC §2.401(a), related to Debarment, "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). Following the appeal's logic, a brand new Application including the debarred Consultant could be submitted after the Final Order of Debarment was approved by the Board, and that Application would not be ineligible unless is specifically included the Consultant on the organizational chart for the Applicant, Developer, or Guarantor. Staff does not believe that this is the intended outcome of debarring a Consultant.

The appeal requests that, should the Final Order of Debarment be approved by the Board, the Department should require the Applicant to remove the debarred entities from the Application so as to allow it to proceed normally. As part of this arrangement, the debarred entities would be prohibited from receiving a fee from the Development. While the Department appreciates this suggestion, it has no available mechanism to enforce such an arrangement, as the payments made to vendors and Consultants from Department-funded Developments are private business transactions that do not require Department approval.

Staff recommends that the appeal be denied.

Shackelford
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July 2, 2025

VIA ELECTRONIC MAIL

Mr. Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711

RE: TD HCA Applicant# 25210 – Culebra Apartments ("the ***Project***") - Appeal

Dear Mr. Wilkinson:

Our Firm represents TX Culebra Apartments, LP ("Culebra") ("***Applicant***"), the applicant of the above Project. We have been requested by Applicant to appeal the Texas Department of Housing and Community Affairs' ("***TDHCA***") decision to terminate Applicant's 2025 9% Competitive Housing Tax Credit application (the "***Application***") due to two consultants listed in the Application being recommended for debarment April 11, 2025, over a month after the Full Application Delivery Date of February 28, 2025.

BACKGROUND

In 2024, Applicant's principals began the arduous process to conceptualize a multifamily senior living affordable housing project. They began the quest for property, funding partners, and the myriad professionals to make the vision become reality.

After extensive envisioning, searching, negotiating, committing, and assembling a team to bring their vision to fruition, they submitted the Application on February 28, 2025, the Full Application Delivery Date.

On April 11, 2025, you, as the Executive Director of TDHCA ("ED"), determined that debarment is warranted for two of the consultants listed in the filed Application. However, the debarment recommendation has not yet been heard by the TDHCA Board of Directors for its consideration. The hearing is set for the monthly Board meeting on July 10, 2025.

June 25, 2025, arrives with an Application termination notice based on the application consultants being debarred. To determine whether the Application warrants termination on the basis stated in such notice, it requires the statutes governing multifamily housing tax credit applications and TDHCA's debarment statutes be fully analyzed to properly apply them to this unique scenario.

Three questions must be addressed to reach a proper conclusion:

(1) When does a recommended debarment by the ED under 10 TAC Section 2.401(k) become an actual debarment?

(2) Who or what is an ineligible debarred person or entity under 10 TAC Section 11.202(1)(A)?

(3) What does the statute mean by "new" Department financing and assistance opportunities regarding debarred persons under 10 TAC Section 2.401(m)?

STATUTORY BACKGROUND

(1) When does a recommended debarment under 10 TAC Section 2.401(k) by the ED become an actual debarment?

Debarment becomes effective once the Board has made the determination that debarment is appropriate based on the facts, and the Board issues the Final Order of Debarment. 10 TAC § 2.401(m).

The ED makes a recommendation that debarment is warranted. Following that, the party recommended for debarment has seven days to appeal the recommendation to the ED. 10 TAC § 1.7(e)(1). Following that appeal period, TDHCA evaluates the appeal and, if it denies the appeal, the debarment recommendation must be taken to the next Board meeting for which the matter can be properly posted. 10 TAC § 2.401(l). Under the Texas Open Records Act, TDHCA must publish the matter on the agenda and publish the materials 72 hours before the Board meeting.

If the Board agrees with the debarment recommendation, it can accept or change the terms. The final terms, as determined by the Board, are incorporated into a Final Order of Debarment. The recommended debarment becomes an actual debarment when the Board issues the Final Order of Debarment on the day it makes the decision.

(2) Who or what is an ineligible debarred person or entity under 10 TAC Section 11.202(1)(A)?

An ineligible debarred person or entity is an Applicant, a Guarantor, or a Developer who is not acting as a consultant without control.

Under 10 Tex. Admin. Code Section 11.202(1), "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. (*emphasis added*)

Who is Ineligible?

"An Applicant is ineligible if the Applicant, Developer, or Guarantor has been or is barred, suspended, or terminated from participation in a state or Federal program…." 10 Tex. Admin. Code Section 11.202(1)(A).

Who is a Developer?

A Developer is "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." 10 Tex. Admin. Code Section 11.1(d)(34). (*emphasis added*)

Who is a Person?

A Person is "[w]ithout 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." 10 Tex. Admin. Code Section 11.1(d)(91).

What is Control?

"Control (including the terms 'Controlling,' 'Controlled by,' and 'under common Control with') is 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." 10 Tex. Admin. Code Section 11.1(d)(29).

Who has Control?

Multiple persons may be deemed to have Control simultaneously. Controlling individuals and entities are set forth in subparagraphs (A) - (E)

(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) Regarding nonprofits - intentionally omitted

(C) Regarding trusts - intentionally omitted

(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. (*emphasis added*)

10 Tex. Admin. Code Section 11.1(d)(29).

(3) What does the statute mean by "new" Department financing and assistance opportunities regarding debarred persons under 10 TAC Section 2.401(m)?

"New" Department financing and assistance opportunities mean those arising, at the earliest, after a recommendation for debarment by the ED and during the period of debarment.

10 TAC § 2.401(m) states, "Until the Responsible Party's Debarment referral is fully resolved, the Responsible Party may not participate in ***new*** Department financing and assistance opportunities."

The term "new" is not a defined term. When a statute does not define a term, we presume the Legislature intended for the term to have its ordinary meaning, which we determine by looking to a term's common usage. In common usage, "new" is understood to mean, "Not existing before; made, introduced, or discovered recently or now for the first time." (Oxford English Dictionary).

The concept of "new" necessarily requires relation to something already in existence or a point in time after which all things are "new." The date the ED makes a recommendation for debarment is the earliest point in time and status change date, after which, Department financing and assistance opportunities are new.

APPLICATION OF THE STATUTES

The termination letter states that the Application "is ineligible for funding, as a debarred party may not participate in new Department financing and assistance opportunities until the debarment is fully resolved." This reasoning conflates multiple concepts governed by statute. The first concept is when debarment begins, the second is what constitutes "new Department financing and assistant opportunities" and the third is who is an ineligible party included in a project team.

Has Debarment Begun?

Debarment has not begun. The Board has not heard the debarment recommendation matter and has not issued a Final Order of Debarment for Bill Fisher and Sonoma Housing Advisors, LLC, the ("Application Consultants").

The basis for the debarment recommendation for the Application Consultants does not result in mandatory debarment, therefore, the Board is not required to agree with the TDHCA staff's recommendation for debarment. The Application Consultants will not be debarred unless and until the Board enters a Final Order of Debarment with the terms of debarment.

When is an opportunity new?

The point in time after which all things are new is, at the earliest, when the ED makes a recommendation for debarment. The prohibition from participation applies until the recommended debarment is fully resolved by either being dismissed or the Board issuing a Final Order of Debarment. Therefore, *new* opportunities arise after April 11, 2025, when the ED sent the recommendation for debarment notice.

The Application is not a new opportunity. It was filed February 28, 2025, well before the ED's debarment recommendation on April 11, 2025. In fact, the project concept began months before the Application was filed. The Application was in existence and already filed, working its way through TDHCA's process, when the ED determined debarment was warranted.

Are the Application Consultants Ineligible Entities if Debarred?

The Application Consultants are not ineligible entities even if they are debarred at the July 10, 2025, Board meeting. The termination letter states that the Application is ineligible for funding due to a debarred party participating. However, that interpretation of ineligibility is superficial. The Application Consultants are not the Applicant or Guarantor. They are not Developers either because they are *acting as consultants with no Control.*

Instead, the Application Consultants to the Developer are persons who do not have control because neither is a manager, a member, a general partner, or an owner in the Applicant, Developer, or Guarantor. Therefore, the Application Consultants are not ineligible parties *in this role as consultants without control* due to debarment even if the Board issues a Final Order of Debarment.

The Application Consultants' participation in the project does not disqualify the Application because they are not ineligible entities.

IMPLICATIONS

The rules do not discuss the logistics of a debarment recommendation arising after an application is filed and it is easy to say a debarred party is an ineligible entity. However, the impact on an application should reasonably be based on what was known at the time of the Application. This aligns with the debarment rules in which debarred parties are expected to complete their existing projects in process. Defining what is "new" based on the ED's recommendation of debarment (at the earliest) is consistent with the existing approach to tie breaker points pursuant to 10 TAC §11.7(2) where the determination is made based on *what was known at the time the application was submitted.*

Basing the Application termination on a debarment that has not occurred creates problems. If the Board does not debar the Application Consultants, the Application will have been improperly terminated. There is no mechanism to restore the Application's status due to an erroneous termination after the appeal period ends. This possible scenario shows the fallacy of terminating an Application, that is timely filed before a recommended debarment arises, before a Final Order of Debarment is issued.

If the debarment had occurred prior to filing the Application, the Applicant could have changed Application Consultants. Applicants may change their architect, engineer, attorney and any other professional on the application after filing because compelling individuals to perform work is enslavement. Applicants must remove an individual listed in an application if the person dies. Architects and engineers are typically consultants without control working for the Developer. This is similar to talking to several architects and attorneys during the lengthy process to compile and ready an application for filing. An applicant and developer are talking to multiple service providers to ensure they find the best party to do the work. It is reasonable to later determine that a professional does not have an aligned vision with the applicant, the two discontinue working together, and the Developer must find a replacement. There is no statute or TDHCA rule requiring termination of an application if a consultant listed in the application dies. Only a change of parties with Control requires consent from TDHCA. 10 TAC § 10.405, 10 TAC § 11.1(d)(34).

Here, the Application Consultants are consultants (like an architect, attorney, engineer, or application consultant) that can be removed by the Applicant without changing the Application, regardless of whether they are debarred. Further, they are not ineligible entities if debarred because they are consultants without control working for the Developer.

ALTERNATIVES TO TERMINATION

Understanding that the goal of the prohibition of debarred parties participating in projects for financial gain is to deter bad behavior, it is reasonable for TDHCA to require that the consultants no longer participate in the Project and do not receive a fee out of the government funding.

In the Application as submitted, the consultants at issue are Application Consultants so their work was substantially complete by February 28, 2025, when the Application was submitted. The Applicant can easily remove the Application Consultants without disturbing the project. Due to the Application Consultants not having control and not being part of the organization chart, their removal is not a material change to the Application.

Where a recommended debarment would make a consultant on an application ineligible, an amendment could be used to exclude the ineligible party without materially changing the application. The change to the Application would be to remove the consultant and their fees. The change does not impact other parts of the Application.

In closing, we respectfully request that you reinstate the Application. We greatly appreciate your careful consideration of this appeal. This is a unique issue and is not foreseeable to an Applicant working with consultants that have no prior sanctions that would suggest their involvement could become problematic. If you determine that the request does not merit granting it, then Applicant hereby requests that your decision be appealed to the Board and that this letter be made the basis for the appeal of your decision for consideration at the July Board meeting.

Very truly yours,

John C. Shackelford

John C. Shackelford

cc: Beau Eccles, Esq. *(via email)*
Cody Campbell *(via email)*
Lisa Fisher *(via email)*

June 25, 2025

Writer's direct dial: 512-475-1676
Email: cody.campbell@tdhca.texas.gov

Lisa Fisher
16812 Dallas Parkway
Dallas, Texas 75248

RE: Termination of Culebra Apartments (TDHCA #25210)

Ms. Fisher,

The Texas Department of Housing and Community Affairs (Department) received the Application named above on February 28, 2025. The Application was submitted to compete within the Urban 9 subregion and requests $2,000,000 in Competitive Housing Tax Credits for the new construction of 86 affordable units in San Antonio, Texas.

On April 11, 2025, the Department's Executive Director issued a determination of a six-month debarment term for four parties, including Sonoma Housing Advisors, LLC and James R. (Bill) Fisher, initially set to begin June 12, 2025, to coincide with the June Board Meeting. This determination has been appealed by the affected parties and is scheduled to be heard by the Department's Governing Board at the meeting to be held on July 10, 2025.

The Application for Culebra Apartments includes Sonoma Housing Advisors and Bill Fisher listed as the Application Consultant on Tab 42, which is the section of the Application in which the Development Team Members are specified. The Application also specifies that the proposed fee for the Consultant is $149,000. 10 TAC §11.1(d)(38) and (41) define "Consultant" and "Development Team" as:

> (38) 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.
>
> (41) 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.

Because the Application includes a debarred party as a member of the Development Team, the Department has determined that it is ineligible for funding, as a debarred party may not participate in new Department financing and assistance opportunities until the debarment is fully resolved. Tex. Gov't Code §2306.6708 prohibits Applicants from changing an Application after the filing deadline except for providing clarifying information or corrective administrative deficiencies, and therefore, there does not appear to be an opportunity to change the Application and remove a debarred party, as the filing deadline has passed. Accordingly, the Application is terminated.

An appeal process exists for the Housing Tax Credit Program. 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

File #: 1094 **Agenda Date:** 7/10/2025 **Agenda #:** 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

RECOMMENDED ACTION

WHEREAS, Manor Place Town Apartments Phase 2 executed a contract for $3,352,213 in National Housing Trust Fund (NHTF) funds, effective July 2, 2021, with an allowable Development Period of up to 36 months from the loan closing date,

WHEREAS, the final construction inspection has been requested, and upon issuance of that inspection report, the Owner will have 90 days to complete any required corrective action;

WHEREAS, this Development received funds from the Department's 2020 NHTF grant, which has an expenditure deadline of August 12, 2025, and the project must be closed out in HUD's online reporting system within 120 days of the final disbursement of funds;

WHEREAS, 10 TAC §13.11(c)(8) requires that the final construction schedule be closed out prior to the final disbursement of funds, which is not possible given these deadlines;

WHEREAS, staff is requesting approval to extend the Development Period to December 1, 2025, and for a waiver of 10 TAC §13.11(c)(8) to allow for the final disbursement of funds prior to the final construction inspection being closed; and

WHEREAS, such extension will not cause the Department to miss any federal deadlines, so long as the Owner follows the timeframes outlined below;

NOW, therefore, it is hereby

RESOLVED, staff is approved to extend the Development Period for Manor Place Town Apartments Phase 2 until December 1, 2025; and

FURTHER RESOLVED, that the waiver of 10 TAC §13.11(c)(8) is approved, allowing for the final disbursement of funds prior to the closeout of the final construction inspection.

BACKGROUND

Manor Place Town Apartments Phase 2 received a loan of $3,352,213 for the rehabilitation of a 20-unit affordable housing development in Manor, Travis County. The contract was effective July 2, 2021, and allows for a Development Period of up to 36 months. Construction is substantially complete, and the Owner has requested the final construction inspection. Once issued, that inspection report will allow for 90 days for the Owner to make any necessary corrections and submit supporting documentation to the Department for review. 10 TAC §13.11(c)(8) requires that this inspection be closed out prior to the final disbursement of funds for the project.

The Development received funds from the Department's 2021 NHTF grant, which has an expenditure deadline of August 12, 2025, meaning that those funds must be drawn down from HUD and disbursed to the Owner prior to that date. In addition, 24 CFR §93.402(d) requires that the project be reported as completed in HUD's Integrated Disbursement and Information system within 120 days of the date of the final project drawdown.

It is not possible for the Development or the Department to meet all the deadlines and requirements above. If the final disbursement of funds is held until the final construction inspection is closed out, then the Department will miss the expenditure deadline. Because of this, staff is requesting a waiver of 10 TAC §13.11(c)(8) to allow for the final disbursement of funds prior to the final construction inspection being closed out. While it is generally the best practice to hold the final disbursement to ensure that any necessary corrections related to the inspection are completed timely, the Department still has its normal enforcement processes, including referral to the Enforcement Committee, to ensure compliance.

Staff is also requesting approval to extend the Development Period to December 1, 2025. This will allow time for the final funds to be disbursed, the construction inspection to be closed out, and the project to be reported as completed to HUD.

It is incumbent upon the owner to expedite all matters related to this Development and this loan. The request for the final disbursement of funds must be received by the Department no later than July 25, 2025. In addition, any necessary corrective action resulting from the final construction inspection must be addressed expeditiously, as it is unlikely that the Department will be able to grant any extensions to the 90-day deadline.

Real Estate Analysis Division
July 26, 2022

Addendum to Underwriting Report

TDHCA Application #: 21522_20506   Program(s): **MDL/NHTF**

Manor Town Phase II

Address/Location: 200 West Carrie Manor Street

City: Manor   County: Travis   Zip: 78653

	APPLICATION HISTORY
Report Date	**PURPOSE**
07/26/22	MDL Closing Memo
04/04/22	MDL Application
05/05/21	Original Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
Multifamily Direct Loan (Deferred Forgivable)	$3,352,213	0.00%		40	$3,352,213	0.00%		40	1

* Multifamily Direct Loan Terms:

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

- Receipt and acceptance before Direct Loan Closing

a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

Status: Cleared. Applicant provided 2021 Year End Audit and June 2022 Bank Statement from HATC.

b: Substantially final construction contract with Schedule of Values.

Status: Cleared

c: Updated term sheets with substantially final terms from all lenders

Status: Cleared

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 DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	18
50% of AMFI	Low HOME	2

ANALYSIS

Underwriting supports an MDL construction-to-permanent loan in the amount of $3,352,213 structured as a deferred forgivable loan under the 2021-3 NOFA for Supportive Housing Set-Aside, in a permanent first lien position at a 40 year term.

Underwriter: *Eric Weiner*

Director of Real Estate Analysis: *Jeanna Adams*

Manor Town Phase II, Manor, MDL #21522_20506
Unit Mix

# Units	Bed rooms	Bath rooms	Unit Size (NRA SF)	Total NRA (sf)	Tax Credit Designation	MF Direct Loan Designation
11	1	1	687	7,557	30%/30%	NHTF 30%
1	1	1	687	687	LH/50%	
7	2	1	892	6,244	30%/30%	NHTF 30%
1	2	1	892	892	LH/50%	
20				15,380		

*MFDL units float among Unit Types

Manor Town Phase II, Manor, MDL #21522_20506
Sources of Funds

		Interim		Permanent Period			
Source	**Type**	**Principal**	**Rate**	**Principal**	**Term**	**Amort**	**Rate**
Debt							
TDHCA-Soft Repayable	Deferred Forgivable	$3,352,213	0.00%	$3,352,213	40	0	0.00%
TSAHC AHP Program	Direct Loan Match	$225,000	0.00%	$225,000	10	10	0.00%
TOTAL		**$3,577,213**		**$3,577,213**			
Third Party Equity							
Housing Authority of Travis County	Owner Cash Contribution	$1,513,556		$1,513,566			
TOTAL		**$1,513,556**		**$1,513,566**			
TOTAL CAPITALIZATION		**$5,090,769**		**$5,090,779**			

Manor Town Phase II, Manor, MDL #21522_20506
Uses of Funds

Description	Hard Cost	Total Development Cost
Right of Way Acquisition		$18,000
Off-Sites		$0
Site Work	$458,275	$458,275
Site Amenities	$55,558	$55,558
Building Cost	$3,148,918	$3,148,918
Contingency		$256,393
Contractor Fees		$516,483
Soft Costs		$514,652
Financing		$87,500
Developer Fee		$0
Reserves		$35,000
Totals	$3,662,751	$5,090,779

Real Estate Analysis Division
April 6, 2022

Addendum to Underwriting Report

TDHCA Application #: 21522_20506 Program(s): MDL/NHTF

Manor Town Phase II

Address/Location: 200 West Carrie Manor Street

City: Manor County: Travis Zip: 78653

	APPLICATION HISTORY
Report Date	**PURPOSE**
04/06/22	MDL Application
05/05/21	Original Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
Multifamily Direct Loan (Deferred Forgivable)	$3,000,000	0.00%		40	$3,352,213	0.00%		40	1

* Multifamily Direct Loan Terms:

* Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

- Receipt and acceptance before Direct Loan Closing
  - a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.
  - b: Substantially final construction contract with Schedule of Values.
  - c: Updated term sheets with substantially final terms from all lenders

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 DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	18
50% of AMFI	Low HOME	2

ANALYSIS

The Development was awarded a Deferred Forgivable Multifamily Direct Loan (MDL) from the 2021-1 NOFA. The applicant has applied for Multifamily Direct Loan funding under the 2021-3 NOFA.
Applicant has pledged owner equity over the 10% MDL requirement. In addition, the applicant received a deferred forgivable loan from the Texas State Affordable Housing Corporation.
The Direct Loan amount is less than 80% of the Total Housing Development Costs.

Operating Pro Forma

Rents have been updated to the 2021 Program Rents.

Development Cost

Building Cost increased $412k.

Total Development Cost increased $ 728k.

Contingency Costs were overstated by $25k.

Sources of Funds

Applicant did not receive a grant from Dallas however, the Housing Authority of Travis County increased their equity funding to compensate for the lost grant funds. Due to the federal subsidy layering limits, the maximum MDL amount the development is eligible for is $3,352,213. Applicant increased their owner cash contribution to balance the sources and uses.

The original award of $3M from the 2020-1 NOFA has not been contracted and will be combined with the current request into one Multifamily Direct Loan.

Due to federal subsidy layering limits, Underwriter recommends approval of one deferred forgivable MFDL in the amount of $3,352,213 at 0% interest with a 40-year term in first lien position.

Underwriter:	*Bobby Castillo*
Manager of Real Estate Analysis:	*Diamond Thompson*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Manor Town Phase II, Manor, MDL #20506

LOCATION DATA	
CITY:	Manor
COUNTY:	Travis
Area Median Income	$98,900
PROGRAM REGION:	7
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	12	60.0%	0	12
2	8	40.0%	0	8
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**20**	**100.0%**	**-**	**20**

#DIV/0!	Average Income	
Income	# Units	% Total
20%	-	0.0%
30%	-	0.0%
40%	-	0.0%
50%	-	0.0%
60%	-	0.0%
70%	-	0.0%
80%	-	0.0%
MR	-	0.0%
TOTAL	**-**	**0.0%**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	
Applicable Fraction	
APP % Acquisition	
APP % Construction	
Average Unit Size	769 sf

UNIT MIX / MONTHLY RENT SCHEDULE

TDHCA Direct Loan Program		NHTF Units		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	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
30%/30%	$556	NHTF 30%	$556	11	1	1	687	$556	$41	$515	$0	$0.75	$515	**$5,665**	**$5,665**	$515	$0.75	$0	$1,210	$1.76	$1,210
LH/50%	$928			1	1	1	687	$928	$41	$887	$0	$1.29	$887	**$887**	**$887**	$887	$1.29	$0	$1,435	$2.09	$1,435
30%/30%	$667	NHTF 30%	$667	7	2	1	892	$667	$54	$613	$0	$0.69	$613	**$4,291**	**$4,291**	$613	$0.69	$0	$1,210	$1.36	$1,210
LH/50%	$1,113			1	2	1	892	$1,113	$54	$1,059	$0	$1.19	$1,059	**$1,059**	**$1,059**	$1,059	$1.19	$0	$1,435	$1.61	$1,435
TOTALS/AVERAGES:				**20**			**15,380**				**$0**	**$0.77**	**$595**	**$11,902**	**$11,902**	**$595**	**$0.77**	**$0**	**$1,233**	**$1.60**	**$1,233**

ANNUAL POTENTIAL GROSS RENT:	**$142,824**	**$142,824**	

STABILIZED PRO FORMA

Manor Town Phase II, Manor, MDL #20506

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		Local Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.77	$595	$142,824	$141,108	$141,108	$142,824	$595	$0.77		0.0%	$0
Damages, Laundry, Lease Term Fees							$4.75	$1,140	1,140							
Late Charges, App Fees, NSF Fees							$1.25	$300	300							
Total Secondary Income							$6.00			1,440	$1,440	$6.00			0.0%	$0
POTENTIAL GROSS INCOME								$144,264	$142,548	$142,548	$144,264				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(10,820)	(10,691)	(10,691)	(10,820)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$133,444	$131,857	$131,857	$133,444				0.0%	$0
General & Administrative	$10,775	$539/Unit	$7,961	$398.06	5.16%	$0.45	$344	$6,880	$6,880	$6,880	$6,880	$344	$0.45	5.16%	0.0%	-
Management	$10,818	5.4% EGI	$8,973	$449	3.20%	$0.28	$214	$4,270	$4,219	$4,219	$4,270	$214	$0.28	3.20%	0.0%	(0)
Payroll & Payroll Tax	$23,825	$1,191/Unit	$25,603	$1,280	24.03%	$2.08	$1,603	$32,063	$32,063	$32,063	$32,063	$1,603	$2.08	24.03%	0.0%	-
Repairs & Maintenance	$19,458	$973/Unit	$13,255	$663	10.58%	$0.92	$706	$14,120	$14,120	$13,000	$13,000	$650	$0.85	9.74%	8.6%	1,120
Electric/Gas	$4,105	$205/Unit	$4,513	$226	2.29%	$0.20	$153	$3,060	$3,060	$4,105	$4,105	$205	$0.27	3.08%	-25.5%	(1,045)
Water, Sewer, & Trash	$15,929	$796/Unit	$10,958	$548	11.62%	$1.01	$775	$15,500	$15,500	$15,929	$15,929	$796	$1.04	11.94%	-2.7%	(429)
Property Insurance	$6,951	$0.45 /sf	$7,344	$367	3.15%	$0.27	$210	$4,200	$4,200	$4,200	$4,200	$210	$0.27	3.15%	0.0%	-
Property Tax (@ 0%) 2.9659	$14,064	$703/Unit	$21,388	$1,069	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements				$0	3.75%	$0.33	$250	$5,000	$5,000	$5,000	$5,000	$250	$0.33	3.75%	0.0%	-
Supportive Services				$0	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA MDL Compliance ($34/MDL unit)				$0	0.46%	$0.04	$31	$612	$612	$612	$612	$31	$0.04	0.46%	0.0%	-
TOTAL EXPENSES					**64.22%**	**$5.57**	**$4,285**	**$ 85,705**	$85,654	$86,009	**$86,060**	**$4,303**	**$5.60**	**64.49%**	**-0.4%**	**$ (355)**
NET OPERATING INCOME ("NOI")					**35.78%**	**$3.10**	**$2,387**	**$47,740**	$46,203	$45,848	**$47,385**	**$2,369**	**$3.08**	**35.51%**	**0.7%**	**$ 355**

CONTROLLABLE EXPENSES							$3,581/Unit					$3,599/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Manor Town Phase II, Manor, MDL #20506

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR														Cumulative	
CASH FLOW DEBT / GRANTS	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Deferred Forgivable				$0	0.00%	0	40	$3,352,213	$3,000,000	$3,000,000	$3,352,213	40	0	0.00%			73.3%
Adjustment to Debt Per §11.302(c)(2)	0.00%											40	0	0.00%			0.0%
TSAHC AHP Program				$0	0.00%	10	10	$225,000	$225,000	$225,000	$225,000	10	10	0.00%	$0		4.9%
				$0	TOTAL DEBT / GRANT SOURCES			$3,577,213	$3,225,000	$3,225,000	$3,577,213	TOTAL DEBT SERVICE			$0		78.2%
NET CASH FLOW		$47,385	$47,740								APPLICANT	NET OPERATING INCOME			$47,740	$47,740	NET CASH FLOW

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Housing Authority of Travis County	Owner Cash Contribution	22.4%			$1,022,816	$655,680	$622,363	$997,959			21.8%		
Additional (Excess) Funds Req'd		0.0%					$0	$0			0.0%		
TOTAL EQUITY SOURCES		22.4%			$1,022,816	$655,680	$622,363	$997,959			21.8%		
TOTAL CAPITALIZATION					$4,600,029	$3,880,680	$3,847,363	$4,575,172			15-Yr Cash Flow after Deferred Fee:		$719,270

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					Prior Underwriting		TDHCA COST / BASIS ITEMS				COST VARIANCE	
					Total Costs	Applicant	TDHCA	Total Costs				%	$
Right of Way Acquisition					$18,000	$18,000	$18,000	$18,000					$0
Off-Sites				$ / Unit	$0	$0	$0	$0	$ / Unit			0.0%	$0
Site Work				$8,551 / Unit	$171,020	$160,155	$160,155	$171,020	$8,551 / Unit			0.0%	$0
Site Amenities				$5,793 / Unit	$115,850	$115,850	$115,850	$115,850	$5,793 / Unit			0.0%	$0
Building Cost			$191.50 /sf	$147,264/Unit	$2,945,289	$2,533,155	$2,415,909	$2,945,289	$147,264/Unit	$191.50 /sf		0.0%	$0
Contingency				7.77%	$251,108	$229,958	$188,434	$226,251	7.00%			11.0%	$24,857
Contractor Fees				13.61%	$474,110	$412,062	$412,062	$474,110	13.71%			0.0%	$0
Soft Costs				$25,108 / Unit	$502,152	$289,000	$289,000	$502,152	$25,108 / Unit			0.0%	$0
Financing				$4,375 / Unit	$87,500	$87,500	$87,500	$87,500	$4,375 / Unit			0.0%	$0
Developer Fee			0.00%	0.00%	$0	$0	$0	$0	0.00%	0.00%		0.0%	$0
Reserves				5 Months	$35,000	$35,000	$35,000	$35,000	5 Months			0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)				$230,001 / Unit	$4,600,029	$3,880,680	$3,721,910	$4,575,172	$228,759 / Unit			0.5%	$24,857
Acquisition Cost					$0	$0							
Contingency					($24,857)	($33,317)							
Contractor's Fee					$0	$0							
Financing Cost													
Developer Fee					$0	$0							
Reserves					$0	$0							
ADJUSTED BASIS / COST				$228,759/unit	$4,575,172	$3,847,363	$3,721,910	$4,575,172	$228,759/unit			0.0%	$0
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						$4,575,172							

Long-Term Pro Forma

Manor Town Phase II, Manor, MDL #20506

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
EFFECTIVE GROSS INCOME	2.00%	$133,444	$136,113	$138,835	$141,612	$144,444	$159,478	$176,077	$194,403	$214,637	$236,976
TOTAL EXPENSES	3.00%	$85,705	$88,233	$90,836	$93,517	$96,277	$111,357	$128,811	$149,016	$172,408	$199,489
NET OPERATING INCOME ("NOI")		**$47,740**	**$47,880**	**$47,999**	**$48,095**	**$48,167**	**$48,122**	**$47,266**	**$45,387**	**$42,229**	**$37,488**
EXPENSE/INCOME RATIO		64.2%	64.8%	65.4%	66.0%	66.7%	69.8%	73.2%	76.7%	80.3%	84.2%
ANNUAL CASH FLOW		**$47,740**	**$47,880**	**$47,999**	**$48,095**	**$48,167**	**$48,122**	**$47,266**	**$45,387**	**$42,229**	**$37,488**
CUMULATIVE NET CASH FLOW		$47,740	$95,620	$143,619	$191,714	$239,881	$480,866	$719,270	$950,418	$1,168,446	$1,366,069

20506 Manor Town Phase II - Application Summary

REAL ESTATE ANALYSIS DIVISION
May 5, 2021

PROPERTY IDENTIFICATION	
Application #	**20506**
Development	**Manor Town Phase II**
City / County	**Manor / Travis**
Region/Area	**7 / Urban**
Population	**Elderly Limitation**
Set-Aside	**General**
Activity	**New Construction**

RECOMMENDATION

TDHCA Program	Request	Recommended			
Multifamily Direct Loan (Soft Repayable)	$3,000,000	**$3,000,000**	**0%**	**40 years**	**Lien 1**

KEY PRINCIPALS / SPONSOR

Housing Authority of Travis County
Robert Onion
Patrick Howard
True Casa Consulting, Inc
Jennifer Hicks

Related Parties	Contractor - TBD	Seller - No

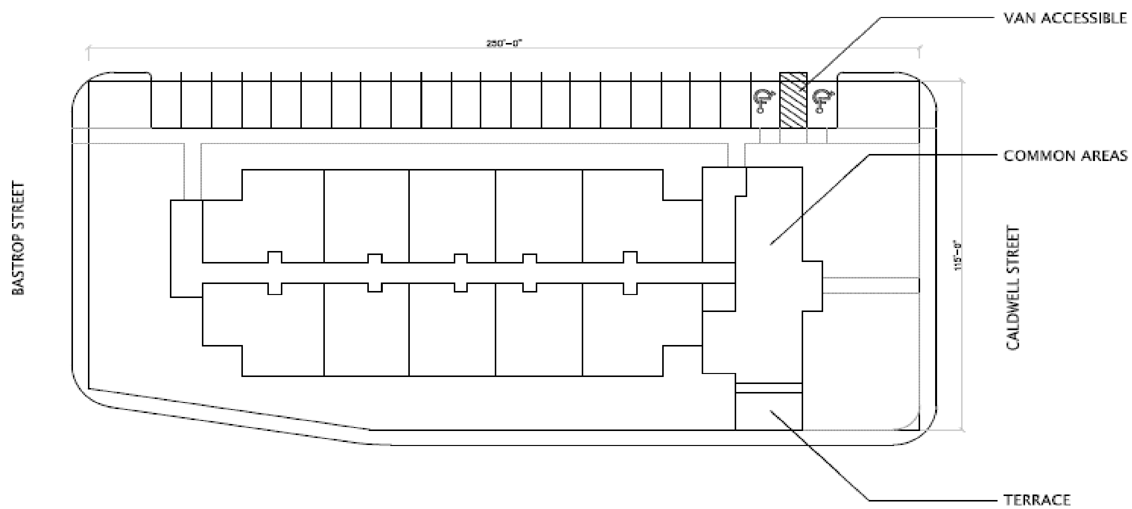
TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	12	60%	40%	-	0%
2	8	40%	50%	-	0%
3	-	0%	60%	-	0%
4	-	0%	MR	-	
TOTAL	20	100%	TOTAL	0	0%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage		Expense Ratio	65.0%
Breakeven Occ.	60.1%	Breakeven Rent	$380
Average Rent	$588	B/E Rent Margin	$208
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	$4,283/unit	Controllable	$3,581/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (0% Maximum)			0.5%
Highest Unit Capture Rate	2%	1 BR/30%	11
Dominant Unit Cap. Rate	2%	1 BR/30%	11
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	769 SF	Density	25.8/acre
Acquisition		$01K/unit	$18K
Building Cost	$164.70/SF	$127K/unit	$2,533K
Hard Cost		$150K/unit	$3,006K
Total Cost		$192K/unit	$3,847K
Developer Fee	$K	(0% Deferred)	Paid Year: 1
Contractor Fee	$412K	30% Boost	No

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
0	0	x	$0	0.00
0	0	x	$0	0.00
TOTAL DEBT (Must Pay)			$0	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
MF Direct Loan- Deferred Forgivable	40/40	0.00%	$3,000,000	0.00
TSAHC AHP Program	10/10	0.00%	$225,000	0.00
CASH FLOW DEBT / GRANTS			$3,225,000	

EQUITY / DEFERRED FEES	
Source	Amount
Housing Authority of Travis County	$622,363
Deferred Developer Fees	($0)
TOTAL EQUITY SOURCES	$622,363
TOTAL DEBT SOURCES	$3,225,000
TOTAL CAPITALIZATION	$3,847,363

CONDITIONS

1 Receipt and acceptance before Direct Loan Closing

a: Substantially final construction contract with Schedule of Values.

b: Updated term sheets with substantially final terms from all lenders

c: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.

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

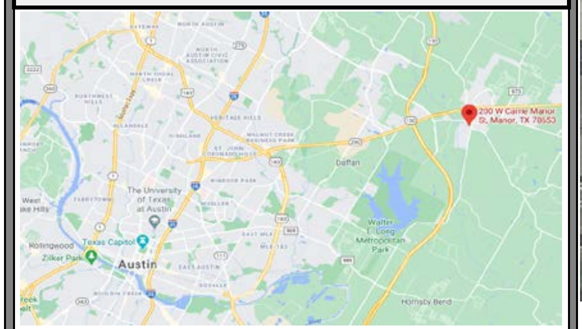
STRENGTHS/MITIGATING FACTORS

- Experienced Developer
- Low gross capture rate

WEAKNESSES/RISKS

- High Expense to Income Ratio
- Low 15-year cash flow
- Feasibility reliant on reduced management fee

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
May 5, 2021

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **20506** Program(s): **MDL**

Manor Town Phase II

Address/Location: 200 West Carrie Manor Street

City: Manor County: Travis Zip: 78653

Population: Elderly Limitation Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: Elevator Served Region: 7

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
Multifamily Direct Loan (Soft Repayable)	$3,000,000	0.00%		40	**$3,000,000**	0.00%		40	1

* Multifamily Direct Loan Terms:
* The term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).
* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS

1 Receipt and acceptance before Direct Loan Closing
 a: Substantially final construction contract with Schedule of Values.
 b: Updated term sheets with substantially final terms from all lenders
 c: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.

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 DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	18
50% of AMFI	Low HOME	2

DEVELOPMENT SUMMARY

Manor Town Apartments Phase 2 is the second phase of Manor Town Apartments built in 2006. This new construction has 20 elderly population units in a single building two-story, elevator served development. 17 units will be used for people at, or below, 30% of Area Median Family Income and 3 units will be provided for people at, or below, 50% Low HOME with no project-based rental subsidy attached to the units.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Experienced Developer
▫	Low gross capture rate
▫	

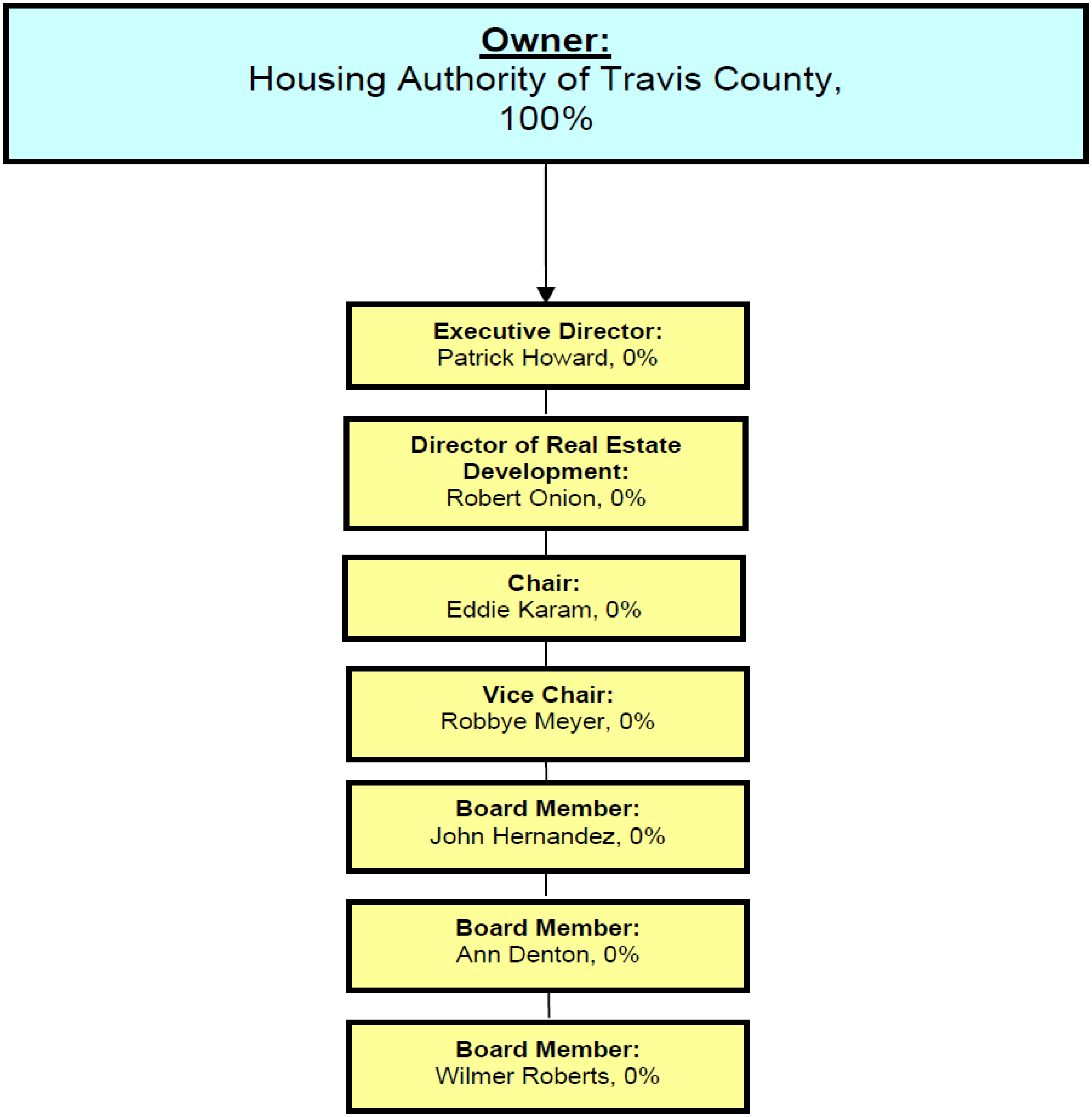
WEAKNESSES/RISKS	
▫	High Expense to Income Ratio
▫	Low 15-year cash flow
▫	Feasibility reliant on reduced management fee

DEVELOPMENT TEAM

PRIMARY CONTACTS

Name:	Robert Onion	Name:	Patrick Howard
Phone:	(512) 854-1888	Phone:	(512) 854-8245
Relationship:	Developer	Relationship:	Developer

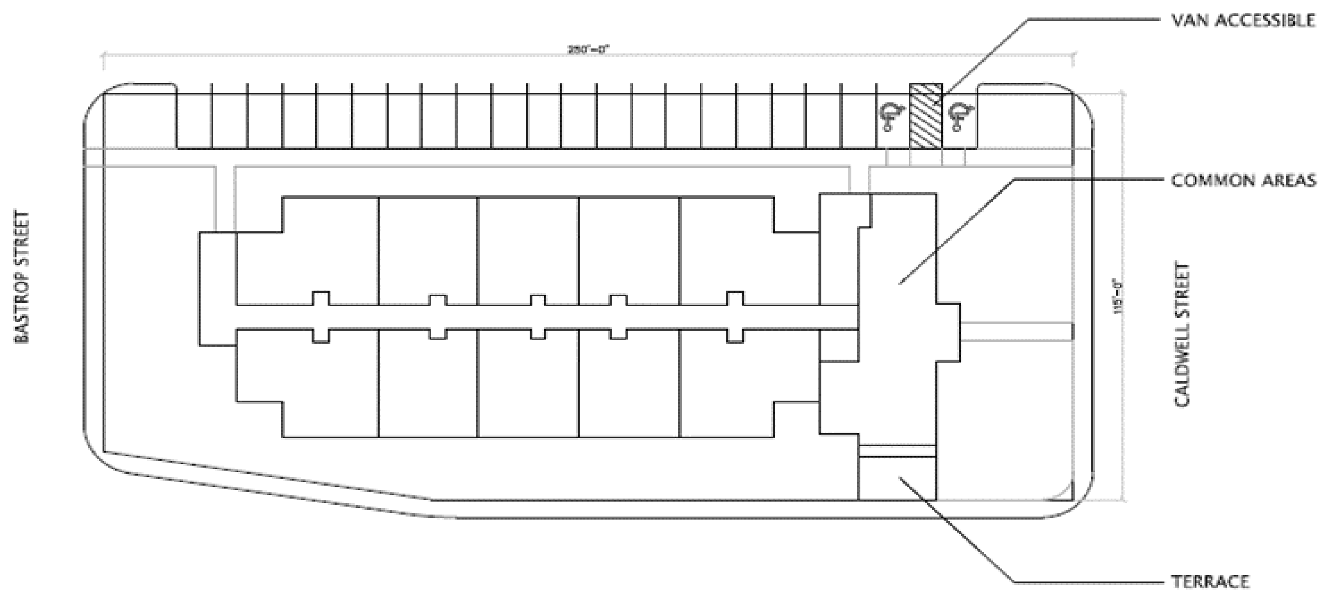
OWNERSHIP STRUCTURE



- The Housing Authority of Travis County (HATC) owns affordable family and senior developments (non-public housing) that have between 16 and 33 units. HATC currently operates and maintains 105 HUD Project Based Rental Assistance (PBRA) units and authorizes the issuance of 632 housing choice vouchers. In addition, HATC receives Continuum of Care grants from HUD to provide rental assistance to homeless individuals with disabilities and their families in connection with matching supportive services funded through other sources. https://www.hatctx.com

DEVELOPMENT SUMMARY

SITE PLAN



Comments:

The topography across the property is generally flat. The surface topography in the area adjoining the property slopes down to the west. The site will be accessed by a driveway that exists on the south side of the existing apartments and on the north side of the proposed multi-family development. The current width is 20-ft but will be widened to 26-ft as directed by Travis County Emergency Services District No. 12. The driveway connects to Caldwell Street on the east side and Bastrop Street on the west side. The parking requirement is 20 parking spaces and 22 parking spaces will be provided. Site amenities will include a clubhouse, laundry facilities, fitness center, and a mail center. Water and sanitary sewer service will be provided by the City of Manor. Detention for storm water is not required by the City, but above ground detention is planned, if needed.

BUILDING PLAN (Typical)

Comments:

General units have covered balconies, a walk-in closet , and in-unit washers and dryers. The building has an efficient plumbing run. Two units out of the total number of units will be designed for people with audio/visual/mobility impairments.

BUILDING ELEVATION

Comments:

The 20 unit development will be a single two-story building with an elevator. There will be twelve one bedroom/one-bath and eight two-bedroom/one-bath units. There is standard building articulation with a 1/2 roof pitch, composition of 87% siding and 13% fiber cement panels.

BUILDING CONFIGURATION

												Total Buildings
Building Type	1											
Floors/Stories	2											
Number of Bldgs	1											1
Units per Bldg	20											
Total Units	20											**20**

Avg. Unit Size (SF)	**769 sf**	**Total NRA (SF)**	**15,380**	**Common Area (SF)***	**6,788**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 0.7748 acres Density: 25.8 units/acre

Site Control: 0.775 **Site Plan:** 0.775 **Appraisal:** n/a **ESA:** 0.9

Control Type: Warranty Deed Executed Date: 9/10/2007

Tract 1:	0.198	acres	Cost:	$0	Seller:	Housing Authority of Travis County
Tract 2:	0.462	acres	Cost:	$0	Seller:	Housing Authority of Travis County
Tract 3:	0.1148	acres	Cost:	$18,500	Seller:	City of Manor

Development Site: 0.7748 acres Cost: N/A N/A per unit

Related-Party Seller/Identity of Interest: N/A

Comments:

The Housing Authority of Travis County has owned the property since 2007 and will develop the property, continue to own the property, manage it, and be responsible for all operations and compliance. The City of Manor is selling an existing 20-ft alley along the north side of the property to the Housing Authority of Travis County for $18,500, which is included in the total site acreage, 0.7748 acres. There are plans to widen this right-of-way to 26-ft and to connect the south side of the existing apartments to the north side of the proposed multi-family development. The transfer of ownership was approved by city council on October 7, 2020.

SITE INFORMATION

Flood Zone:	Zone X	Scattered Site?	No
Zoning:	MF-2	Within 100-yr floodplain?	No
Re-Zoning Required?	yes	Utilities at Site?	Yes
Year Constructed:	0	Title Issues?	No

Current Uses of Subject Site:

The property has been vacant and undeveloped since 2007. A concrete slab that previously held a storage building is present on the southeastern portion.

Surrounding Uses:

North: Metro Park and Ride and multi-family (owned by Housing Authority of Travis County)
West: Existing Single Family Residential
South: Existing Single Family Residential
East: Existing Single Family Residential

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: ATC Group Services LLC   Date: 10/2/2020

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

Comments:

A noise study was completed and the results were in the acceptable range for noise.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC   Date: 6/26/2020

Primary Market Area (PMA): 64 sq. miles   5 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME								
Travis County Income Limits								
HH Size		1	2	3	4	5	6	7+
30% AMGI	Min	$13,200	$13,200	$15,840	$15,840	---	---	---
	Max	$20,550	$23,450	$26,400	$29,300	---	---	---
50% AMGI	Min	$21,960	$21,960	$26,352	$26,352	---	---	---
	Max	$34,200	$39,050	$43,950	$48,800	---	---	---

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
	None					
Other Affordable Developments in PMA since 2015						
18416	Commons at Manor Village		New	Elderly Limitation	n/a	172
18420	Walnut Creek Apartments		New	General	n/a	0
19418	Bridge at Loyola Lofts		New	General	n/a	204
19441	Decker Lofts		New	General	n/a	262
20486	Old Manor Senior		New	Elderly	n/a	207
20488	Wildhorse Flats		New	General	n/a	310
Stabilized Affordable Developments in PMA					Total Units	2,963
					Total Developments	16
					Average Occupancy	96.4%

Proposed, Under Construction, and Unstabilized Competitive Supply:

18416 Commons at Manor Village and 20488 Old Manor Senior are not considered competitive deals since they are both using 60% AMGI and do not include 30% and 50% income units.

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	31,639			
Senior Households in the Primary Market Area	10,181			
Potential Demand from the Primary Market Area	3,748			
10% External Demand	375			
Potential Demand from Other Sources				
GROSS DEMAND	4,123			
Subject Affordable Units	20			
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	20			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**0.5%**			

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	1,793	179	18	0	0.9%						
50% AMGI	1,954	195	2	0	0.1%						

Demand Analysis:

Minimum eligible income is calculated at 50% rent to income for Elderly developments. Gross demand includes all household sizes and both renter and owner households. Elderly is assumed age 55 and up.

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%	590	59	11	0	1.7%						
1 BR/50%	849	85	1	0	0%						
2 BR/30%	381	38	7	0	1.7%						
2 BR/50%	738	74	1	0	0.1%						

Market Analyst Comments:

The overall occupancy reported in the market is 96%. (p. 11)

The most recently built affordable family project was Jordan at Mueller (TDHCA #17113), Jordan at Mueller, built in November 2019, has 132 units that are 100% occupied. The Terrace at Walnut Creek (TDHCA #15420), began leasing 324 units in July 2017 and is currently 97% occupied. There are currently five projects (one affordable senior, four affordable family) under construction totaling 840 units. There are also five market rate projects in planning totaling 1,432 units. There is also one affordable project in lease up with 264 units. (p.12)

Subject's "affordable" rents on a Total Rent Basis are 63% below market rents currently offered in the marketplace. (p. 14)

Revisions to Market Study:	2

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$46,203	Avg. Rent:	$588	Expense Ratio:	64.96%
Debt Service:	$0	B/E Rent:	$380	Controllable Expenses:	$3,581
Net Cash Flow:	$46,203	UW Occupancy:	92.5%	Property Taxes/Unit:	$0
Aggregate DCR:	NA	B/E Occupancy:	60.1%	Program Rent Year:	2020

There are 18 MDFL units that are restricted at 30% AMI level and underwriting assumes max program rents. There are 2 non-MFDL units that are LOW HOME units at 50% MFI, which are considered HOME match units and there is no project-based rental assistance.

The landlord will pay for water, sewer, trash expenses while the tenant will pay for all other utilities.

It is expected the Development will be exempt from property tax since the property will be owned and operated by the housing authority.

The project is underwritten with 1 unit vacant and the breakeven vacancy is 8 units (40% of the unit mix). The small number of units and the low property average income skew the breakeven calculations.

High expense-to-income ratio (64.96%) attributed to 32% property average income and per unit expenses are higher due to the smaller number of units,

Underwriter assumes Applicant's 3.2% management fee, per management fee letter.

There is no hard debt, no deferred fee and the 15-year cumulative cash flow is $692K.

Related-Party Property Management Company: Yes

Revisions to Rent Schedule:	1	Revisions to Annual Operating Expenses:	1

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	$/ac	$900/unit	**$18,000**	Contractor Fee	**$412,062**
Off-site + Site Work		$13,800/unit	**$276,005**	Soft Cost + Financing	**$376,500**
Building Cost	$164.70/sf	$126,658/unit	**$2,533,155**	Developer Fee	**$0**
Contingency	8.19%	$9,832/unit	**$196,641**	Reserves	**$35,000**
Total Development Cost	$192,368/unit	**$3,847,363**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Not Qualified

Acquisition:

The City of Manor is selling an existing 20-ft alley along the north side of the property to the developer (Housing Authority of Travis County) for $18,500.

Site Work:

Site work costs of $8k per unit cost includes: demolition, grading, paving, and utilities for the site. Site amenities of $5.7k per unit include a clubhouse with a multi-activity room and business center.

Building Cost:

Applicant's Building Cost is $2.5M ($164.70/sf, $126K/unit). The small number of units (20) and smaller unit size(average 769 sf) makes the cost to build higher than the average development, The increased lumber prices due to the pandemic is an added factor. The underwriter's estimate is based off of Marshall and Swift's average base building costs and is adjusted for these factors. With only 20 units, much of the total cost is for non-rentable area (corridors, community area, office/leasing space, etc). In this case the net rentable area is only 74% of gross building area, whereas in an average multifamily proprety of 250 units the net rentable area would average around 90-95% of gross building area.

Contingency:

Underwriter added the $89,500 soft cost contingency to total contingency. This results in contingency of 8.19%, which is abover the 7% limit.

Soft Costs:

Soft costs are at $14K/unit. There is a re-platting fee of $17k.

Reserves:

Capitalized reserves represent approximately 5 months of operating expenses.

Credit Allocation Supported by Costs:

Related-Party Contractor: TBD

Related-Party Cost Estimator: TBD

Revisions to Development Cost Schedule:	0

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
TDHCA	Deferred Forgivable	$3,000,000	0.00%	77%
Housing Authority of Travis County	Owner Cash Contribution	$655,680	0.00%	17%
TSAHC AHP Program	Direct Loan Match	$225,000	0.00%	6%
		$3,880,680	**Total Sources**	

Comments:

Applicant has requested a $3,000,000 Multifamily Direct Loan within the Soft Repayable set-aside. The loan will be deferred forgivable for 40 years at 0% interest.

Texas State Affordable Housing Corporation is providing the MDL match with the Affordable Housing Partnership in the amount of $225,000 through a 10-year deferred forgivable loan. The project will receive $75,000 for three units for a 10-year term.

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
MF Direct Loan- Deferred Forgivable	$3,000,000	0.00%	40	40	$3,000,000	0.00%	40	40	78%
TSAHC AHP Program	$225,000	0.00%	10	10	$225,000	0.00%	10	10	6%
Total	**$3,225,000**				**$3,225,000**				

Comments:

TDHCA's Multifamily Direct Loan will be used as a permanent source of funding. The term of the loan will be for 40 years at zero percent interest.

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Housing Authority of Travis County	$655,680			$622,363		16%	
Total	**$655,680**			**$622,363**			
				$3,847,363	**Total Sources**		

Comments:

The proposed transaction is over-sourced as a result of the adjustment to Contingency. The Underwriter assumes the Applicant will reduce the Owner Contribution in order to balance sources and uses.

Revisions to Sources Schedule:	0

CONCLUSIONS

Recommended Financing Structure:

	Amount	Interest Rate	Amort	Term	Lien
TDHCA Multifamily Direct Loan	**$3,000,000**	**0.00%**		**40**	**1**

Comments:

Underwriter recommends the $3,000,000 deferred forgivable Multifamily Direct Loan with a term of 40 years and 0% interest rate.

Underwriter:	*Deborah Willson*
Manager of Real Estate Analysis:	*Jeanna Adams*
Director of Real Estate Analysis:	*Thomas Cavanagh*

UNIT MIX/RENT SCHEDULE

Manor Town Phase II, Manor, MDL #20506

LOCATION DATA	
CITY:	Manor
COUNTY:	Travis
Area Median Income	$95,900
PROGRAM REGION:	7
PROGRAM RENT YEAR:	2020

UNIT DISTRIBUTION				
# Beds	**# Units**	**% Total**	**Assisted**	**MDL**
Eff	-	0.0%	0	0
1	12	60.0%	0	12
2	8	40.0%	0	8
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**20**	**100.0%**	**-**	**20**

#DIV/0!	Average Income	
Income	**# Units**	**% Total**
20%	-	0.0%
30%	-	0.0%
40%	-	0.0%
50%	-	0.0%
60%	-	0.0%
70%	-	0.0%
80%	-	0.0%
MR	-	0.0%
TOTAL	**-**	**0.0%**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	
Applicable Fraction	
APP % Acquisition	
APP % Construction	
Average Unit Size	769 sf

UNIT MIX / MONTHLY RENT SCHEDULE

TDHCA Direct Loan Program		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**
30%/30%	$550	11	1	1	687	$550	$41	$509	$0	$0.74	$509	**$5,599**	**$5,599**	$509	$0.74	$0	$1,210	$1.76	$1,210
30%/30%	$660	7	2	1	892	$660	$54	$606	$0	$0.68	$606	**$4,242**	**$4,242**	$606	$0.68	$0	$1,435	$1.61	$1,435
LH/50%	$915	1	1	1	687	$915	$41	$874	$0	$1.27	$874	**$874**	**$874**	$874	$1.27	$0	$1,210	$1.76	$1,210
LH/50%	$1,098	1	2	1	892	$1,098	$54	$1,044	$0	$1.17	$1,044	**$1,044**	**$1,044**	$1,044	$1.17	$0	$1,435	$1.61	$1,435
TOTALS/AVERAGES:		**20**			**15,380**				**$0**	**$0.76**	**$588**	**$11,759**	**$11,759**	**$588**	**$0.76**	**$0**	**$1,300**	**$1.69**	**$1,300**

ANNUAL POTENTIAL GROSS RENT:	**$141,108**	**$141,108**	

STABILIZED PRO FORMA

Manor Town Phase II, Manor, MDL #20506

	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						$0.76	$588	$141,108	$141,108	$588	$0.76		0.0%	$0
Damages, Laundry, Lease Term Fees							$4.75	$1,140						
Late Charges, App Fees, NSF Fees							$1.25	$300						
Total Secondary Income							$6.00		$1,440	$6.00			0.0%	$0
POTENTIAL GROSS INCOME								$142,548	$142,548				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(10,691)	(10,691)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$131,857	$131,857				0.0%	$0

General & Administrative	$10,775	$539/Unit	$7,961	$398	5.22%	$0.45	$344	$6,880	$6,880	$344	$0.45	5.22%	0.0%	-
Management	$10,818	5.4% EGI	$8,973	$449	3.20%	$0.27	$211	$4,219	$4,219	$211	$0.27	3.20%	0.0%	(0)
Payroll & Payroll Tax	$23,825	$1,191/Unit	$25,603	$1,280	24.32%	$2.08	$1,603	$32,063	$32,063	$1,603	$2.08	24.32%	0.0%	-
Repairs & Maintenance	$19,458	$973/Unit	$13,255	$663	10.71%	$0.92	$706	$14,120	$13,000	$650	$0.85	9.86%	8.6%	1,120
Electric/Gas	$4,105	$205/Unit	$4,513	$226	2.32%	$0.20	$153	$3,060	$4,105	$205	$0.27	3.11%	-25.5%	(1,045)
Water, Sewer, & Trash	$15,929	$796/Unit	$10,958	$548	11.76%	$1.01	$775	$15,500	$15,929	$796	$1.04	12.08%	-2.7%	(429)
Property Insurance	$6,951	$0.45 /sf	$7,344	$367	3.19%	$0.27	$210	$4,200	$4,200	$210	$0.27	3.19%	0.0%	-
Property Tax (@ 0%) 2.9659	$14,064	$703/Unit	$21,388	$1,069	0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements				$0	3.79%	$0.33	$250	$5,000	$5,000	$250	$0.33	3.79%	0.0%	-
Supportive Services				$0	0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA MDL Compliance ($34/MDL unit)				$0	0.46%	$0.04	$31	$612	$612	$31	$0.04	0.46%	0.0%	-
TOTAL EXPENSES					**64.96%**	**$5.57**	**$4,283**	**$ 85,654**	**$86,009**	**$4,300**	**$5.59**	**65.23%**	**-0.4%**	**$ (355)**
NET OPERATING INCOME ("NOI")					**35.04%**	**$3.00**	**$2,310**	**$46,203**	**$45,848**	**$2,292**	**$2.98**	**34.77%**	**0.8%**	**$ 355**

CONTROLLABLE EXPENSES		$3,581/Unit			$3,599/Unit	

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Manor Town Phase II, Manor, MDL #20506

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
CASH FLOW DEBT / GRANTS	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
MF Direct Loan- Deferred Forgivable				$0	0.00%	40	40	$3,000,000	$3,000,000	40	40	0.00%	$0		78.0%
TSAHC AHP Program				$0	0.00%	10	10	$225,000	$225,000	10	10	0.00%	$0		5.8%
				$0	**TOTAL DEBT / GRANT SOURCES**			**$3,225,000**	**$3,225,000**			**TOTAL DEBT SERVICE**	**$0**		83.8%
NET CASH FLOW		$45,848	$46,203						**APPLICANT**	**NET OPERATING INCOME**		**$46,203**	**$46,203**	**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	
Housing Authority of Travis County	Owner Cash Contribution	17.0%			$655,680	$622,363			16.2%			
Deferred Developer Fees	Deferred Developer Fees	0.0%			$0						**Total Developer Fee:**	**$0**
Additional (Excess) Funds Req'd		0.0%				($0)			0.0%			
TOTAL EQUITY SOURCES		17.0%			$655,680	$622,363			16.2%			
TOTAL CAPITALIZATION					**$3,880,680**	**$3,847,363**				**15-Yr Cash Flow after Deferred Fee:**		**$692,702**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS				TDHCA COST / BASIS ITEMS				COST VARIANCE	
				Total Costs	**Total Costs**				%	$
Land Acquisition			$ / Unit	$0	$0	$ / Unit			0.0%	$0
Right of Way Acquisition				$18,000	$18,000					$0
Off-Sites			$ / Unit	$0	$0	$ / Unit			0.0%	$0
Site Work			$8,008 / Unit	$160,155	$160,155	$8,008 / Unit			0.0%	$0
Site Amenities			$5,793 / Unit	$115,850	$115,850	$5,793 / Unit			0.0%	$0
Building Cost		$164.70 /sf	$126,658/Unit	$2,533,155	$2,415,909	$120,795/Unit	$157.08 /sf		4.9%	$117,246
Contingency			8.19%	$229,958	$188,434	7.00%			22.0%	$41,524
Contractor Fees			13.56%	$412,062	$412,062	14.31%			0.0%	$0
Soft Costs			$14,450 / Unit	$289,000	$289,000	$14,450 / Unit			0.0%	$0
Financing			$4,375 / Unit	$87,500	$87,500	$4,375 / Unit			0.0%	$0
Developer Fee		0.00%	0.00%	$0	$0	0.00%	0.00%		0.0%	$0
Reserves			5 Months	$35,000	$35,000	5 Months			0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)			$194,034 / Unit	**$3,880,680**	**$3,721,910**	$186,096 / Unit			**4.3%**	**$158,770**
Acquisition Cost				$0						
Contingency				($33,317)						
Contractor's Fee				$0						
Financing Cost										
Developer Fee				$0						
Reserves				$0						
ADJUSTED BASIS / COST			$192,368/unit	**$3,847,363**	**$3,721,910**	$186,096/unit			**3.4%**	**$125,453**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):				**$3,847,363**						

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Manor Town Phase II, Manor, MDL #20506

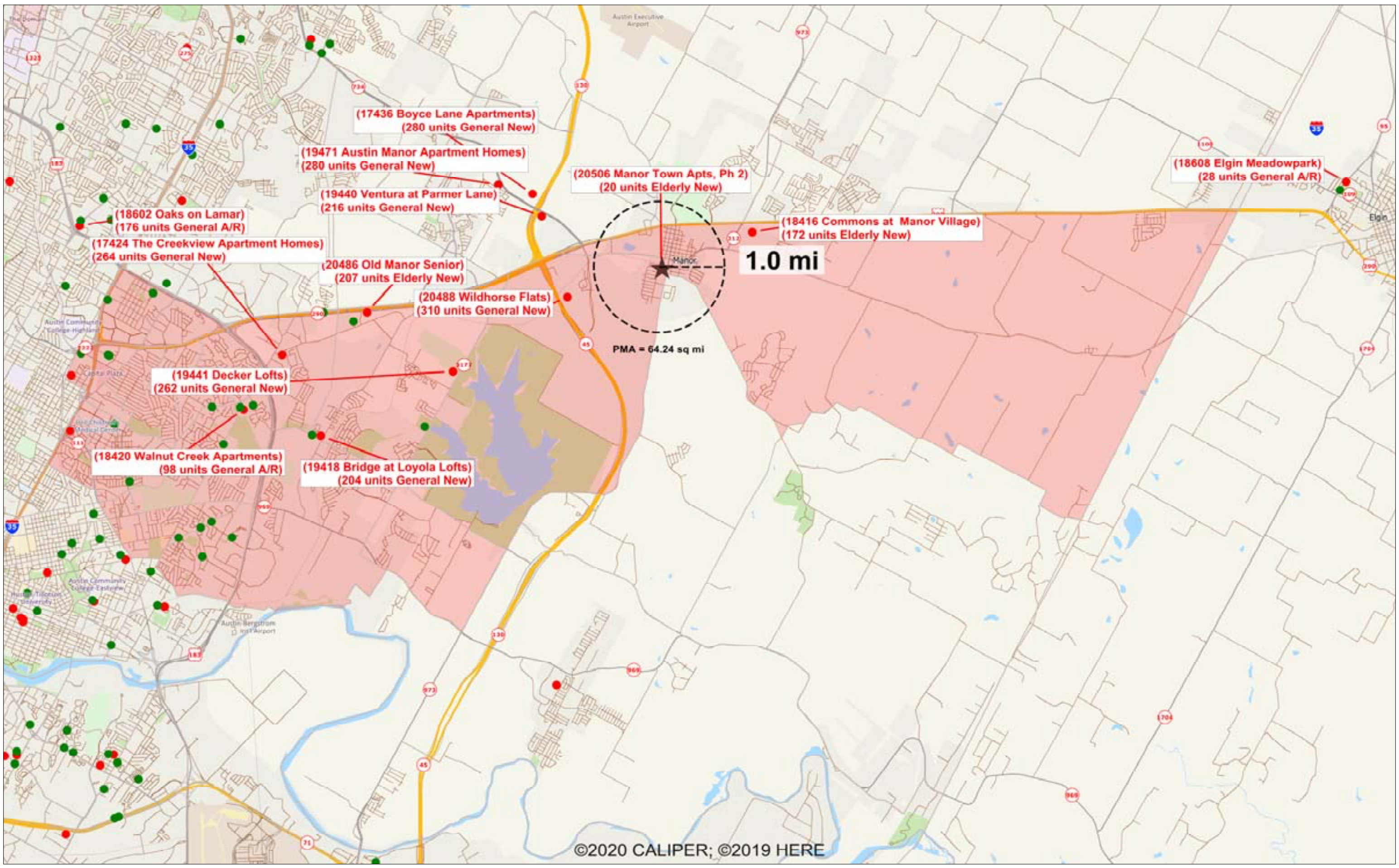
BUILDING COST ESTIMATE					
CATEGORY		**FACTOR**	**UNITS/SF**	**PER SF**	
Base Cost:	Elevator Served		15,380 SF	$138.72	2,133,495
Adjustments					
Exterior Wall Finish		0.00%		0.00	$0
Elderly		3.00%		4.16	64,005
9-Ft. Ceilings		3.00%		4.16	64,005
Roof Adjustment(s)				1.30	20,000
Subfloor				(0.93)	(14,227)
Floor Cover				2.56	39,373
Enclosed Corridors		$130.27	3,018	25.56	393,151
Balconies		$29.14	1,731	3.28	50,433
Plumbing Fixtures		$1,080	0	0.00	0
Rough-ins		$530	40	1.38	21,200
Built-In Appliances		$1,830	20	2.38	36,600
Exterior Stairs		$2,460	2	0.32	4,920
Heating/Cooling				2.34	35,989
Storage Space		$130.27	384	3.25	50,023
Carports		$12.25	0	0.00	0
Garages			0	0.00	0
Common/Support Area		$95.81	2,213	13.79	212,036
Elevators		$93,900	1	6.11	93,900
Other:				0.00	0
Fire Sprinklers		$2.59	20,995	3.54	54,377
SUBTOTAL				**211.92**	**3,259,281**
Current Cost Multiplier		1.00		0.00	0
Local Multiplier		0.87		(27.55)	(423,707)
Reserved					0
TOTAL BUILDING COSTS				**184.37**	**$2,835,574**
Plans, specs, survey, bldg permits		3.30%		(6.08)	($93,574)
Contractor's OH & Profit		11.50%		(21.20)	(326,091)
NET BUILDING COSTS			$120,795/unit	$157.08/sf	$2,415,909

Long-Term Pro Forma

Manor Town Phase II, Manor, MDL #20506

	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%	$131,857	$134,494	$137,184	$139,928	$142,726	$157,581	$173,982	$192,091	$212,084	$234,157	$258,529	$285,437
TOTAL EXPENSES	3.00%	$85,654	$88,181	$90,783	$93,463	$96,222	$111,296	$128,744	$148,942	$172,326	$199,398	$230,743	$267,038
NET OPERATING INCOME ("NOI")		**$46,203**	**$46,313**	**$46,401**	**$46,465**	**$46,504**	**$46,286**	**$45,239**	**$43,148**	**$39,758**	**$34,759**	**$27,785**	**$18,398**
EXPENSE/INCOME RATIO		65.0%	65.6%	66.2%	66.8%	67.4%	70.6%	74.0%	77.5%	81.3%	85.2%	89.3%	93.6%
ANNUAL CASH FLOW		**$46,203**	**$46,313**	**$46,401**	**$46,465**	**$46,504**	**$46,286**	**$45,239**	**$43,148**	**$39,758**	**$34,759**	**$27,785**	**$18,398**
CUMULATIVE NET CASH FLOW		$46,204	$92,517	$138,917	$185,382	$231,886	$464,044	$692,702	$913,090	$1,119,238	$1,303,744	$1,457,491	$1,569,319

20506 Manor Town Apartments Phase II PMA Map



Disclaimer: This map is not a survey. Boundaries, distance and scale are approximate only.