

# Lubbock Housing Authority

## RFP 2018-10-1: Addendum 1

### Questions

1. Do you have a CHAP approved by HUD? If so, what is the date of approval.  
**No. The Application was submitted prior to the September 4 deadline. LHA anticipates receiving the CHAP within the 60 day timeframe and stated by HUD.**
2. Can we see a copy of your application to HUD for RAD conversion?  
**Attached to this document.**
3. Your target date for tax credit application will likely not be met due to the myriad of milestones needing to be completed prior to pre-application.
4. Can we see a copy of your rent roll for all three properties? This will be helpful in gauging the level of relocation to expect as well as the number of over-incomed tenants. **These are attached to this document.**
5. Why is the property at 36 South not on HUD waiting list for RAD?  
**The 36 units at 36 South are included in the 108 unit total for Cherry Point on the RAD waiting list. The 2 properties comprise LHA's AMP 21 but should be independent of Cherry Point on the waiting list.**
6. Has the HA been in contact with local and state officials? And are they supportive of the proposed project?  
**We have been in contact with the City of Lubbock Mayor and other staff. They verbally supported the conversion**
7. Have you contacted the City? Will they provide the resolution of support and no objection to the proposed project?  
**See above. The planned activities are rehabilitation of existing properties. We anticipate no problems in obtaining a resolution of support.**
8. Are there any undesirable site characteristics that would make receiving tax credits a challenge?  
**At this time, we are not aware of any undesirable site characteristics that would make receiving tax credits a challenge; however, the role of the developer partner will be to identify any such characteristics as they could relate to both the 9% and/or 4% application processes and work with LHA to mitigate them, if required.**
9. Can we get the site addresses for each property?
  - **Cherry Point – 1932 E 19<sup>th</sup> St**
  - **96 West – 2410 Frankford Avenue**
  - **36 South – 1318 C 52<sup>nd</sup> St**
  - **Mary Myers – 5421 Utica Ave**
  - **Behner Place – 4115 36<sup>th</sup> St**

- Park Meadows 2 – 2627 Oak Drive

10. Have you conducted any preliminary Fair Housing assessments?

No. Can we see a copy of the report? NA

11. Have you conducted any preliminary scoring for the 9% tax credit application?

No. Can we see a copy of the assessment? NA

12. Have you obtained legal counsel? If so, who is it?

Yes. Coats Rose

13. Have you conducted any preliminary financial analysis of the property operations? Can we see a copy?

We conducted initial feasibility analysis for all of our sites as they related to RAD conversions, and also a specific 9% LIHTC analysis as it relates to the following sites: Cherry Point/ 36 South (combined); 36 South; and Behner Place/ Mary Meyers. Please see Attachment 3 in the LHA Feasibility Report included in this document.

14. Have you done a preliminary PCNA?

No. We currently have an RFP out for CNA services.

15. Do you have a recap on Capital Fund expenditures at the proposed sites? We do not have a summary of all

CF expenditures at this time.

16. Do you have any Energy Performance contracts on any of the proposed sites?

No

17. Do you have any unobligated Capital Funds?

Yes

18. What is the age of the three properties?

- 96 West - 1981
- Mary Myers – 1994 (60 units) and 2016 (12 units)
- Behner Place – Late 1940's
- 36 South - 1981
- Cherry Point - Late 1950's-early 1960's
- Park Meadows - 2008

19. Does LHA expect to pay for required pre-closing costs from its CFP or Reserves?

LHA has reserves and Capital Funds available for some pre-development costs, but expects that the amount and proportion of costs will be negotiated with the chosen developer partner

20. 3.3.C. Financial Statements: We are proposing a JV with another developer for which we have previously completed about 10 PHA projects. Will individual financial statements of each of the 2 entities be acceptable in lieu of audited statements? We do not prepare audited statements, only internal statements. Is that acceptable at this stage?

We will accept internal financial statements to satisfy the submission requirements of the RFP. LHA reserves the right to request additional information, clarification, bank references, etc., if necessary.

21. 3.5.4 Application Development Schedule: Has any pre-scoring of the 2019 TDHCA QAP been assessed that can be shared?

No

22. Page 4 states that the due date is October 18 at noon. However Page 7 states the due date is October 18 at 4 pm. Which time is correct? **The deadline to submit questions is at 12:00 noon on October 18. The deadline for submission of proposals in at 12:00 noon on October 29.**



# HOUSING AUTHORITY OF THE CITY OF LUBBOCK

1708 Crickets Ave Lubbock, Texas 79401 Main Office 806•762•1191

August 29, 2018

U.S. Department of Housing and Urban Development  
Office of Recapitalization  
451 7th St SW  
Washington, DC 20410  
RADapplications@hud.gov

Re: PHA Voucher Program

Dear Sir/Madam:

The Lubbock Housing Authority (PHA) currently administers a Section 8 voucher program funded by the Department of Housing and Urban Development (HUD). By this letter, PHA confirms that it will serve as the Project Based Voucher (PBV) Administrator for the proposed RAD conversion of the 96 West, 36 South, Cherry Point, Behner Place, Mary Myers and Park Meadows 2 Apartments.

Should you have any questions, please feel free to contact me at (806)776-2323.

Sincerely,

A handwritten signature in blue ink that reads "Michael A. Chapman".

Michael A. Chapman  
Executive Director

**RESOLUTION NO.**  
**TX21-18-11**

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF LUBBOCK (TX018)  
APPROVING PHA'S APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT (HUD) FOR RENTAL ASSISTANCE DEMONSTRATION (RAD)  
DISPOSITION OF 378 PUBLIC HOUSING UNITS AND CERTIFYING AN AGREEMENT  
TO COMPLY WITH ALL REQUIREMENTS OF THE PROGRAM AND PIH NOTICE 2012-  
32 AND PIH NOTICE 2017-03, REV-3

**WHEREAS**, PHA has determined that disposition of its public housing units and replacement with vouchers would allow PHA to leverage additional funding via low-income housing tax credits, private financing and other sources to rehabilitate and modernize the housing stock to the benefit of the tenants and the city/ county; and

**WHEREAS**, PHA currently operates 378 public housing units for families; and

**WHEREAS**, the RAD Program is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011); and

**WHEREAS**, the RAD Program allows public housing authorities to convert public housing subsidies into a long-term, Project-Based Section 8 rental assistance subsidy that provide a more stable and predictable annual subsidy; and

**WHEREAS**, more stable and predictable revenues would allow PHA to apply for Low-Income Housing Tax Credits and other sources of financing to fund public housing renovations if necessary; and

**WHEREAS**, PHA has contracted with EJP Consulting Group to consult and provide assistance on the structuring of PHA's application to HUD for RAD disposition; and

**WHEREAS**, PHA has determined that submitting a RAD application for 378 public housing units is financially feasible and that the preliminary financing proposal is able to meet the project's indicated needs in comparison to all costs and operating expenses involved in the conversion; and

**WHEREAS**, PHA has conducted five resident meetings and summarized the comments and responses from these meetings;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Housing Authority of the City of Lubbock hereby adopts Resolution TX21-18-09 authorizing the Executive Director the PHA to execute a RAD Program Application with the U.S. Department of Housing and Urban Development (HUD) and certifying an agreement to comply with all requirements of the program and PIH Notice 2012-32 and subsequent notices; and

**BE IT FURTHER RESOLVED** that if the RAD Program application should be approved, the Board also authorizes the execution of all applicable award agreements and the implementation of the RAD Program Plan as described in the application. The Board also authorizes the Executive Director to adjust, up to 25%, the total number of units to be disposed based on funding.

Date: August 9, 2018

LUBBOCK HOUSING AUTHORITY  
OF THE CITY OF LUBBOCK

  
\_\_\_\_\_  
Toby Cecil, Chairman

  
\_\_\_\_\_  
Mike Chapman, Secretary

**Seal**

**Rental Assistance Demonstration (RAD)  
Public Housing Program Application**

U.S. Department of HUD, Form HUD-5260

Office of Public Housing, Office of Multifamily Housing

Revision 2.0 5/15/18

OMB Approval Number 2577-0278 (Issue date 04/04/16) (Expires 04/30/19)

There are several explanation boxes that extend the full width of this form. Increase or decrease the height of the box as needed (click to the left on the horizontal line below the row number, then drag the line up or down as needed).

**Section 1: PIC Development Number and Name**

Enter the PIC Development Number and Name.

TX018000022

Behner Place / Mary Myers

Development Number

Name of Development

Housing Authority of Lubbock

Behner Place

Public Housing Agency (PHA) Name

Project name for tracking purposes

Enter the requested contact information that HUD will use for any questions about the application

Mike Chapman

Executive Director

806.776.2323

mike@lubbockha.org

PHA Contact Name

Title

Telephone Number

Email

**Section 2: Background Information on the PHA and the Project**

Was this project developed with a HOPE VI grant in the past 10 years?

No

?

Has this property been approved for Section 18 Demolition or Disposition?

No

?

Is the property subject to a Capital Fund Financing Program (CFFP), Energy Performance Contract (EPC), or repayment agreement?

CFFP

EPC

Other:

**Initial Conversion Plans**

Identify which of these items are expected to occur as part of the conversion (check all applicable):

New Construction

Rehabilitation

Transfer of Assistance (TOA)

No Rehabilitation

Type of Conversion (PBV or PBRA)

PBV (Project Based Vouchers)

?

If PBRA, is this conversion seeking a good cause Choice Mobility exemption?

?

For all conversion, a PHA must provide a RAD Information Notice to all residents prior to the resident meetings to inform residents of projects proposed for conversion of their rights in connection with a proposed conversion.

Date of RIN issuance:

6/15/2018

?

#

A PHA must provide any resident that may be displaced as a result of acquisition, rehabilitation, or demolition with a General Information Notice (GIN) detailing potential rights under the Uniform Relocation Act. The GIN may be issued simultaneous with the RIN, but no later than 30 days following the issuance of a CHAP.

Date of General Information Notice (GIN) issuance (if applicable)?

?

If awarded a CHAP, you must provide the GIN as soon as reasonable, but not later than 30 days from CHAP issuance

**Proposed Unit Bedroom Distribution Post RAD Conversion:** Identify the bedroom distribution of units to be included in your CHAP; entire should reflect the post-conversion property. (Applicants must attach a screen shot from PIC of the AMPs' Development Profile and Summary Information as evidence that the PHA currently has this number of units under ACC).

Units Converting	BEDROOM SIZE							Total Units
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR	
	0	60	42	34	6	0	0	142

*\*If units are converting from multiple PIC Development #s, complete the "Many-to-One" worksheet*

**Current Utility Allowances.** Enter the utility allowances currently in effect at the public housing project or project(s). These amounts will be included in your CHAP award if your Application is approved. If there are multiple sites covered by this application with different utility allowances, input a weighted average for the purposes of the application (but note that the RAD Conversion Commitment and subsequent PBV or PBRA HAP contract can accommodate different utility allowances for the same bedroom configuration):

Current Public Housing Utility Allowances	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR
	\$0	\$117	\$141	\$163	\$188	\$212	\$0

Check this box if the Utility Allowances shown above are weighted averages

**Overview of Proposed Conversion.** Provide a general description of the proposed conversion, including a description of the existing site(s), the general scope of work (new construction, moderate rehab, minimal rehab), whether units will be replaced on-site or off-site, major anticipated financing sources, and any other information that will help HUD to understand the conversion plan (i.e., anticipated use of FHA-insurance, 4% or 9% LIHTC, etc.). Additionally, if not all of the units at the AMP are included in the conversion provide a description of plans for the remaining units in the AMP. It is acceptable and anticipated that conversion plans will change from what is presented in this application.

Behner Place consists of 82 units in 63 single family detached and semi-detached buildings. Built in 1941, this is one of LHA's oldest properties. This property is comprised of three one bedroom units at 715 sq. ft., thirty nine two bedroom units at 802 sq. ft., thirty four three bedroom units at 1,120 sq. ft., and six four bedroom units at 1,230 sq. ft. The units are situated on 14.4 acres between 35th and 36th Streets, and on Oxford and Orlando St. Behner Place is located in middle-income census tract 0019.01, with a low poverty rate of 17.31% and a moderate minority concentration of 43.01%.

Mary Myers is a senior property comprised of 60 units in 14 row/ townhouses. This site consists of fifty-seven one bedroom units at 748 sq. ft. and three two bedroom units at 903 sq. ft. built in 1994. Located on 5.9 acres, these units are situated in census tract 0018.03, another middle-income census tract with an extremely low poverty rate of 11.01% and a minority concentration of 40.31%.

LHA is proposing to utilize a convert in place process to complete moderate to substantial rehabilitation utilizing 9% LIHTC.



**Section 3: Application Features and/or Priority Categories**

No	Is this the first Application of a Multiphase Application?	#
Yes	Is this Application part of a Portfolio Award request?	<i>Submit a Portfolio application</i>
No	Is this Application a "many-to-one" request involving units from multiple AMPs?	#
No	Is this Application part of an existing (awarded) Portfolio award?	
No	Is this Application part of an existing (awarded) Multiphase award?	
No	Was the public housing project developed through public housing mixed-finance?	#

*Complete the next section to identify whether the application qualifies for priority selection*

**Priority Categories**

*Applications are provided priority selection if they meet certain criteria for "high investment." Identify if the application meets any of the criteria below. Select only one.*

- a. Applications or Multi-phase Applications that will redevelop physically or functionally obsolete housing as evidenced by proposals involving:
  - i. Full or partial demolition of the existing project, with new construction that includes tax credit only units and/or market rate units;
  - ii. Full or partial demolition of the existing project, with new construction;
  - iii. Choice Neighborhoods Implementation grant that HUD has awarded to the subject property; or
  - iv. Projects where a majority of the units have been approved for demolition or disposition under Section
  
- b. Applications that are part of a comprehensive neighborhood revitalization plan such as:
  - i. Choice Neighborhoods Planning grant;
  - ii. Promise Zones; or
  - iii. Locally recognized neighborhood revitalization plan, as evidenced by a letter of support from the City or County government describing the commitment and backed by significant state or local financial investments (existing or committed) in the community.
  
- c. Applications that the PHA believes to be in imminent danger of losing financing if they are not provided a CHAP (e.g. as evidenced by a 9% tax credit award)

**Section 4: Required Attachments**

**The Following Must Be Attached as Part of Your Electronic Application:**

- Yes      Excel-based "Application Form"
- Yes      Board Approval (Signed PDF of Application Form. See below)
- Yes      Summary of Resident Comments and PHA Responses
- Yes      PIC Development Profile and Summary Screen Shot
- No       Evidence of eligibility for HOPE VI project
- Yes      Evidence of PHA to Administer PBV Contracts (on PHA letterhead)
- No       Evidence of Priority Category Eligibility
- No       Mixed-finance Affidavit
- No       Multiphase Worksheet
- Yes      Portfolio Application (available at [www.hud.gov/radapplication-materials](http://www.hud.gov/radapplication-materials))
- No       Many-to-One Worksheet

*The 5 attachments indicated 'Yes' above must be included in your electronic application package.*

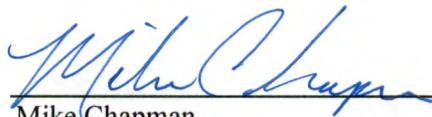
**Section 5: Certification and Board Approval**

*Complete the fields below for the signature, print this form, sign on the line provided below under the certification, and submit a PDF along with the Excel-based Application*

Print Name of Authorized Signator:	Mike Chapman
Print Title of authorized signator:	Executive Director
Date:	8/29/2018

I hereby certify to the following: (1) that I have the requisite authority to execute this application on behalf of the PHA; (2) that HUD can rely upon this certification in evaluating the Application, (3) that I acknowledge that I have read and understand Notice PIH-2012-32 (HA) H-2017-03, REV-3 (the "Notice"), which describes the Rental Assistance Demonstration (RAD) (the "Program"), and agree to comply with all requirements of the Program or Notice; (4) that all materials submitted in association with the application are accurate, complete and not misleading; (5) that, if selected for award, the owner will comply with the fair housing and civil rights requirements at 24 CFR 5.105(a) (general requirements) and will affirmatively further fair housing; (6) that there are no debarments, suspensions, or Limited Denials of Participation in Federal programs lodged against the applicant, PHA Executive Director, Board members, or affiliates; and (7) that this Board Approval Form has been approved by the Board of Commissioners on the date noted below

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 USC Sections 1001, 1010, 1012; 31 USC Sections 3729, 3802)

  
\_\_\_\_\_

Mike Chapman  
Executive Director  
Housing Authority of Lubbock

August 29, 2018

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Public Housing Program Application**

U.S. Department of HUD, Form HUD-5260

Office of Public Housing, Office of Multifamily Housing

Revision 2.0 5/15/18

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**Section 1: PIC Development Number and Name**

Enter the PIC Development Number and Name.

TX018000023

96 West

Development Number

Name of Development

Housing Authority of Lubbock

96 West

Public Housing Agency (PHA) Name

Project name for tracking purposes

Enter the requested contact information that HUD will use for any questions about the application

Mike Chapman

Executive Director

806.776.2323

mike@lubbockha.org

PHA Contact Name

Title

Telephone Number

Email

**Section 2: Background Information on the PHA and the Project**

Was this project developed with a HOPE VI grant in the past 10 years?

No

?

Has this property been approved for Section 18 Demolition or Disposition?

No

?

Is the property subject to a Capital Fund Financing Program (CFFP), Energy Performance Contract (EPC), or repayment agreement?

CFFP

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Other:

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Units Converting	BEDROOM SIZE							Total Units
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR	
	0	0	84	10	2	0	0	96

*\*If units are converting from multiple PIC Development #s, complete the "Many-to-One" worksheet*

**Current Utility Allowances.** Enter the utility allowances currently in effect at the public housing project or project(s). These amounts will be included in your CHAP award if your Application is approved. If there are multiple sites covered by this application with different utility allowances, input a weighted average for the purposes of the application (but note that the RAD Conversion Commitment and subsequent PBV or PBRA HAP contract can accommodate different utility allowances for the same bedroom configuration):

Current Public Housing Utility Allowances	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR
	\$0	\$55	\$64	\$71	\$82	\$0	\$0

Check this box if the Utility Allowances shown above are weighted averages

**Overview of Proposed Conversion.** Provide a general description of the proposed conversion, including a description of the existing site(s), the general scope of work (new construction, moderate rehab, minimal rehab), whether units will be replaced on-site or off-site, major anticipated financing sources, and any other information that will help HUD to understand the conversion plan (i.e., anticipated use of FHA-insurance, 4% or 9% LITHC, etc.). Additionally, if not all of the units at the AMP are included in the conversion provide a description of plans for the remaining units in the AMP. It is acceptable and anticipated that conversion plans will change from what is presented in this application.

96 West (AMP23) is a family property consisting of ninety six units: eighty four two bedroom units at 806 sq. ft., ten three bedroom units at 1,020 sq. ft., and two four bedroom units at 1,130 sq. ft. This development is comprised primarily of duplexes and fourplexes on 12.45 acres in middle income census tract 0017.02. The area has a low poverty rate of 15.6% and a minority concentration of 32.78%. Lubbock Housing Authority (LHA) is proposing a convert in place transaction with moderate rehabilitation funded through LHA's current Operating and Capital Fund reserves, and any gap will be filled by conventional financing.

### Section 3: Application Features and/or Priority Categories

No	Is this the first Application of a Multiphase Application?	#
Yes	Is this Application part of a Portfolio Award request?	<i>Submit a Portfolio application</i>
No	Is this Application a "many-to-one" request involving units from multiple AMPs?	#
No	Is this Application part of an existing (awarded) Portfolio award?	
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- Yes PIC Development Profile and Summary Screen Shot
- No Evidence of eligibility for HOPE VI project
- Yes Evidence of PHA to Administer PBV Contracts (on PHA letterhead)
- No Evidence of Priority Category Eligibility
- No Mixed-finance Affidavit
- No Multiphase Worksheet
- Yes Portfolio Application (available at [www.hud.gov/radapplication-materials](http://www.hud.gov/radapplication-materials))
- No Many-to-One Worksheet

*The 5 attachments indicated 'Yes' above must be included in your electronic application package.*

**Section 5: Certification and Board Approval**

*Complete the fields below for the signature, print this form, sign on the line provided below under the certification, and submit a PDF along with the Excel-based Application*

Print Name of Authorized Signator:	Mike Chapman
Print Title of authorized signator:	Executive Director
Date:	8/29/2018

I hereby certify to the following: (1) that I have the requisite authority to execute this application on behalf of the PHA; (2) that HUD can rely upon this certification in evaluating the Application, (3) that I acknowledge that I have read and understand Notice PIH-2012-32 (HA) H-2017-03, REV-3 (the "Notice"), which describes the Rental Assistance Demonstration (RAD) (the "Program"), and agree to comply with all requirements of the Program or Notice; (4) that all materials submitted in association with the application are accurate, complete and not misleading; (5) that, if selected for award, the owner will comply with the fair housing and civil rights requirements at 24 CFR 5.105(a) (general requirements) and will affirmatively further fair housing; (6) that there are no debarments, suspensions, or Limited Denials of Participation in Federal programs lodged against the applicant, PHA Executive Director, Board members, or affiliates; and (7) that this Board Approval Form has been approved by the Board of Commissioners on the date noted below

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 USC Sections 1001, 1010, 1012; 31 USC Sections 3729, 3802)



Mike Chapman  
Executive Director  
Housing Authority of Lubbock

August 29, 2018

## RAD Portfolio Application Template

PIC Dev. Num	Project Name	Units to be converted	RAD Application Submitted? (Enter Date submitted or "No")	Estimated Capital Needs	Capital Needs Per Unit	Financing Sources
TX018000023	96 West	96	9/4/2018	\$ 6,192,960.00	\$ 64,510.00	Convert in place with moderate rehabilitation funded through current Operating and Capital fund reserves and a perm loan
TX018000022	Behner Place/ Mary Myers	142	9/4/2018	\$ 9,155,734.00	\$ 64,477.00	Convert in place with moderate to substantial rehab using the 9% LiHTC program
TX018000021	Cherry Point/ 36 South	108	No	\$ 6,536,808.00	\$ 60,526.00	Convert in place with moderate to substantial rehab using the 9% LiHTC program
TX018000025	Park Meadows II	32	No	\$ 1,920,000.00	\$ 60,000.00	Convert in place with minor to moderate rehab using unrestrict funds generated from earlier phases
		378		\$ 23,805,502.00	\$ 62,977.52	



Mike Chapman  
 Executive Director  
 Lubbock Housing Authority

8-29-18

Date

## RAD Initial Resident Meetings Summary of Questions and Answers

Lubbock Housing Authority conducted five resident meetings to discuss RAD at varying times and locations to accommodate schedule and transportation limitations. Residents were offered the opportunity to attend any, or all, of these sessions.

<b>Date</b>	<b>Location</b>	<b>Time</b>	<b>Address</b>
June 26, 2018	Mary Myers Office	2:00 pm	5421 Utica Avenue
June 26, 2018	Behner Place Office	5:30 pm	4115 36th St
June 27, 2018	96 West Office	10:00 am	2410 Frankford Ave
June 27, 2018	36 South Office	2:00 pm	1318 52 <sup>nd</sup> St
June 28, 2018	Housing Authority Central Office	5:30 pm	1708 Crickets Avenue

### Agenda

- Introductions
- RAD Basics
- RAD Status
  - Currently in assessment period
- PHA RAD Projects
  - Convert in Place or Transfer of Assistance
  - Partnering with other entities
  - Change in number or configuration of units
  - De Minimus reduction of units
  - Scope of Work
- Key Resident Provisions
  - Right to return
  - Relocation is a possibility but not an inevitability
  - Rent will continue to be based on income
- Next Steps
  - Assessment
  - Conversion decision
  - Application
  - LHA will continue to communicate with residents

### Q&A Summary

During and after the presentation, residents were offered the opportunity to ask questions.



Question: When is this going to happen?

Answer: We are not sure. We are currently in the process of determining the feasibility of the RAD conversion but we are required to discuss this with tenants as part of the process in the event we do submit an application.

Question: When do we have to move? Do we start getting ready to move now?

Answer: Do not start packing. At this point we have not even submitted an application and have not been accepted for the conversion. In the event we need you to move out of your unit for RAD related activities, you will be given a written notice at least 90 days in advance.

Question: Why are you doing this?

Answer: In order to keep affordable housing in good shape for our tenants. There is not enough income from rent, subsidy and capital funds to meet the needs for the highest level of care, maintenance and upgrades on the existing housing. As the housing ages, the financial needs for maintenance increase. Unfortunately, funding is on the decline. RAD will provide alternative funding opportunities that will not only maintain the current condition but will allow us to improve the properties.

Question: What if we don't want to move when they do repairs? Can't they work around us.

Answer: If the nature of any repairs/improvements are such that a tenant's health and safety would not be jeopardized, and there is no demolition/disposition involved, we would not require a tenant to relocate. If the activities might be harmful or have an adverse effect on the tenant's, they will be required to move.

In the event that tenants are required to relocate for repairs, the move is considered temporary and they have a right to return to the property upon completion but not necessarily the same unit.

Statement: I don't want this to happen. We like things the way they are.

Answer: None of us like change. However, the changes involved with RAD will benefit the residents and staff after it is all completed. The primary goal is the long term preservation of quality housing for low-income residents.

With the ongoing trend in traditional funding reduction the Housing Authority can no longer rely on Capital Funding to meet the demands of upkeep of the properties. Currently, RAD conversion appears to be the most viable option to ensure long-term survival of the properties.

Funding changes aside, most things as you know them will remain the same. You will still have a manager, maintenance staff, annual recertifications, leases, etc.

Question: Who pays for the move?

Answer: The Housing Authority will bear the costs of the moving expenses

Question: How much will my rent increase?

Answer: The rents will continue to be based on household income so there will be no rent increase for most tenants. (currently 30%).

Question: I pay flat rent. Will my rent go up?

Answer: There is no Flat Rent provision in the voucher program. Based on your income, your rent may increase or decrease when you transition from Flat Rent to Income Based Rent.

Statement: I want my unit back, not move into a new one.

Answer: We cannot guarantee you can move back into the same unit. There are a variety of reasons for this including:

- Correcting under-housing or over-housing that existed prior to the move
- Units may change bedroom sizes due to creating additional accessible units
- Transfer of assistance

You do have the right to move back to the same development.

Question: Will I be able to smoke in my apartment when after the change?

Answer: The Housing Authority will no longer be under the federal requirement to implement non-smoking policies in Public Housing since the units will no longer be in the Public Housing program. Lubbock Housing Authority has not yet addressed the issue of keeping or abolishing this policy.

Question: What good does this change do for me?

Answer: We realize that there may be some uncertainties and inconveniences involved in this conversion. When the process is complete, the converted developments will be in better condition and the Housing Authority will be better able to maintain the units.

Question: Why are you getting rid of our housing? Are you going to tear down our housing?

Answer: We currently have no plans to demolish or sell any of the housing units. We are still in the feasibility assessment and application phases of the project. The initial intent is to move the units out of the Public Housing program and to the Project Based Voucher.

Question: If I have to move can I have the same size apartment?

Answer: Lubbock HA will make every effort to “right-size” tenants. This means matching each family to the appropriately size unit in accordance with our Occupancy Standards. If you are in the appropriately sized unit now, you will be moved into a same sized unit. If you have too many or too few persons in your unit based on our Occupancy Standards, you will be required to move into an appropriately sized unit.

# LUBBOCK HOUSING AUTHORITY

## Portfolio Analysis and Preliminary Recommendations



*Prepared by:*  
**EJP Consulting Group, LLC**  
&  
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August 29, 2018

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## Executive Summary

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### **Background**

In July 2018, the Lubbock Housing Authority (LHA) engaged EJP Consulting Group, LLC (EJP) and Praxis Consulting Group, LLC (collectively, the “EJP Team”) to provide Development and Financial Advisory Consulting Services to LHA, which is exploring the conversion of 378 public housing units across four AMPs under the HUD Rental Assistance Demonstration (RAD) program. The properties are:

Property	AMP	1BR	2BR	3BR	4BR	5BR	Total Units
Cherry Point (SS)	AMP21	0	2	52	11	7	72
36 South	AMP21	8	28	0	0	0	36
Behner Place	AMP22	3	39	34	6	0	82
Mary Myers	AMP22	57	3	0	0	0	60
96 West	AMP23	0	84	10	2	0	96
Park Meadows	AMP25	6	14	12	0	0	32
Total		74	170	108	19	7	378

Specifically, the EJP Team was initially responsible for assessing the financial feasibility of converting one or more of the AMPs to RAD.

### **Research**

The EJP Team provided LHA with an initial data request on July 2, 2018. Information requested included:

- Project name, address, unit count, unit mix, target population (i.e. family, designated elderly, elderly disabled), age of property
- Operating budgets for three years (End of year actual expenses and income)
- Utility allowances by project
- 5 year CFP Plan and/or Annual Plan
- 20 Capital Needs projection
- Public housing waiting list data
- Most recent PNA, Green PNA, energy audit, RPCA, engineering reports or comparable studies
- Most recent REAC inspections
- Occupancy data for last three years
- Comp modernization history (since 2000, if possible)
- Any available land information (address, parcel #, parcel map, acreage, title policy, deed, etc.)
- Any existing architectural (site plan, unit plans, floor plans, etc.)
- Bank balances – operating fund, CFP (unobligated), other investments or reserves
- Outstanding loan amounts and other obligations such as developer fees, etc.
- Energy Performance Contract information, if applicable
- ARRA information, if applicable
- Any recent market studies, if applicable

This information served as the foundation for a basic understanding of LHA’s current portfolio, needs, community, and agency. The initial data request was followed up with several additional requests for information throughout the assessment process. The information was subsequently compiled into data

sheets so that properties could be compared across a number of metrics including physical condition, operating revenue and cost, characteristics of the resident households, and quality of neighborhood.

### ***Financial Assessment***

Upon completion of the data analysis, the EJP Team evaluated a variety of financial models and structures to determine the feasibility and benefits to LHA of converting one or more properties through the RAD program. Our intent was to identify the most cost effective and realistic method of redeveloping/sustaining LHA's public housing portfolio utilizing programs such as RAD and the newly available 75% RAD / 25% PBV option, mixed-finance, 9% tax credits and conventional debt, tax-exempt bonds and 4% tax credits, and gap funding from a variety of sources – HOME, Federal Home Loan Bank Affordable Housing Program (AHP), etc.

### ***Final Report***

This Report is organized into four sections. In **Section One**, we provide an overview of the LHA multi-family housing portfolio based on the data described above. In **Section Two**, we discuss the Rental Assistance Demonstration (RAD) program as a financing tool in addressing the LHA's backlog of capital needs across its portfolio. In **Section Three**, we provide a series of recommendations for addressing LHA's housing portfolio, including financing strategies for rehabilitating existing properties with LHA's limited resources. Finally, in **Section Four**, we recommend some next steps for moving forward with implementation. A detailed analysis of the LHA property data and financial projections for the redevelopment of the portfolio can be found in the Attachments section at the end of this Report.

### ***Recommendations***

The EJP Team recommends that LHA take the following actions:

- I. Submit a RAD Portfolio<sup>1</sup> application for LHA's entire public housing portfolio: AMP21, AMP22, AMP23, and AMP25.
  - a. Phase I: 96 West (AMP23) – Convert in place and rehabilitate using LHA Operating and Capital Funds with conventional financing and little to no gap financing necessary
  - b. Phase II: Behner Place/ Mary Myers (AMP22) – Convert in place and rehabilitate using the 9% Low Income Housing Tax Credit (LIHTC) program
  - c. Phase III: Cherry Point/ 36 South (AMP 21) – Convert in place and rehabilitate using the 9% Low Income Housing Tax Credit (LIHTC) program
  - d. Phase IV: Park Meadows (AMP25) – Convert in place using non-restricted LHA funds earned in earlier Phases

Under this proposal, we anticipate that each unit would undergo approximately \$60k in modernization work. As this could be a substantial amount of work in each unit, LHA needs to be aware of the potential relocation needs and costs associated with the projects.

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<sup>1</sup> A PHA may apply for a Portfolio Award, which allows a PHA to reserve RAD conversion authority for a set of projects across different AMPs. In order to apply for a Portfolio Award, a PHA must submit a list of all projects proposed for a Portfolio Award and completed RAD Applications for at least 50% of the projects identified in the portfolio. The remaining RAD Applications would need to be submitted within 365 days.

## Section One: LHA Multi-Family and Scattered Site Public Housing Portfolios—Existing Conditions<sup>2</sup>

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### ***Multi-Family Public Housing Snapshot***

The multi-family public housing properties examined under this scope of work consist of four separate developments: 36 South, Behner Place, Mary Myers, and 96 West.

36 South (AMP21) consists of 36 units in 18 single story buildings on approximately 3 acres. The property, built in 1981, consists of eight one bedroom units at 806 sq. ft. and twenty-eight two bedroom units at 951 sq. ft. The units are located in a single block, bordered by 51<sup>st</sup> to the north, Avenue L to the east, 52<sup>nd</sup> St. to the south, and Avenue N to the west. These units are in Census Tract 0024.00, which is a moderate-income census tract with poverty rate of 34.25% and a high minority concentration of 86.98%.

Behner Place (AMP22) consists of 82 units in 63 single family detached and semi-detached buildings. Built in 1949, this is one of LHA's oldest properties. This property is comprised of three one bedroom units at 715 sq. ft., thirty nine two bedroom units at 802 sq. ft., thirty four three bedroom units at 1,120 sq. ft., and six four bedroom units at 1,230 sq. ft. The units are situated on 14.4 acres on 35<sup>th</sup> and 36<sup>th</sup> Streets, and on Oxford and Orlando St. Behner Place is located in middle-income census tract 0019.01, with a low poverty rate of 17.31% and a moderate minority concentration of 43.01%.

Mary Myers (AMP22) is a senior property comprised of 60 units in 14 row/ townhouses. This site consists of fifty-seven one bedroom units at 748 sq. ft. and three two bedroom units at 903 sq. ft. Forty-eight units were built in 1994, and twelve units were built in 2015. Located on 5.9 acres, these units are situated in census tract 0018.03, another middle-income census tract with an extremely low poverty rate of 11.01% and a minority concentration of 40.31%.

96 West (AMP23) is a family property consisting of ninety six units: eighty four two bedroom units at 806 sq. ft., ten three bedroom units at 1,020 sq. ft., and two four bedroom units at 1,130 sq. ft. This development consists forty-seven duplexes and two four bedroom single family homes on 12.45 acres in middle income census tract 0017.02. The area has a low poverty rate of 15.6% and a minority concentration of 32.78%.

### ***Scattered Site Public Housing Snapshot***

In addition to its multi-family public housing, LHA also owns, operates, and maintains 72 scattered site units in Cherry Point (AMP21). Seventy-two units were built during the early 1960's. This AMP includes two two bedroom units at 955 sq. ft., fifty two three bedroom units at 1110 sq. ft., eleven four bedroom units at 1225 sq. ft., and seven five bedroom units at 1330 sq. ft. These units are single family homes and are scattered across multiple streets in different neighborhoods, but all located in census tract 0009.00. This low income census tract has an extremely high minority concentration of 94.27%, and a poverty rate of 34.05%.

### ***LIHTC Mixed Finance Public Housing Snapshot***

In addition to its public housing, LHA oversees 32 units of Public Housing as part of its Park Meadows mixed-finance, Low Income Housing Tax Credit (LIHTC) development. The 32 units of public housing are comprised of six one bedroom units, fourteen two bedroom units, and twelve three bedroom units.

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<sup>2</sup> Individual property profiles can be found in Attachment 1.



### **Operating Data**

LHA staff provided the EJP Team with Year End Financial Statements for the years 2015 through 2017 for AMPS 21 - 23. We did not receive operating data for AMP25. The average operating cost per unit per year (PUPY) across the three AMPs we received information for is \$5,164.33. The average maintenance cost among the public housing properties is \$1,064.52 PUPY, which equates to approximately 21% of the total operating costs.

The average utility costs across the portfolio are \$440.52 PUPY. AMP23 utility costs are \$756.60 PUPY, which is more than double the utility costs at AMP21, which are \$319.34 PUPY and more than three times the cost of utilities at AMP22, which are \$245.63 PUPY.

**Table 1: Average Operating Income for 2016 and 2017**

<b>Year</b>	<b>HUD Net Income (Loss)*</b>
2016	\$498,556
2017	\$412,976

\*Total Across AMPs of Excess of Operating Revenue over Operating Expenses – does not include depreciation expense; all AMPs have a loss of income when depreciation expense is included.

### **Capital Need**

LHA conducted a Physical Needs Assessment (PNA) on its public housing sites (with the exception of Park Meadows II) in June 2018. We reviewed these reports to understand the magnitude of need across the LHA portfolio.

The 2018 PNA estimated \$20,733,312 in capital needs over the next 20-years across the portfolio, or an average of \$59,922.87 per unit. Based on this estimate, it would take over twenty-one years to address these needs considering LHA’s current capital fund allocation of approximately \$986,017 per year. AMP22 has the highest overall capital needs; estimated at \$9,160,363 or \$64,509 per unit. This is followed by AMP 21 which is estimated to have \$6,536,837 in capital needs or \$60,526 per unit. AMP 23 has \$5,036,113 in capital needs or \$52,460 per unit. In the next five years alone, across the portfolio, the PNA call for over \$8.5M in capital repairs. Capital needs range from replacing items at the end of their useful life to improving energy efficiency to modernizing units.

In the next Section, we provide a brief overview of the Rental Assistance Demonstration (RAD) program, which is a possible financing tool for addressing LHA’s backlog of capital needs and carrying out comprehensive revitalization for outdated properties.

## Section Two: HUD's Rental Assistance Demonstration (RAD)

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### ***Rental Assistance Demonstration (RAD)***

Under the Rental Assistance Demonstration (RAD) Final Implementation Notice, dated July 26, 2012 and revised July 2, 2013, June 15, 2015, January 12, 2017, and August 23, 2017, the U.S. Department of Housing and Urban Development (HUD) is encouraging housing authorities to rehabilitate and preserve their aging public housing developments using a variety of public and private affordable housing resources, including tax-exempt bonds supported by project-based rental assistance, Federal Low-Income Housing Tax Credits (LIHTC) and public housing capital funds.

Under RAD, PHAs are allowed to convert their existing tenant rent, operating subsidy and capital funds, allocated by development, into a stand-alone Housing Assistance Payment (HAP) contract at a published RAD rent. The RAD rent, while less than HUD Fair Market Rent (FMR), can often provide enough revenue to both operate the property and borrow funds to make capital improvements to the property, further reducing operating costs. HUD has promoted the RAD program as being revenue neutral, since the annual RAD rent equals the tenant rent and public housing operating and capital fund subsidy the PHA would have received anyway. However, unlike public housing subsidy, the RAD subsidy for a property, once locked-in, is adjusted annually by the HUD Operating Cost Adjustment Factor (OCAF). The OCAF is not subject to annual Congressional appropriations risk and pro ration.

A PHA can use RAD to:

- Carry out a “straight conversion” with no rehabilitation of a public housing property;
- Carry out moderate rehabilitation in place;
- Tear down and rebuild in place; or,
- Transfer the rental assistance and replace the public housing units on a new site or on multiple sites.

The RAD program provides flexibility to bundle rental assistance from multiple properties on one site, or to deconcentrate units across multiple sites and/or combine RAD units in a development with non-public housing units. A PHA can submit a RAD application for an individual property, for a planned multi-phase project that may consist of one or more properties, or for a “portfolio” which can include multiple AMPs up to and including a PHA’s entire inventory of public housing. Each RAD award type comes with specific performance deadlines to ensure that the limited RAD Commitment to Enter into a Housing Assistance Payments (CHAPs) are going to PHAs with viable and financeable plans to proceed.

Because the intent of the RAD program is to preserve and improve the public housing stock, a property cannot convert to RAD without a financial plan to address the projected capital needs of a property for 20 years, either through rehabilitation work up front or adequate replacement reserves in place or budgeted annually out of operations prior to conversion.

The program includes a number of regulatory protections to ensure the long-term affordability of the converted properties, including a requirement that the Project-Based Voucher (PBV) or Project-Based Rental Assistance (PBRA) contract administrator automatically renew the Housing Assistance Payment (HAP) contract upon initial expiration, which is either a 15-year or 20-year term for PBV HAP or a 20-year term for a PBRA HAP, and continue to renew it thereafter. The program also requires that the RAD Use Agreement, that can only be removed with HUD consent, be recorded against the land. In RAD

conversions, the PHA typically retains ownership of the land and control of the entity that owns the physical improvements.

The RAD program requires one-for-one replacement of all PHA units being converted. It also provides strong tenant protections, including tenant noticing and relocation requirements unique to RAD, the absolute right to return to a development if displacement is anticipated during rehabilitation and Housing Choice Mobility—the opportunity to qualify for a tenant-based voucher after residing in a development that has converted to RAD for a specified amount of time.

RAD provides a number of benefits to PHAs in the redevelopment of its aging stock, including regulatory relief from the Section 18 Disposition process. In addition, units converted under RAD that receive no other federal funding are typically exempt from federal procurement regulations 2 CFR 200, and are instead normally governed by state and local laws instead. Units converted under RAD are on longer part of the PHA's Annual Contributions Contract (ACC), and no longer required to report pursuant to HUD's Annual Plan or Capital Fund Program plans. RAD also allows the use of public housing Operating Reserves, Capital Funds, Replacement Housing Factor (RHF) funds and HUD HOME funds as development sources, which is prohibited under Conventional and Mixed-Finance public housing development rules.

RAD also presents several challenges to PHAs that do not have a track record developing and operating private and/or tax credit affordable housing. First, the tax credit development process is complex and requires a different skill set than is held by the staff of many PHAs, including real estate finance, tax credit property management and compliance, and market-driven housing development.

Conversion to RAD also results in a direct reduction in the level of funds available to the PHA to cover agency-wide overhead, since the portion of the operating subsidy and capital funds that would have gone to the PHA stays instead with the property. On the other hand, the redeveloped RAD project may throw off fees and residual cash flow to the PHA—unrestricted funds—that would not be available under conventional public housing operations. And, since the property maintains its own operating and replacement reserves, it should not be a future financial burden on the agency as a whole.

Housing Authorities who operate a Housing Choice Voucher program and convert to Project Based Vouchers under RAD will receive administrative fees that can offset the loss of Public Housing subsidy.

Initially, HUD was only authorized to issue CHAP awards under the RAD program for up to 60,000 public housing units (the "RAD Cap"), which were fully allocated on a first-come, first served basis in late 2013. In 2015, the RAD cap was increased to 185,000 units and by late 2015, these additional RAD CHAPs were allocated. In May 2017, HUD increased the cap to 225,000 units and requested that housing authorities submit a letter of interest<sup>3</sup> to reserve their place on the waiting list. In the FY 18 Appropriations Act, which was approved in March 2018, the RAD unit cap was expanded by an additional 230,000 units to 455,000 units, freeing up additional capacity with no waiting list.

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<sup>3</sup> Per PIH Notice H-2017-03, REV-3, PHAs were invited to submit a Letter of Interest to HUD that identified all the properties that the PHA proposed for conversion. Such a submission reserved the PHA's spot on the waiting list under the lowest priority category in the order in which the letter was received. In anticipation of HUD's ability to make additional awards, HUD would then notify the PHA that it must submit a complete RAD Application within 60 days of such notification or forfeit its position on the waiting list.

On March 22, 2018, HUD also issued PIH 2018-04, “Demolition and/or disposition of public housing property, eligibility for tenant-protection vouchers, and associated requirements.” The Notice makes significant policy changes to the requirements for HUD approval of applications to demolish and/or dispose of public housing property under Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) and related Tenant Protection Voucher (“TPV”) eligibility for such actions which were previously governed by PIH Notice 2012-7. Two provisions of the Notice are relevant to the current LHA Portfolio Assessment.

First, the Notice allows scattered-site properties consisting of units in non-contiguous buildings with four or fewer total units to be eligible for disposition approval and replacement with TPVs for all occupied units, even if the units do not meet the previous obsolescence threshold for disposition. (See PIH 2018-04, Section 3(A)(3)(e)).

The second provision under the new notice permits a PHA that owns and operates 50 or fewer public housing units to close out its public housing program through a disposition of these remaining units and replace the units with Tenant Protection Vouchers (TPVs) (See PIH 2018-04, Section 3(A)(3)(b)).

In 2017, LHA submitted a Letter of Interest to the RAD Program to convert 378 units. These include:

<u>Property</u>	<u>Units</u>
Cherry Point/ 36 South	108
Behner Place/ Mary Myers	142
96 West	96
Park Meadows	32
<b>Total</b>	<b>378</b>

HUD notified LHA that it has until September 4, 2018, to submit a full RAD application or relinquish its place in line for RAD conversion. This report is intended to help LHA determine which, if any, of its units listed on the RAD waitlist it will submit RAD applications for by the deadline.

In this Report, we have carried out a financial analysis of each AMP based upon its projected capital needs, its location (i.e. Is it located in a census tract that is eligible for a boost in tax credits? Is there potential for income-mixing?), its published modified 2016 RAD rent and whether it is a good candidate for redevelopment using the 9% or 4% tax credit program. This provides LHA with a better picture of the overall need for gap financing and the timing and bundling of project financings.

(See Attachments 3 and 4: “RAD Non-Leveraged and Conventional Financing Analyses” and “RAD 9% LIHTC Financial Leverage Analyses”.)

In the next section of the Report, we make a number of recommendations for addressing the LHA’s significant portfolio capital needs while utilizing a variety of financing strategies, including RAD.

### Section Three: Assessment Highlights and Recommendations for Repositioning the LHA Portfolio

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Based on our review of the property data and discussions with the LHA Executive Director and other senior staff, we have the following observations about the subject portfolio. The LHA operates a diverse portfolio, consisting of three sites of low-rise family units, a large scattered site development, and a low-rise elderly property. By its nature, scattered-site housing is a more challenging portfolio to operate and maintain well. LHA does a good job of maintaining its properties with its limited resources.

There is an estimated \$20.7 million in capital needs across the multi-family properties (an average of approximately \$59,923/unit) based on the 20-Year Capital Needs Assessments prepared by Nelrod in 2018. Based on this, it would take at least 21 years to address these needs if LHA were to rely solely on annual capital funds at their current appropriation level. While LHA has very substantial capital needs across their portfolio, they do not receive enough federal funds from HUD to address those needs. In addition, operating costs at the properties are high.

As a result of the limitations described above under the existing public housing program, all of the scenarios we studied are based on models which allow for leveraged financing. It is also important to note that the development scenarios explored below assume that the existing properties convert from public housing to project-based Section 8 under HUD's Rental Assistance Demonstration (RAD) program previously discussed. Additionally, given the current lack of development experience of LHA staff and concern with the tax credit program as a vehicle for affordable housing rehabilitation and development, LHA would need to partner with a developer familiar with affordable housing development and financing to complete the rehabilitation and new construction outlined in this report.

Finally, the LHA needs to analyze the cost and ability to relocate existing tenants during property rehabilitation and/or redevelopment. LHA does not currently have the units to support a temporary or permanent relocation of its residents to allow for any significant unit rehabilitation work. Any substantial renovation could necessitate the relocation of tenants. If relocation costs are substantial, it may impact the viability of development.

To evaluate the financial viability of redeveloping LHA's properties, each property and/or property grouping was analyzed as a rehabilitation transaction to determine the feasibility of converting under the RAD program without the need for substantial gap financing. Second, each AMP was analyzed as a 9% LIHTC transaction using the following assumptions:

- Projects would receive the modified 2016 RAD rent published by HUD for that project;
- Operating expenses decrease post-rehab based on energy efficiency improvements, systems upgrade, and other factors;
- Tax credit pricing at \$0.88;
- Whether in a Qualified Census Tract or Small Area Difficult Development Area (i.e. eligible for the 130% boost in tax credit eligible basis);
- Per project cap of \$1.5 million for 9% credits;
- Permanent debt at 35 years, 6% rate, 1.15 debt service coverage;
- Soft costs as 20% of hard costs on 9% transaction and 30% of hard costs on 4% transactions;
- Developer fee as 15% of Total Development Cost less acquisition; and
- 10%-50% deferred developer fee (exact amount indicated on each model).

Further, the following rents were used in the models:

**Table 2: LIHTC, Section 8, and Average RAD Rents**

Lubbock, Texas	1-bed	2-bed	3-bed	4-bed
LIHTC 50% AMI Rent*	\$593	\$711	\$821	\$917
2018 Section 8 Fair Market Rent	\$689	\$842	\$1,225	\$1,483

\*Source: Texas Department of Housing and Community Affairs; LIHTC Rents effective 5/1/18

**Table 3: Adjusted 2016 RAD Rents**

US Department of Housing & Urban Development (HUD) RAD Rents	Average
Modified 2016 RAD Rent – AMP21	\$636
Modified 2016 RAD Rent – AMP22	\$510
Modified 2016 RAD Rent – AMP23	\$591

These financing scenarios show that the LHA properties could leverage sufficient debt and tax credit equity to address each property’s outstanding capital needs.

**AMP21: Cherry Point/ 36 South**

This AMP is comprised of two different types of housing: 72 units of scattered site housing at Cherry Point and 36 units of low-rise multi-family housing in 36 South. The current total 20 year projected capital needs are \$6,536,837. In addition, scattered site units are typically less cost effective to manage as the units are spread across the City, and usually vary in age, design and floor plan, and component systems.

Considerations: The EJP Team reviewed whether AMP21 would be a suitable candidate for a straight RAD conversion. Based on our projections, we do not believe AMP 21 is suitable for a straight conversion unless LHA can secure additional soft funds for the project and decrease annual operating costs for this AMP.

Under a straight conversion, we estimate a financing gap of approximately \$1.975M in order to fully fund the 20-year capital needs identified by Nelrod. This assumes that the LHA would reserve \$3.22M at conversion towards meeting capital needs and generate approximately \$723,133 through replacement reserves over the 20-year project period. The \$1.975M funding shortfall would need to be filled by grant funds and/or soft debt because the AMP, using current operating costs, could not support hard debt based on the low annual net operating income generated at the property.

Additionally, based on current operating costs, even if LHA can raise the monies needed to fully fund the projected capital needs, our analysis shows that net operating income actually goes negative over time as the operating costs outpace income; this assumes income growth of 2% per year and expense growth of 3% per year. Therefore, unless the operating costs were substantially decreased – by approximately \$55,000 per year, the properties would not be self-sustaining at the current RAD rents.

We then analyzed whether AMP21 would be a viable 9% Low Income Housing Tax Credit (LIHTC) rehabilitation transaction. Using the underwriting assumptions indicated earlier in this section, this

transaction works well under the 9% LIHTC scenario with no need for gap financing. This would allow for completing all needed rehabilitation up front; which would make it more viable to reduce operating costs. For example, it would be anticipated that maintenance and utility costs would decrease due to installed energy efficiency improvements and new standardized components and systems across all units.

We also reviewed whether 36 South could be a feasible stand alone 9% LIHTC rehabilitation transaction, assuming LHA could dispose of Cherry Point, its scattered site housing, under the Section 18 demolition/disposition program. Using the same tax credit assumptions, 36 South is a viable 9% LIHTC candidate.

Both these transactions are recommended as rehabilitation projects, and under RAD, would be considered as Convert in Place transactions. LHA would have to consider the extent of rehabilitation to each unit and whether the work would require any tenant relocation, either temporary or permanent. Costs for relocation would need to be examined to estimate impacts on the viability of projects. If Cherry Point were disposed of, LHA could request Tenant Protection Vouchers for those residents and absorb those families into LHA's Housing Choice Voucher program.

***AMP22: Behner Place/ Mary Myers***

AMP22 includes one of LHA's oldest properties (Behner Place), which is a family site, and one of its newest (Mary Myers), which is designated for occupancy by elderly and disabled households. AMP22 averages the highest 20 year capital need per unit at \$64,510 or nearly \$9.2M total.

Considerations: We first reviewed whether AMP22 could be a candidate for a straight RAD conversion.

Under a straight conversion, we estimate a financing gap of approximately \$2.14M in order to fully fund the 20-year capital needs identified by Nelrod. This assumes that the LHA would reserve \$3.3M at conversion towards meeting capital needs and the properties generate approximately \$2.85M through replacement reserves over the 20-year project period. The \$2.14M funding shortfall would need to be filled by grant funds and/or soft debt because the AMP, using current operating costs, could not support hard debt based on the decreasing annual net operating income generated at the property. AMP22 has the lowest operating costs of all the AMPs at \$4,179 per unit annually, and would generate positive cash flow over the initial twenty year period.

Given the high number of units in this AMP, we then analyzed this transaction as a 4% LIHTC/ tax-exempt bond transaction utilizing a new financing structure offered under the RAD program in which 75% of the units would receive the RAD rents, and 25% of the units would be eligible for project-based Section 8 using Fair Market rents. This structure can only be used in conjunction with a 4% LIHTC/tax-exempt bond financing to help fill the gap created by the lower equity raise. However, in this scenario, the equity raised through the 4% tax credit is too low to support a bond transaction even with the higher Fair Market rents and the result is a financing gap of over \$4.8M, which makes this transaction unfeasible.

Further, neither of these properties would lend themselves to demolition/disposition under the new HUD regulations due to the fact that neither property is a scattered site, neither property is under 50 units, and the Nelrod GPNA indicated that the estimated capital needs did not exceed the HUD HCC and TDC limits.

For these reasons, we also reviewed AMP22 to determine the feasibility as a RAD Convert in Place rehabilitation utilizing 9% LIHTC. Using the same tax credit assumptions as in AMP21, we determined that AMP22 would work well as a 9% transaction and, therefore, recommend proceeding in this way.

**AMP23: 96 West**

AMP23 is LHA’s only single site Public Housing AMP. This site has the lowest amount of 20 year capital need at \$52,460 per unit, and a relatively low immediate capital need of \$11,153.00.

Considerations: Based on our estimated pro forma, this site has the best cash flow of all three AMPs when considering a RAD conversion. The site could work as a straight conversion, but LHA would have to take the following steps:

- Reduce operating expenses by approximately 30% (30% reduction in utilities and maintenance – which could be achievable after renovation – and 20% reduction in administration)
- LHA would also have to commit all their existing reserves to this property and contribute \$464,971 in other capital, operating, or soft funds (for example HOME or AHP)

Based on reduced operating costs, LHA could support a conventional perm loan of approximately \$2.1M with annual debt service of \$126,000 assuming a loan at 6% interest and a 35-year amortization. The permanent loan could be further reduced by accessing additional soft funding, for example, Federal Home Loan Bank Affordable Housing Program funds. Assuming LHA can reduce operating expenses and commit its existing reserves to this AMP as part of the conversion, we recommend converting AMP 23 as a straight conversion.

Considering all of the above, as well as LHA’s stated concerns with the LIHTC program, the EJP Team presents the recommendations described below to address the LHA properties. In Section 4, we also provide a series of next steps for consideration by LHA to implement these recommendations.

**Recommendations**

Submit a Portfolio RAD Application for all AMPs per the following phases. The first two phases of the RAD Application under a Portfolio Application are to be submitted by the September 4, 2018 deadline and then LHA would have another year to further refine the second two phases and submit the RAD Application for those.

**Phase I:** Convert in Place transaction with moderate rehabilitation funded through LHA’s current Operating and Capital Fund reserves, as well as a permanent financing.  
**AMP23**  
**96 West**  
(Convert in Place)

**Phase II:** Convert in Place transaction with moderate to substantial rehabilitation utilizing the 9% LIHTC program.  
**AMP22**  
**Behner Place/ Mary Myers**  
(9% LIHTC)



**Phase III:**  
**AMP21**  
**Cherry Point/ 36 South**  
(9% LIHTC)

For Phase III, we recommend including the entire AMP; however, Cherry Point could potentially be disposed of under the new Section 18 regulations for scattered sites. Disposition under the Section 18 regulations could be extremely beneficial in one of two ways:

- a. If LHA disposed of the units to a third party, LHA could request Tenant Protection Vouchers for all current Cherry Point residents. In addition, any proceeds received from the disposition could be used to facilitate the conversion of the other properties.
- b. If LHA disposed of the units to an instrumentality of the agency, LHA could still request Tenant Protection Vouchers for the residents, project-base those vouchers to the units, and be eligible to receive Fair Market rents rather than lower RAD rents. This would help generate more income at the property to fund the needed capital repairs and help keep the property sustainable over time.

We recommend if LHA is considering this option, LHA should begin the demolition/ disposition process as soon as possible to ensure that an approval and subsequent sale could be realized before the beginning of Phase II above. If Cherry Point was approved for disposition, LHA could request that HUD then amend the AMP 21 CHAP and remove Cherry Point. LHA would then proceed with 36 South as a stand-alone 9% LIHTC transaction.

**Phase IV:**  
**Park Meadows**  
(Convert in Place)

We are proposing Park Meadows as the final phase in the RAD conversion process to keep the RAD option open. However, this property could potentially also be disposed of under the new Section 18 disposition regulations noted earlier. Disposition under the Section 18 regulations would provide for a higher revenue stream for these units, as the payment standard used for these vouchers is the Fair Market Rent (FMR) for the jurisdiction. Disposition of Park Meadows would fall under the 50 units or less category and would only meet that criteria once all other Public Housing units have been converted through RAD and removed from the Annual Contributions Contract (ACC).

## Section Four: Next Steps

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**One:** The recommendations above were based on conversations with LHA Executive Director and LHA senior staff. These recommendations should be reviewed with the LHA Board of Commissioners to confirm this is the direction LHA wants to move. If confirmed, these recommendations should be used as LHA's road map to guide future strategies.

**Two:** Because most of the recommendations will directly impact families living in LHA units, it will be important to develop a strong communications strategy as LHA moves forward. LHA should ensure ongoing communications about efforts to preserve, stabilize and potentially expand its portfolio over the long term with its residents and the broader community. This includes communicating with residents about potential impacts on individual households, particularly for relocation and potential re-occupancy. Relocation could be a significant challenge for LHA as it moves forward, so LHA should develop a strategic relocation plan and ensure sufficient resources including physical units (whether LHA owned or owned by others), tenant protection vouchers (TPVs), if available, and funds to pay moving costs, utility costs, deposits and staff, etc. are or will be available. This may require LHA to procure a relocation specialist to help draft and develop a relocation plan. LHA should communicate its plans extensively with its residents and stakeholders.

**Three:** The PHA Annual Plan must be updated to reflect the agreed upon strategies for consistency with future HUD required approvals and funding competitions. The same should be done for City/County Comprehensive Plans and any other planning documents.

**Four:** Each of the recommendations will take significant time and resources to move forward. LHA should immediately begin the process of procuring a development partner with whom they can build a relationship with and that has the capacity and experience to assist LHA with the redevelopment of these sites. In addition, LHA should procure specialized assistance from firms that represent LHA's best interests and are not a party to the ownership or revenue sharing of any future projects.

## **Attachments**

**Attachment 1: At a Glance Property Profiles**

**Attachment 2: RAD Convert in Place Analyses**

**Attachment 3: RAD 9% LIHTC Financial Leverage Analyses**

**Attachment 4: PHA Development Models**

**Attachment 5: HUD's rules governing PHA Instrumentalities and Affiliates**

## **Attachment 1: At a Glance Property Profiles**

**Cherry Point/ 36 South**  
**Lubbock Housing Authority**  
**Public Housing Properties - AMP 21**



# Cherry Point/ 36 South

## Lubbock Housing Authority

### Public Housing Properties - AMP 21

#### PROJECT CHARACTERISTICS

AMP	TX018000021 (Cherry Point)
Address	Various Addresses
City	Lubbock
Zip Code	79403
Year Built	1960
Building Type	Single family detached - scattered sites
Development Type	Family
Acreage	N/A
Units Per Acre	N/A

#### NEIGHBORHOOD DEMOGRAPHICS

Census Tract	0009.00
QCT or DDA?	Y
<b>Housing &amp; Income</b>	
Median Family Income	\$29,397
% Median Income	46.81%
Tract Minority %	94.27%
Tract Income Level	Low
% Below Poverty Line	34.05%
% Owner Occupied	45.41%
Median Housing Age	47
<b>Race/Ethnicity</b>	
Tract Population	4429
Non-Hispanic White Population	6%
American Indian Population	0%
Asian/Hawaiian/Pacific Islander Population	0%
Black Population	44%
Hispanic Population	47%
Other/Two or More Races Population	2%

#### CAPITAL NEEDS

Average Vacancy Rate	8.33%
Age of Property	58 Years
Total Needs	\$4,357,891
Total Needs Per Unit	\$60,526.27
Total CFP 5-Year Action Plan	\$1,340,953

#### REAC SCORES

2015	97b
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#### UNIT MIX & SQUARE FOOTAGES

0-bdrm	0	0
1-bdrms	0	0
2-bdrms	2	955
3-bdrms	52	1110
4-bdrms	11	1225
5-bdrms	7	1330
Total Units/ Wt. Avg. SF:	72	1145

# Cherry Point/ 36 South

## Lubbock Housing Authority

### Public Housing Properties - AMP 21

#### PROJECT CHARACTERISTICS

AMP	TX018000021 (36 South)
Address	1300 Block of 51st. And 52nd St.
City	Lubbock
Zip Code	79412
Year Built	1981
Building Type	Walk Up/ Multi-family
Development Type	Family
Acreage	3
Units Per Acre	12.000

#### NEIGHBORHOOD DEMOGRAPHICS

Census Tract	0024.00
QCT or DDA?	N
<b>Housing &amp; Income</b>	
Median Family Income	\$35,061
% Median Income	55.83%
Tract Minority %	86.98%
Tract Income Level	Moderate
% Below Poverty Line	34.25%
% Owner Occupied	46.10%
Median Housing Age	54
<b>Race/Ethnicity</b>	
Tract Population	7067
Non-Hispanic White Population	13%
American Indian Population	1%
Asian/Hawaiian/Pacific Islander Population	0%
Black Population	10%
Hispanic Population	74%
Other/Two or More Races Population	2%

#### CAPITAL NEEDS

Average Vacancy Rate	8.33%
Age of Property	37 Years
Total Needs	\$2,178,946
Total Needs Per Unit	\$60,526.27
Total CFP 5-Year Action Plan	\$1,340,953

#### REAC SCORES

2015	97b
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#### UNIT MIX & SQUARE FOOTAGES

0-bdrm	0	0
1-bdrms	8	806
2-bdrms	28	951
3-bdrms	0	0
4-bdrms	0	0
5-bdrms	0	0
Total Units/ Wt. Avg. SF:	36	919

# Cherry Point/ 36 South

## Lubbock Housing Authority

### Public Housing Properties - AMP 21

#### Property Demographic Data

##### Household Members by Age (Per PIC)

Age 0-5 years	17.31%
Age 6-17 years	46.43%
Age 18-50 years	28.57%
Age 51-61 years	3.85%
Age 62-82 years	3.02%
Age 82+ years	0.82%

##### Gender (HOH)

Male	12.62%
Female	87.38%

##### Disabled

Yes	28.16%
No	71.84%

##### Race

American Indian/Alaskan Native	0.00%
Asian	0.00%
Black/African American	42.00%
Black/African American, Multi-Racial	0.00%
Black/African, Native Hawaiian/Other Pacific Islander	0.00%
Declined to Report	0.00%
Declined to Report, White	0.00%
Multi-Racial	0.00%
Native Hawaiian/Other Pacific Islander	0.00%
Other	0.00%
White	58.00%
White, Asian	0.00%
White, Black/African American	0.00%
White, Native Hawaiian/Other Pacific Islander	0.00%
White, Other	0.00%

##### Ethnicity

Hispanic	47.00%
Non-Hispanic	53.00%

##### Income Type

Alimony	0.00%
Business	0.00%
Child Support	0.00%
General Assistance	0.00%
Medical Reimbursement	0.00%
Other Non Wage	49.00%
Social Security/ SSI/ Pension	39.00%
TANF	21.00%
Unemployment	0.00%
Wages and Salary	37.00%

##### Distribution of Annual Income

\$0	0.00%
\$1-\$5,000	20.00%
\$5,001-\$10,000	31.00%
\$10,001-\$15,000	17.00%
\$15,001-\$20,000	12.00%
\$20,001-\$25,000	11.00%
Above \$25,000	9.00%



## Cherry Point/ 36 South Lubbock Housing Authority Public Housing Properties - AMP 21

Year	2015	2016	2017	Average
<b>Summary Income</b>				
Tenant Revenue	167,668	203,758	189,479	186,968
Revenue HUD Grant	532,006	565,681	642,753	580,147
Other Project Income	35,714	1,757	7,274	14,915
<b>Total Project Revenue</b>	<b>735,388</b>	<b>771,196</b>	<b>839,506</b>	<b>782,030</b>
<b>Summary Expenses</b>				
Administrative & Payroll	245,823	300,599	387,072	311,165
Resident Services	1,643	1,509	113	1,088
Fees	53,945	63,440	81,891	66,425
Utilities	31,559	33,620	38,287	34,489
Maintenance & Repair	117,258	100,291	137,129	118,226
Taxes & Insurance	84,175	120,712	87,566	97,484
<b>Total Operating Expenses</b>	<b>534,403</b>	<b>620,171</b>	<b>732,058</b>	<b>628,877</b>
<b>Net Operating Income</b>	<b>200,985</b>	<b>151,025</b>	<b>107,448</b>	<b>153,153</b>
<b>Income PUPM</b>				
Tenant Share of Rent PUPM	194	236	219	216
Revenue HUD Grant PUPM	616	655	744	671
<b>Total Revenue PUPM</b>	<b>810</b>	<b>891</b>	<b>963</b>	<b>888</b>
<b>Costs PUPY</b>				
Admin Cost Per Unit	2,276	2,783	3,584	2,881
Resident Services Cost Per Unit	15	14	1	10
Fees Cost Per Unit	499	587	758	615
Utilities Cost Per Unit	292	311	355	319
Maintenance & Repair Cost per Unit	1,086	929	1,270	1,095
Taxes & Insurance Cost Per Unit	779	1,118	811	903
<b>Operating Costs Per Unit</b>	<b>4,948</b>	<b>5,742</b>	<b>6,778</b>	<b>5,823</b>

<b>Avg RAD Rent:</b>	<b>2016 Adj. RAD Rent:</b>
	\$664

# Cherry Point (Scattered Sites)

## Lubbock Housing Authority Portfolio Assessment Public Housing Properties

### Addresses

1920 E. Auburn	1712 E. 2nd Street
1705 E. Cornell	1815 E. 2nd Street
1811 E. 1st Street	2618 E. Auburn
1813 E. 1st Street	2910 E. Auburn
1830 E. 1st Street	2917 E. Auburn
1834 E. 1st Street	2913 E. Bates
1901 E. 1st Street	3404 E. Bates
1907 E. Cornell	3423 E. Bates
1913 E. 1st Street	2938 E. Baylor
1914 E. 1st Street	3307 E. Baylor
1915 E. 1st Street	3408 E. Baylor
1810 1st Place	3424 E. Baylor
1819 1st Place	3426 E. Baylor
1820 1st Place	1831 E. Brown
1824 1st Place	1908 E. Brown
2906 E. Auburn	1828 E. Colgate
2904 E. Bates	1912 E. Colgate
2911 E. Bates	3417 E. Colgate
2912 E. Bates	3419 E. Colgate
2918 E. Bates	3422 E. Colgate
2919 E. Bates	3423 E. Colgate
3301 E. Bates	3502 E. Colgate
3313 E. Baylor	2635 E. Cornell
1909 E. Brown	1714 E. Amherst
1707 E. Colgate	1823 E. Amherst
1807 E. Colgate	1924 E. Auburn
1903 E. Colgate	2913 E. Auburn
3410 E. Colgate	2925 E. Auburn
3421 E. Colgate	2931 E. Bates
3504 E. Colgate	3305 E. Bates
1740 E. Cornell	3426 E. Bates
2608 E. Cornell	3409 E. Baylor
2620 E. Cornell	3414 E. Baylor
2631 E. Cornell	3417 E. Baylor
3314 E. Cornell	3304 E. Colgate
1917 1st Place	1914 E. Cornell

**Behner Place/ Mary Myers  
Lubbock Housing Authority  
Public Housing Properties - AMP 22**



# Behner Place/ Mary Myers

## Lubbock Housing Authority

### Public Housing Properties - AMP 22

#### PROJECT CHARACTERISTICS

AMP	TX018000022 (Behner Place)
Address	4100 and 4200 blocks of 35th and 36th St.
City	Lubbock
Zip Code	79401
Year Built	1941
Building Type	Single family detached and semi-detached
Development Type	Family
Acreage	14.4
Units Per Acre	5.694

#### NEIGHBORHOOD DEMOGRAPHICS

Census Tract	0019.01
QCT or DDA?	N
<b>Housing &amp; Income</b>	
Median Family Income	\$56,884
% Median Income	90.58%
Tract Minority %	43.01%
Tract Income Level	Middle
% Below Poverty Line	17.31%
% Owner Occupied	59.77%
Median Housing Age	58
<b>Race/Ethnicity</b>	
Tract Population	5234
Non-Hispanic White Population	57%
American Indian Population	0%
Asian/Hawaiian/Pacific Islander Population	0%
Black Population	10%
Hispanic Population	32%
Other/Two or More Races Population	1%

#### CAPITAL NEEDS

Average Vacancy Rate	8.33%
Age of Property	77 Years
Total Needs	\$5,289,787
Total Needs Per Unit	\$64,509.60
Total CFP 5-Year Action Plan	\$1,340,953

#### REAC SCORES

2015	97b
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#### UNIT MIX & SQUARE FOOTAGES

0-bdrm	0	0
1-bdrms	3	715
2-bdrms	39	802
3-bdrms	34	1120
4-bdrms	6	1230
5-bdrms	0	0
Total Units/ Wt. Avg. SF:	82	962

# Behner Place/ Mary Myers

## Lubbock Housing Authority

### Public Housing Properties - AMP 22

#### PROJECT CHARACTERISTICS

AMP	TX018000022 (Mary Myers)
Address	5421 Utica Avenue
City	Lubbock
Zip Code	79414
Year Built	1994
Building Type	Walk-up Multi-family; Row/ Townhouse; SF Semi-detached
Development Type	Family
Property Amenities	
Acreage	
Units Per Acre	#DIV/0!

#### NEIGHBORHOOD DEMOGRAPHICS

Census Tract	0018.03
QCT or DDA?	N
<b>Housing &amp; Income</b>	
Median Family Income	\$53,349
% Median Income	84.95%
Tract Minority %	40.31%
Tract Income Level	Middle
% Below Poverty Line	11.01%
% Owner Occupied	41.22%
Median Housing Age	38
<b>Race/Ethnicity</b>	
Tract Population	5178
Non-Hispanic White Population	60%
American Indian Population	2%
Asian/Hawaiian/Pacific Islander Population	0%
Black Population	15%
Hispanic Population	22%
Other/Two or More Races Population	2%

#### CAPITAL NEEDS

Average Vacancy Rate	8.33%
Age of Property	24 Years
Total Needs	\$3,870,576
Total Needs Per Unit	\$64,509.60
Total CFP 5-Year Action Plan	\$1,340,953

#### REAC SCORES

2015	97b
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#### UNIT MIX & SQUARE FOOTAGES

0-bdrm	0	0
1-bdrms	57	748
2-bdrms	3	903
3-bdrms	0	0
4-bdrms	0	0
5-bdrms	0	0
Total Units/ Wt. Avg. SF:	60	756

# Behner Place/ Mary Myers

## Lubbock Housing Authority

### Public Housing Properties - AMP 22

#### Property Demographic Data

##### Household Members by Age (Per PIC)

Age 0-5 years	20.00%
Age 6-17 years	27.00%
Age 18-50 years	26.00%
Age 51-61 years	5.00%
Age 62-82 years	19.00%
Age 82+ years	2.00%

##### Gender

Male	20.71%
Female	79.29%

##### Disabled

Yes	31.43%
No	68.57%

##### Race

American Indian/Alaskan Native	0.00%
Asian	1.00%
Black/African American	28.00%
Black/African American, Multi-Racial	0.00%
Black/African, Native Hawaiian/Other Pacific Islander	0.00%
Declined to Report	0.00%
Declined to Report, White	0.00%
Multi-Racial	0.00%
Native Hawaiian/Other Pacific Islander	0.00%
Other	0.00%
White	70.00%
White, Asian	1.00%
White, Black/African American	1.00%
White, Native Hawaiian/Other Pacific Islander	0.00%
White, Other	0.00%

##### Ethnicity

Hispanic	49.00%
Non-Hispanic	51.00%

##### Income Type

Alimony	0.00%
Business	0.00%
Child Support	0.00%
General Assistance	0.00%
Medical Reimbursement	0.00%
Other Non Wage	21.00%
Social Security/ SSI/ Pension	61.00%
TANF	1.00%
Unemployment	0.00%
Wages and Salary	43.00%

##### Distribution of Annual Income

\$0	0.00%
\$1-\$5,000	4.00%
\$5,001-\$10,000	35.00%
\$10,001-\$15,000	26.00%
\$15,001-\$20,000	14.00%
\$20,001-\$25,000	9.00%
Above \$25,000	13.00%

**Behner Place/ Mary Myers**  
**Lubbock Housing Authority**  
**Public Housing Properties - AMP 22**

Year	2015	2016	2017	Average
<b>Summary Income</b>				
Tenant Revenue	262,752	266,158	304,529	277,813
Revenue HUD Grant	1,445,265	661,471	704,721	937,152
Other Project Income	1,210	1,189	899	1,099
<b>Total Project Revenue</b>	<b>1,709,227</b>	<b>928,818</b>	<b>1,010,149</b>	<b>1,216,065</b>
<b>Summary Expenses</b>				
Administrative & Payroll	206,344	217,476	304,421	242,747
Resident Services	3,816	6,597	2,944	4,452
Fees	36,755	42,476	87,921	55,717
Utilities	34,179	34,505	35,954	34,879
Maintenance & Repair	118,559	89,887	158,504	122,317
Taxes & Insurance	114,411	158,381	127,039	133,277
<b>Total Operating Expenses</b>	<b>514,064</b>	<b>549,322</b>	<b>716,783</b>	<b>593,390</b>
<b>Net Operating Income</b>	<b>1,195,163</b>	<b>379,496</b>	<b>293,366</b>	<b>622,675</b>
<b>Income PUPM</b>				
Tenant Share of Rent PUPM	267	270	309	282
Revenue HUD Grant PUPM	1,469	672	716	952
<b>Total Revenue PUPM</b>	<b>1,736</b>	<b>943</b>	<b>1,026</b>	<b>1,235</b>
<b>Costs PUPY</b>				
Admin Cost Per Unit	1,453	1,532	2,144	1,709
Resident Services Cost Per Unit	27	46	21	31
Fees Cost Per Unit	259	299	619	392
Utilities Cost Per Unit	241	243	253	246
Maintenance & Repair Cost per Unit	835	633	1,116	861
Taxes & Insurance Cost Per Unit	806	1,115	895	939
<b>Operating Costs Per Unit</b>	<b>3,620</b>	<b>3,868</b>	<b>5,048</b>	<b>4,179</b>

<b>Avg RAD Rent:</b>	<b>2016 Adj. RAD Rent:</b>
	<b>\$510</b>

**96 West**  
**Lubbock Housing Authority**  
**Public Housing Properties - AMP 23**





# 96 West

## Lubbock Housing Authority

### Public Housing Properties - AMP 23

#### PROJECT CHARACTERISTICS

AMP	TX018000023
Address	2410 Frankford Ave
City	Lubbock
Zip Code	79407
Year Built	1982
Building Type	Walk-up/ Multi-family
Development Type	Family
Acreage	12.5
Units Per Acre	7.680

#### NEIGHBORHOOD DEMOGRAPHICS

Census Tract	0017.02
QCT or DDA?	N
<b>Housing &amp; Income</b>	
Median Family Income	\$53,204
% Median Income	84.72%
Tract Minority %	32.78%
Tract Income Level	Middle
% Below Poverty Line	15.60%
% Owner Occupied	39.88%
Median Housing Age	40
<b>Race/Ethnicity</b>	
Tract Population	4844
Non-Hispanic White Population	67%
American Indian Population	1%
Asian/Hawaiian/Pacific Islander Population	1%
Black Population	8%
Hispanic Population	22%
Other/Two or More Races Population	1%

#### CAPITAL NEEDS

Average Vacancy Rate	8.33%
Age of Property	36 Years
Total Needs	\$5,036,113
Total Needs Per Unit	\$52,459.51
Total CFP 5-Year Action Plan	\$1,340,953

#### REAC SCORES

2015	97b
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#### UNIT MIX & SQUARE FOOTAGES

0-bdrm	0	0
1-bdrms	0	0
2-bdrms	84	806
3-bdrms	10	1020
4-bdrms	2	1130
5-bdrms	0	0
Total Units/ Wt. Avg. SF:	96	835

**96 West**  
**Lubbock Housing Authority**  
**Public Housing Properties - AMP 23**

**Property Demographic Data**

**Household Members by Age (Per PIC)**

Age 0-5 years	24.00%
Age 6-17 years	25.00%
Age 18-50 years	39.00%
Age 51-61 years	6.00%
Age 62-82 years	6.00%
Age 82+ years	0.00%

**Gender**

Male	8.70%
Female	91.30%

**Disabled**

Yes	25.00%
No	75.00%

**Race**

American Indian/Alaskan Native	0.00%
Asian	0.00%
Black/African American	41.00%
Black/African American, Multi-Racial	0.00%
Black/African, Native Hawaiian/Other Pacific Islander	0.00%
Declined to Report	0.00%
Declined to Report, White	0.00%
Multi-Racial	0.00%
Native Hawaiian/Other Pacific Islander	0.00%
Other	0.00%
White	59.00%
White, Asian	0.00%
White, Black/African American	0.00%
White, Native Hawaiian/Other Pacific Islander	0.00%
White, Other	0.00%

**Ethnicity**

Hispanic	42.00%
Non-Hispanic	58.00%

**Income Type**

Alimony	0.00%
Business	0.00%
Child Support	0.00%
General Assistance	0.00%
Medical Reimbursement	0.00%
Other Non Wage	29.00%
Social Security/ SSI/ Pension	34.00%
TANF	17.00%
Unemployment	0.00%
Wages and Salary	49.00%

**Distribution of Annual Income**

\$0	5.00%
\$1-\$5,000	14.00%
\$5,001-\$10,000	29.00%
\$10,001-\$15,000	19.00%
\$15,001-\$20,000	17.00%
\$20,001-\$25,000	12.00%
Above \$25,000	4.00%

**96 West**  
**Lubbock Housing Authority**  
**Public Housing Properties - AMP 23**

Year	2015	2016	2017	Average
<b>Summary Income</b>				
Tenant Revenue	192,398	192,104	215,572	200,025
Revenue HUD Grant	322,818	320,485	459,360	367,554
Other Project Income	5,277	9,834	7,107	7,406
<b>Total Project Revenue</b>	<b>520,493</b>	<b>522,423</b>	<b>682,039</b>	<b>574,985</b>
<b>Summary Expenses</b>				
Administrative & Payroll	191,652	169,487	241,456	200,865
Resident Services	3,676	8,011	883	4,190
Fees	25,665	29,189	43,642	32,832
Utilities	62,063	72,534	83,305	72,634
Maintenance & Repair	68,164	137,773	150,459	118,799
Taxes & Insurance	84,802	117,039	91,631	97,824
<b>Total Operating Expenses</b>	<b>436,022</b>	<b>534,033</b>	<b>611,376</b>	<b>527,144</b>
<b>Net Operating Income</b>	<b>84,471</b>	<b>(11,610)</b>	<b>70,663</b>	<b>47,841</b>
<b>Income PUPM</b>				
Tenant Share of Rent PUPM	167	167	187	174
Revenue HUD Grant PUPM	280	278	399	319
<b>Total Revenue PUPM</b>	<b>447</b>	<b>445</b>	<b>586</b>	<b>493</b>
<b>Costs PUPY</b>				
Admin Cost Per Unit	1,996	1,765	2,515	2,092
Resident Services Cost Per Unit	38	83	9	44
Fees Cost Per Unit	267	304	455	342
Utilities Cost Per Unit	646	756	868	757
Maintenance & Repair Cost per Unit	710	1,435	1,567	1,237
Taxes & Insurance Cost Per Unit	883	1,219	954	1,019
<b>Operating Costs Per Unit</b>	<b>4,542</b>	<b>5,563</b>	<b>6,369</b>	<b>5,491</b>

<b>Avg RAD Rent:</b>	<b>2016 Adj. RAD Rent:</b>
	\$591

**Attachment 2: RAD Convert in Place Analyses**

**CHERRY POINT/ 36 SOUTH AMP21  
LUBBOCK HOUSING AUTHORITY**

Lubbock, TX

FOR DISCUSSION PURPOSES ONLY

TABLE OF CONTENTS

108-Unit Affordable Family Development

RAD Development Budget	1
RAD Operating Income Assumptions	2
Operating Expenses Assumptions	3
RAD Operating Statement	4

**Sources**

	<u>Amount</u>
First Mortgage	-
Transfer of Existing Reserves	1,882,010
Misc Capital Funds	1,345,021
FHLBSF AHP	-
Limited Partner Equity	-
Cash Flow Prior to Conversion	-
MM Initial Equity Contribution	-
Def. Dev. Fee	-

**Total Sources** **3,227,031**

**Total Uses** **3,227,031**

Check (0)

Total Projected Capital Needs (years 1-20)	\$6,536,837
Pro Rated @ 90%	\$5,883,153
Closing Costs	\$42,500
Less Annual Replacement Reserves (years 1-20)	(\$723,133)
Less Transfer of Existing Reserves (Replacement & Othe	(3,227,031)
<b>Additional Capital Funds Needed at Closing</b>	<b>\$1,975,490</b>

**Uses**

<b>Acquisition</b>	Buildings	-	-	
	Land Legal	-	-	
<b>Hard Costs</b>	Site Work	-	-	
	Hard Costs-Building	-	-	
	General Requirements	-	-	
	Contractor Overhead	-	-	
	Contractor Profit	-	-	
	Insurance, Permits, Bond, Tax	-	-	
	FF&E and Wireless	-	-	
	Hard Cost Contingency (n/i FF&	-	-	
	<b>Soft Costs</b>	Architectural & Engineering	5,000	<b>42,500</b>
		Environmental/Survey	-	-
Special & Construction Inspectic		-	-	
Permit and Impact Fees & Utiliti		-	-	
Property Taxes		-	-	
CoC Insurance		-	-	
Appraisal/Third Party Reports		-	-	
Title & Recording		10,000	-	
Developer Legal		17,500	-	
Marketing/Lease-Up		-	-	
Relocation		-	-	
Accounting & Audit		-	-	
Construction Loan fee		-	-	
Perm Loan Conv. Fee		-	-	
Bond Underwriter		-	-	
Costs of Issuance		-	-	
Construction Period Interest		-	-	
Bridge Loan Interest	-	-		
Development Consultant	10,000	-		
WSHFC Fee	-	-		
Soft Cost Contingency	-	-		
<b>Fees/Reserves</b>	Sec. 8 Reserve	-	<b>3,184,531</b>	
	Transfer of Existing Reserves	1,882,010	-	
	Initial Deposit to Repl. Reserves	1,302,521	-	
	Developer Fee	-	-	
<b>Total</b>		<b>3,227,031</b>		

Unit Mix	Rent Restrictions %AMI*	Units	% Units	Res. SF	Allowable Gross Rent	Less Utility Allowance**	RAD Monthly Rent	Tenant Share Monthly Rent	HAP Operating Subsidy***	Monthly Revenues	Yearly Revenues
<b>LUBBOCK HOUSING AUTHORITY</b>											
1 Bedroom	<30% AMI	8	7.4%	806	\$428	\$55	\$373	\$215	\$158	\$2,984	\$35,808.00
	<50% AMI	0	0.0%	0	\$428	\$55	\$373	\$0	\$373	\$0	\$0
	<60% AMI	0	0.0%	0	\$428	\$55	\$373	\$0	\$373	\$0	\$0
2 Bedroom	<30% AMI	30	27.8%	953	\$539	\$64	\$475	\$215	\$260	\$14,250	\$171,000
	<50% AMI	0	0.0%	0	\$539	\$64	\$475	\$0	\$475	\$0	\$0
	<60% AMI	0	0.0%	0	\$539	\$64	\$475	\$0	\$475	\$0	\$0
3 Bedroom	<30% AMI	52	48.1%	1,110	\$855	\$163	\$692	\$215	\$477	\$35,984	\$431,808
	<50% AMI	0	0.0%	0	\$855	\$163	\$692	\$0	\$692	\$0	\$0
	<60% AMI	0	0.0%	0	\$855	\$163	\$692	\$0	\$692	\$0	\$0
4 Bedroom	<30% AMI	11	10.2%	1,225	\$1,017	\$188	\$829	\$215	\$614	\$9,119	\$109,428.00
	<50% AMI	0	0.0%	0	\$1,017	\$188	\$829	\$0	\$829	\$0	\$0
	<60% AMI	0	0.0%	0	\$1,017	\$188	\$829	\$0	\$829	\$0	\$0
5 Bedroom	<30% AMI	7	6.5%	1,330	\$1,165	\$212	\$953	\$215	\$738	\$6,671	\$80,052.00
	<50% AMI	0	0.0%	0	\$1,165	\$212	\$953	\$0	\$953	\$0	\$0
	<60% AMI	0	0.0%	0	\$1,165	\$212	\$953	\$0	\$953	\$0	\$0
<b>Total</b>		<b>108</b>		<b>106,233</b>						<b>\$62,337</b>	<b>\$748,044</b>
		<b>Avg. Per Unit</b>		<b>984</b>							

Other Income @ 0.50% \$3,740

Total Income \$751,784

\* Income restriction varies; see below chart

\*\*Utility Allowance from Lubbock Housing Authority

\*\*\* Subsidy is difference between tenant share of rent (based upon average tenant rent payments) and HAP Contract Rent

	1 person	1.5 persons	2 persons	3 persons	4 persons	4.5 persons	5 persons	6 persons	7 persons	7.5 persons	8 persons
30% AMI	13,300	14,880	16,460	20,780	25,100	27,260	29,420	33,740	38,060	39,905	41,750
40% AMI	17,700	19,303	20,880	24,615	28,350	30,068	31,785	35,220	38,630	40,190	41,750
50% AMI	22,150	23,725	25,300	28,450	31,600	32,875	34,150	36,700	39,200	40,475	41,750
60% AMI	26,580	28,470	30,360	34,140	37,920	39,450	40,980	44,040	47,040	48,570	50,100
80% AMI	35,400	37,925	40,450	45,500	50,550	52,575	54,600	58,650	62,700	64,725	66,750

	0 bedroom	1 bedroom	2 bedroom	3 bedroom	4 bedroom
	593	689	842	1,225	1,483

LUBBOCK HOUSING AUTHORITY	\$636
*Modified 2016 RAD Rents	

**INCOME & RENT TARGETING**

Units	Bedrooms	Rent Limit	Income Limit
8	1	30%	30%
0	1	50%	50%
30	2	30%	30%
0	2	50%	60%
52	3	30%	30%
0	3	50%	50%
11	4	30%	30%
0	4	50%	60%
7	5	30%	30%

	Avg RAD Rent	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
OCAF Adjustment	\$636	\$373	\$475	\$692	\$829	\$953
2017 0.0%	\$636	\$373	\$475	\$692	\$829	\$953
2018 0.0%	\$636	\$373	\$475	\$692	\$829	\$953

Base Year Rental Revenue	748,044	Construction Start	2/1/2019
Ancillary Base Year Rental Reven	3,740	50% Completion	N/A
Base Year Expenses	628,877	100% Completion	N/A
First Mortgage Debt Service	0	Placed-in-Service Date	2/1/2019
		Full Lease Up	N/A
Income Trending	2.00%	Conversion	1/1/2019
Expense Trending	3.00%		
LIHTC Vacancy Rate	3.0%		
Replacement Reserve	\$250.00 /unit		
Days of Oper. In Yr. 1	333		

								Less Cash Flow Prior to Conversion	Income/ Expense Ratio	Cash Flow	Cum Cash Flow
	<u>Year</u>	<u>Rental Revenue</u>	<u>Ancillary Revenue</u>	<u>Vacancy</u>	<u>Operating Expenses</u>	<u>Reserve Funding</u>	<u>Net Oper Income</u>				
<b>Year 1*</b>	2019	682,462	3,412	(20,576)	(573,743)	(24,633)	66,923		1.11	66,924	66,924
<b>Year 2*</b>	2020	763,005	3,815	(23,005)	(647,743)	(27,810)	68,262		1.10	68,263	135,187
<b>Year 3</b>	2021	778,265	3,891	(23,465)	(667,176)	(28,644)	62,872		1.09	62,873	198,060
<b>Year 4</b>	2022	793,830	3,969	(23,934)	(687,191)	(29,504)	57,171		1.08	57,172	255,232
<b>Year 5</b>	2023	809,707	4,049	(24,413)	(707,807)	(30,389)	51,147		1.07	51,148	306,380
<b>Year 6</b>	2024	825,901	4,130	(24,901)	(729,041)	(31,300)	44,788		1.06	44,789	351,170
<b>Year 7</b>	2025	842,419	4,212	(25,399)	(750,912)	(32,239)	38,081		1.05	38,082	389,251
<b>Year 8</b>	2026	859,267	4,296	(25,907)	(773,439)	(33,207)	31,011		1.04	31,012	420,263
<b>Year 9</b>	2027	876,453	4,382	(26,425)	(796,643)	(34,203)	23,565		1.03	23,566	443,829
<b>Year 10</b>	2028	893,982	4,470	(26,954)	(820,542)	(35,229)	15,727		1.02	15,728	459,558
<b>Year 11</b>	2029	911,861	4,559	(27,493)	(845,158)	(36,286)	7,484		1.01	7,485	467,043
<b>Year 12</b>	2030	930,099	4,650	(28,042)	(870,513)	(37,374)	(1,180)		1.00	(1,179)	465,863
<b>Year 13</b>	2031	948,701	4,744	(28,603)	(896,628)	(38,496)	(10,283)		0.99	(10,282)	455,581
<b>Year 14</b>	2032	967,675	4,838	(29,175)	(923,527)	(39,650)	(19,840)		0.98	(19,839)	435,743
<b>Year 15</b>	2033	987,028	4,935	(29,759)	(951,233)	(40,840)	(29,868)		0.97	(29,867)	405,875
<b>Year 16</b>	2034	1,006,769	5,034	(30,354)	(979,770)	(42,065)	(40,386)		0.96	(40,386)	365,490
<b>Year 17</b>	2035	1,026,904	5,135	(30,961)	(1,009,163)	(43,327)	(51,413)		0.95	(51,412)	314,078
<b>Year 18</b>	2036	1,047,442	5,237	(31,580)	(1,039,438)	(44,627)	(62,966)		0.94	(62,965)	251,113
<b>Year 19</b>	2037	1,068,391	5,342	(32,212)	(1,070,621)	(45,966)	(75,066)		0.93	(75,065)	176,048
<b>Year 20</b>	2038	1,089,759	5,449	(32,856)	(1,102,740)	(47,345)	(87,733)		0.92	(87,732)	88,317
						(723,133)					



## Three Year Average Operating Expenses

Units	108	Notes
SF	92,758	Did not include compensated absences, bad debt tenant rents

<b>Administrative Expenses</b>	<u>per unit</u>	
Office supplies & expenses	31,137	288
Training & travel	1,981	18
Telephone & answering service	0	0
Tenant Services	1,088	10
Misc. Admin	0	0
Advertising & newspaper	1,922	45
Legal	553	5
Audit	6,607	61
Property Insurance	24,226	224
Other professional fees (acct., mbrshp, contracts)	0	0
Other taxes, licenses, and insurance (E&O, PILOT)	97,484	903
<b>Total Administrative Expenses</b>	164,998	1,528

Allocated overhead

<b>Salaries &amp; Employee Benefits</b>		
Salaries - Administrative	117,240	1,086
Salaries - Leasing	0	0
Salaries - Maintenance	109,133	1,010
Payroll Taxes	0	0
Health Insurance & Other Benefits	78,359	726
Workmen's Comp	6,433	60
Management Fee	0	0
<b>Total Salaries &amp; Employee Benefits</b>	311,165	2,881

<b>Utility Expenses</b>		
Electricity	5,806	54
Water	13,764	127
Sewer	9,519	88
Trash Removal	0	0
Gas	5,400	50
Other Utilities	0	0
<b>Total Utility Expenses</b>	34,489	319

<b>Maintenance Expenses</b>		
Exterminating	0	0
Grounds	0	0
Fire Protection	0	0
Security	0	0
HVAC Expense	0	0
Painting - Exterior	0	0
Painting, Decorating, & Cleaning	0	0
Repairs & Maintenance	49,655	460
Repairs & Maintenance - Contracts	68,571	635
Turnover	0	0
Misc. Maintenance	0	0
<b>Total Maintenance Expenses</b>	118,226	1,095
	628,877	5,823

## CHERRY POINT/ 36 SOUTH AMP21

Lubbock, TX

Units	0	
SF	108	
	92,758	
<b>Operating Expenses (prior to reserves)</b>	<b>628,877</b>	<b>5,823</b>
<b>Replacement Reserves</b>	<b>27,000</b>	<b>250</b>
<b>Total Operating Expenses</b>	<b>655,877</b>	<b>6,073</b>

# BEHNER PLACE/ MARY MYERS AMP22

Lubbock, TX

FOR DISCUSSION PURPOSES ONLY

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142-Unit Affordable Family Development

RAD Development Budget	1
RAD Operating Income Assumptions	2
Operating Expenses Assumptions	3
RAD Operating Statement	4

**Sources**

	<u>Amount</u>
First Mortgage	-
Transfer of Existing Reserves	1,882,010
Misc Capital Funds	1,418,422
FHLBSF AHP	-
Limited Partner Equity	-
Cash Flow Prior to Conversion	-
MM Initial Equity Contribution	-
Def. Dev. Fee	-

**Total Sources** **3,300,431**

**Total Uses** **3,300,432**

Check (1)

Total Projected Capital Needs (years 1-20)	\$9,160,363
Pro Rated @ 90%	\$8,244,326
Closing Costs	\$49,600
Less Annual Replacement Reserves (years 1-20)	(\$2,852,358)
Less Transfer of Existing Reserves (Replacement & Othe	(3,300,431)
<b>Additional Capital Funds Needed at Closing</b>	<b>\$2,141,137</b>

**Uses**

<b>Acquisition</b>	Buildings	-	-	
	Land Legal	-		
<b>Hard Costs</b>	Site Work	-	<b>7,100</b>	
	Hard Costs-Building	7,100		
	General Requirements	-		
	Contractor Overhead	-		
	Contractor Profit	-		
	Insurance, Permits, Bond, Tax	-		
	FF&E and Wireless	-		
	Hard Cost Contingency (n/i FF&	-		
	<b>Soft Costs</b>	Architectural & Engineering	5,000	<b>42,500</b>
		Environmental/Survey	-	
Special & Construction Inspectic		-		
Permit and Impact Fees & Utiliti		-		
Property Taxes		-		
CoC Insurance		-		
Appraisal/Third Party Reports		-		
Title & Recording		10,000		
Developer Legal		17,500		
Marketing/Lease-Up		-		
Relocation		-		
Accounting & Audit		-		
Construction Loan fee		-		
Perm Loan Conv. Fee		-		
Bond Underwriter		-		
Costs of Issuance		-		
Construction Period Interest		-		
Bridge Loan Interest		-		
Development Consultant		10,000		
WSHFC Fee		-		
Soft Cost Contingency	-			
<b>Fees/Reserves</b>	Sec. 8 Reserve	-	<b>3,250,832</b>	
	Transfer of Existing Reserves	1,882,010		
	Initial Deposit to Repl. Reserves	1,368,822		
	Developer Fee	-		
<b>Total</b>		<b>3,300,432</b>		

Unit Mix	Rent Restrictions %AMI*	Units	% Units	Res. SF	Allowable Gross Rent	Less Utility Allowance **	RAD Monthly Rent	Tenant Share Monthly Rent	HAP Operating Subsidy ***	Monthly Revenues	Yearly Revenues
<b>Grandview Housing Authority</b>											
1 Bedroom	<30% AMI	60	42.3%	732	\$499	\$117	\$382	\$215	\$167	\$22,920	\$275,040.00
	<50% AMI	0	0.0%	0	\$499	\$117	\$382	\$0	\$382	\$0	\$0
	<60% AMI	0	0.0%	0	\$499	\$117	\$382	\$0	\$382	\$0	\$0
2 Bedroom	<30% AMI	42	29.6%	853	\$627	\$141	\$486	\$215	\$271	\$20,412	\$244,944
	<50% AMI	0	0.0%	0	\$627	\$141	\$486	\$0	\$486	\$0	\$0
	<60% AMI	0	0.0%	0	\$627	\$141	\$486	\$0	\$486	\$0	\$0
3 Bedroom	<30% AMI	34	23.9%	1,120	\$871	\$163	\$708	\$215	\$493	\$24,072	\$288,864
	<50% AMI	0	0.0%	0	\$871	\$163	\$708	\$0	\$708	\$0	\$0
	<60% AMI	0	0.0%	0	\$871	\$163	\$708	\$0	\$708	\$0	\$0
4 Bedroom	<30% AMI	6	4.2%	1,230	\$1,036	\$188	\$848	\$215	\$633	\$5,088	\$61,056.00
	<50% AMI	0	0.0%	0	\$1,036	\$188	\$848	\$0	\$848	\$0	\$0
	<60% AMI	0	0.0%	0	\$1,036	\$188	\$848	\$0	\$848	\$0	\$0
5 Bedroom	<30% AMI	0	0.0%	0	\$1,187	\$212	\$975	\$215	\$760	\$0	\$0.00
	<50% AMI	0	0.0%	0	\$1,187	\$212	\$975	\$0	\$975	\$0	\$0
	<60% AMI	0	0.0%	0	\$1,187	\$212	\$975	\$0	\$975	\$0	\$0
<b>Total</b>		<b>142</b>		<b>125,155</b>						<b>\$72,492</b>	<b>\$869,904</b>
		<b>Avg. Per Unit</b>		<b>881</b>							

Other Income @ 0.50% \$4,350

Total Income \$874,254

\* Income restriction varies; see below chart

\*\*Utility Allowance from Grandview Housing Authority

\*\*\* Subsidy is difference between tenant share of rent (based upon average tenant rent payments) and HAP Contract Rent

HUD 2018 Income Limits (Lubbock, TX)

	1 person	1.5 persons	2 persons	3 persons	4 persons	4.5 persons	5 persons	6 persons	7 persons	7.5 persons	8 persons
30% AMI	13,300	14,880	16,460	20,780	25,100	27,260	29,420	33,740	38,060	39,905	41,750
40% AMI	17,700	19,303	20,880	24,615	28,350	30,068	31,785	35,220	38,630	40,190	41,750
50% AMI	22,150	23,725	25,300	28,450	31,600	32,875	34,150	36,700	39,200	40,475	41,750
60% AMI	26,580	28,470	30,360	34,140	37,920	39,450	40,980	44,040	47,040	48,570	50,100
80% AMI	35,400	37,925	40,450	45,500	50,550	52,575	54,600	58,650	62,700	64,725	66,750

HUD 2018 Fair Market Rents (FMR)

	0 bedroom	1 bedroom	2 bedroom	3 bedroom	4 bedroom
(79401 zip code)	593	689	842	1,225	1,483

Assumed HAP Rents\*

LUBBOCK HOUSING AUTHORITY
\$510
Modified 2016 RAD Rent

INCOME & RENT TARGETING

Grandview Housing Authority			
Units	Bedrooms	Rent Limit	Income Limit
60	1	30%	30%
0	1	50%	50%
42	2	30%	30%
0	2	50%	60%
34	3	30%	30%
0	3	50%	50%
6	4	30%	30%
0	4	50%	60%
0	5	30%	30%

	Avg RAD Rent	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
OCAF Adjustment	\$510	\$382	\$486	\$708	\$848	\$975
2017	0.0%	\$510	\$382	\$486	\$708	\$975
2018	0.0%	\$510	\$382	\$486	\$708	\$975

Base Year Rental Revenue	869,904	Construction Start	2/1/2019
Ancillary Base Year Rental Reven	4,350	50% Completion	N/A
Base Year Expenses	593,390	100% Completion	N/A
First Mortgage Debt Service	0	Placed-in-Service Date	2/1/2019
		Full Lease Up	N/A
Income Trending	2.00%	Conversion	1/1/2019
Expense Trending	3.00%		
LIHTC Vacancy Rate	3.0%		
Replacement Reserve	\$750.00 /unit		
Days of Oper. In Yr. 1	333		

								Less Cash Flow Prior to Conversion	Income/ Expense Ratio	Cash Flow	Cum Cash Flow
	<u>Year</u>	<u>Rental Revenue</u>	<u>Ancillary Revenue</u>	<u>Vacancy</u>	<u>Operating Expenses</u>	<u>Reserve Funding</u>	<u>Net Oper Income</u>				
<b>Year 1*</b>	2019	793,638	3,968	(23,928)	(541,366)	(97,163)	135,149		1.21	135,150	135,150
<b>Year 2*</b>	2020	887,302	4,437	(26,752)	(611,191)	(109,695)	144,100		1.20	144,101	279,251
<b>Year 3</b>	2021	905,048	4,525	(27,287)	(629,527)	(112,986)	139,773		1.19	139,774	419,026
<b>Year 4</b>	2022	923,149	4,616	(27,833)	(648,413)	(116,375)	135,144		1.18	135,145	554,171
<b>Year 5</b>	2023	941,612	4,708	(28,390)	(667,865)	(119,867)	130,199		1.17	130,200	684,370
<b>Year 6</b>	2024	960,444	4,802	(28,957)	(687,901)	(123,463)	124,925		1.15	124,926	809,297
<b>Year 7</b>	2025	979,653	4,898	(29,537)	(708,538)	(127,167)	119,310		1.14	119,311	928,608
<b>Year 8</b>	2026	999,246	4,996	(30,127)	(729,794)	(130,982)	113,339		1.13	113,340	1,041,948
<b>Year 9</b>	2027	1,019,231	5,096	(30,730)	(751,688)	(134,911)	106,998		1.12	106,999	1,148,947
<b>Year 10</b>	2028	1,039,616	5,198	(31,344)	(774,239)	(138,958)	100,272		1.11	100,273	1,249,221
<b>Year 11</b>	2029	1,060,408	5,302	(31,971)	(797,466)	(143,127)	93,146		1.10	93,147	1,342,368
<b>Year 12</b>	2030	1,081,616	5,408	(32,611)	(821,390)	(147,421)	85,603		1.09	85,604	1,427,971
<b>Year 13</b>	2031	1,103,249	5,516	(33,263)	(846,032)	(151,844)	77,627		1.08	77,628	1,505,599
<b>Year 14</b>	2032	1,125,314	5,627	(33,928)	(871,413)	(156,399)	69,200		1.07	69,201	1,574,800
<b>Year 15</b>	2033	1,147,820	5,739	(34,607)	(897,555)	(161,091)	60,306		1.06	60,307	1,635,108
<b>Year 16</b>	2034	1,170,776	5,854	(35,299)	(924,482)	(165,924)	50,926		1.05	50,927	1,686,035
<b>Year 17</b>	2035	1,194,192	5,971	(36,005)	(952,216)	(170,901)	41,040		1.04	41,041	1,727,076
<b>Year 18</b>	2036	1,218,076	6,090	(36,725)	(980,783)	(176,028)	30,630		1.03	30,631	1,757,707
<b>Year 19</b>	2037	1,242,437	6,212	(37,459)	(1,010,206)	(181,309)	19,675		1.02	19,676	1,777,383
<b>Year 20</b>	2038	1,267,286	6,336	(38,209)	(1,040,512)	(186,748)	8,153		1.01	8,154	1,785,537
						(2,852,358)					

Three Year Average Operating Expenses

Units	142	Notes
SF	117,775	Did not include compensated absences, bad debt tenant rents

<b>Administrative Expenses</b>		<u>per unit</u>	
Office supplies & expenses	33,723	237	
Training & travel	2,376	17	
Telephone & answering service	0	0	
Tenant Services	4,452	31	
Misc. Admin	0	0	
Advertising & newspaper	1,717	45	
Legal	9,992	70	
Audit	7,910	56	
Property Insurance	21,949	155	
Other professional fees (acct., mbrshp, contracts)	0	0	
Other taxes, licenses, and insurance (E&O, PILOT)	111,328	784	Allocated overhead
<b>Total Administrative Expenses</b>	<b>193,447</b>	<b>1,362</b>	

<b>Salaries &amp; Employee Benefits</b>		
Salaries - Administrative	119,846	844
Salaries - Leasing	0	0
Salaries - Maintenance	61,522	433
Payroll Taxes	0	0
Health Insurance & Other Benefits	56,912	401
Workmen's Comp	4,467	31
Management Fee	0	0
<b>Total Salaries &amp; Employee Benefits</b>	<b>242,747</b>	<b>1,709</b>

<b>Utility Expenses</b>		
Electricity	11,060	78
Water	5,538	39
Sewer	10,265	72
Trash Removal	0	0
Gas	8,017	56
Other Utilities	0	0
<b>Total Utility Expenses</b>	<b>34,879</b>	<b>246</b>

<b>Maintenance Expenses</b>		
Exterminating	0	0
Grounds	0	0
Fire Protection	0	0
Security	0	0
HVAC Expense	0	0
Painting - Exterior	0	0
Painting, Decorating, & Cleaning	0	0
Repairs & Maintenance	49,409	348
Repairs & Maintenance - Contracts	72,908	513
Turnover	0	0
Misc. Maintenance	0	0
<b>Total Maintenance Expenses</b>	<b>122,317</b>	<b>861</b>
	<b>593,390</b>	<b>4,179</b>

BEHNER PLACE/ MARY MYERS AMP22

Lubbock, TX

	<u>0</u>	
Units	142	
SF	117,775	
<b>Operating Expenses (prior to reserves)</b>	<b>593,390</b>	<b>4,179</b>
<b>Replacement Reserves</b>	<b>106,500</b>	<b>750</b>
<b>Total Operating Expenses</b>	<b>699,890</b>	<b>4,929</b>

**96 WEST AMP23**  
**LUBBOCK HOUSING AUTHORITY**  
Lubbock, TX

FOR DISCUSSION PURPOSES ONLY

TABLE OF CONTENTS

-Unit Affordable Family Development

RAD Development Budget	1
RAD Operating Income Assumptions	2
Operating Expenses Assumptions	3
RAD Operating Statement	4

**Sources**

	<u>Amount</u>
First Mortgage	2,100,000
Transfer of Existing Reserves	1,882,010
Misc Capital Funds	464,971
FHLBSF AHP	-
Limited Partner Equity	-
Cash Flow Prior to Conversion	-
MM Initial Equity Contribution	-
Def. Dev. Fee	-

**Total Sources** **4,446,981**

**Total Uses** **4,446,981**

Check (0)

Total Projected Capital Needs (years 1-20)	\$5,036,113
Pro Rated @ 100%	\$5,036,113
Closing Costs	\$53,653
Less Annual Replacement Reserves (years 1-20)	(\$642,785)
Less Transfer of Existing Reserves (Replacement & Othe	(4,446,981)
<b>Additional Capital Funds Needed at Closing</b>	<b>\$0</b>

Perm Loan @ 6% interest, 35 year amort, 18 year term  
 Debt Service (\$126,000.00)

**Uses**

<b>Acquisition</b>	Buildings	-	-	
	Land Legal	-		
<b>Hard Costs</b>	Site Work	-	<b>11,153</b>	
	Hard Costs-Building	11,153		
	General Requirements	-		
	Contractor Overhead	-		
	Contractor Profit	-		
	Insurance, Permits, Bond, Tax	-		
	FF&E and Wireless	-		
	Hard Cost Contingency (n/i FF&	-		
	<b>Soft Costs</b>	Architectural & Engineering	5,000	<b>42,500</b>
		Environmental/Survey	-	
Special & Construction Inspectic		-		
Permit and Impact Fees & Utiliti		-		
Property Taxes		-		
CoC Insurance		-		
Appraisal/Third Party Reports		-		
Title & Recording		10,000		
Developer Legal		17,500		
Marketing/Lease-Up		-		
Relocation		-		
Accounting & Audit		-		
Construction Loan fee		-		
Perm Loan Conv. Fee		-		
Bond Underwriter		-		
Costs of Issuance		-		
Construction Period Interest		-		
Bridge Loan Interest	-			
Development Consultant	10,000			
WSHFC Fee	-			
Soft Cost Contingency	-			
<b>Fees/Reserves</b>	Sec. 8 Reserve	-	<b>4,393,328</b>	
	Transfer of Existing Reserves	1,882,010		
	Initial Deposit to Repl. Reserves	2,511,318		
	Developer Fee	-		
<b>Total</b>		<b>4,446,981</b>		



Unit Mix	Rent Restrictions %AMI *	Units	% Units	Res. SF	Allowable Gross Rent	Less Utility Allowance **	RAD Monthly Rent	Tenant Share Monthly Rent	HAP Operating Subsidy ***	Monthly Revenues	Yearly Revenues
<b>Grandview Housing Authority</b>											
<b>1 Bedroom</b>											
	<30% AMI	0	0.0%	0	\$492	\$55	\$437	\$215	\$222	\$0	\$0.00
	<50% AMI	0	0.0%	0	\$492	\$55	\$437	\$0	\$437	\$0	\$0
	<60% AMI	0	0.0%	0	\$492	\$55	\$437	\$0	\$437	\$0	\$0
<b>2 Bedroom</b>											
	<30% AMI	84	87.5%	806	\$620	\$64	\$556	\$215	\$341	\$46,704	\$560,448
	<50% AMI	0	0.0%	0	\$620	\$64	\$556	\$0	\$556	\$0	\$0
	<60% AMI	0	0.0%	0	\$620	\$64	\$556	\$0	\$556	\$0	\$0
<b>3 Bedroom</b>											
	<30% AMI	10	10.4%	1,020	\$881	\$71	\$810	\$215	\$595	\$8,100	\$97,200
	<50% AMI	0	0.0%	0	\$881	\$71	\$810	\$0	\$810	\$0	\$0
	<60% AMI	0	0.0%	0	\$881	\$71	\$810	\$0	\$810	\$0	\$0
<b>4 Bedroom</b>											
	<30% AMI	2	2.1%	1,130	\$1,052	\$82	\$970	\$215	\$755	\$1,940	\$23,280.00
	<50% AMI	0	0.0%	0	\$1,052	\$82	\$970	\$0	\$970	\$0	\$0
	<60% AMI	0	0.0%	0	\$1,052	\$82	\$970	\$0	\$970	\$0	\$0
<b>5 Bedroom</b>											
	<30% AMI	0	0.0%	0	\$1,116	\$0	\$1,116	\$215	\$901	\$0	\$0.00
	<50% AMI	0	0.0%	0	\$1,116	\$0	\$1,116	\$0	\$1,116	\$0	\$0
	<60% AMI	0	0.0%	0	\$1,116	\$0	\$1,116	\$0	\$1,116	\$0	\$0
<b>Total</b>		<b>96</b>		<b>80,164</b>						<b>\$56,744</b>	<b>\$680,928</b>
		<b>Avg. Per Unit</b>		<b>835</b>							

Other Income @ 0.50% \$3,405

\* Income restriction varies; see below chart

\*\*Utility Allowance from Lubbock Housing Authority

Total Income \$684,333

\*\*\* Subsidy is difference between tenant share of rent (based upon average tenant rent payments) and HAP Contract Rent

HUD 2018 Income Limits (Lubbock, TX)

	1 person	1.5 persons	2 persons	3 persons	4 persons	4.5 persons	5 persons	6 persons	7 persons	7.5 persons	8 persons
30% AMI	13,300	14,880	16,460	20,780	25,100	27,260	29,420	33,740	38,060	39,905	41,750
40% AMI	17,700	19,303	20,880	24,615	28,350	30,068	31,785	35,220	38,630	40,190	41,750
50% AMI	22,150	23,725	25,300	28,450	31,600	32,875	34,150	36,700	39,200	40,475	41,750
60% AMI	26,580	28,470	30,360	34,140	37,920	39,450	40,980	44,040	47,040	48,570	50,100
80% AMI	35,400	37,925	40,450	45,500	50,550	52,575	54,600	58,650	62,700	64,725	66,750

HUD 2018 Fair Market Rents (FMR)

	0 bedroom	1 bedroom	2 bedroom	3 bedroom	4 bedroom
(79401 zip code)	593	689	842	1,225	1,483

Assumed HAP Rents\*

LUBBOCK HOUSING AUTHORITY
\$591
Modified 2016 RAD Rent

INCOME & RENT TARGETING

Grandview Housing Authority			
Units	Bedrooms	Rent Limit	Income Limit
0	1	30%	30%
0	1	50%	50%
84	2	30%	30%
0	2	50%	60%
10	3	30%	30%
0	3	50%	50%
2	4	30%	30%
0	4	50%	60%
0	5	30%	30%
0	5	50%	60%

	Avg RAD Rent	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
OCAF Adjustment	\$778	\$437	\$556	\$810	\$970	\$1,116
2017	0.0%	\$778	\$437	\$556	\$810	\$1,116
2018	0.0%	\$778	\$437	\$556	\$810	\$1,116

## Three Year Average Operating Expenses

Units	96	Notes
SF	77,904	Did not include compensated absences, bad debt tenant rents

<b>Administrative Expenses</b>	<u>per unit</u>	
Office supplies & expenses	23,242	242
Training & travel	1,327	14
Telephone & answering service	0	0
Tenant Services	4,190	44
Misc. Admin	0	0
Advertising & newspaper	1,167	45
Legal	1,213	13
Audit	5,883	61
Property Insurance	14,663	153
Other professional fees (acct., mbrshp, contracts)	0	0
Other taxes, licenses, and insurance (E&O, PILOT)	83,161	866
<b>Total Administrative Expenses</b>	<b>134,846</b>	<b>1,405</b>

Allocated overhead

<b>Salaries &amp; Employee Benefits</b>		
Salaries - Administrative	98,821	1,029
Salaries - Leasing	0	0
Salaries - Maintenance	49,902	520
Payroll Taxes	0	0
Health Insurance & Other Benefits	48,746	508
Workmen's Comp	3,395	35
Management Fee	0	0
<b>Total Salaries &amp; Employee Benefits</b>	<b>200,865</b>	<b>2,092</b>

<b>Utility Expenses</b>		
Electricity	6,361	66
Water	34,460	359
Sewer	28,488	297
Trash Removal	0	0
Gas	3,325	35
Other Utilities	0	0
<b>Total Utility Expenses</b>	<b>72,634</b>	<b>757</b>

<b>Maintenance Expenses</b>		
Exterminating	0	0
Grounds	0	0
Fire Protection	0	0
Security	0	0
HVAC Expense	0	0
Painting - Exterior	0	0
Painting, Decorating, & Cleaning	0	0
Repairs & Maintenance	39,764	414
Repairs & Maintenance - Contracts	79,034	823
Turnover	0	0
Misc. Maintenance	0	0
<b>Total Maintenance Expenses</b>	<b>118,799</b>	<b>1,237</b>
	<b>527,144</b>	<b>5,491</b>

## 96 WEST AMP23

Lubbock, TX

Units	96	
SF	77,904	
<b>Operating Expenses (prior to reserves)</b>	<b>442,745</b>	<b>4,612</b>
<b>Replacement Reserves</b>	<b>24,000</b>	<b>250</b>
<b>Total Operating Expenses</b>	<b>466,745</b>	<b>4,862</b>

Lubbock, TX

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Base Year Rental Revenue	680,928	Construction Start	2/1/2019
Ancillary Base Year Rental Reven	3,405	50% Completion	N/A
Base Year Expenses	442,745	100% Completion	N/A
First Mortgage Debt Service	0	Placed-in-Service Date	2/1/2019
		Full Lease Up	N/A
Income Trending	2.00%	Conversion	1/1/2019
Expense Trending	3.00%		
LIHTC Vacancy Rate	3.0%		
Replacement Reserve	\$250.00 /unit		
Days of Oper. In Yr. 1	333		

	<u>Year</u>	<u>Rental Revenue</u>	<u>Ancillary Revenue</u>	<u>Vacancy</u>	<u>Operating Expenses</u>	<u>Reserve Funding</u>	<u>Net Oper Income</u>	<u>Debt Service</u>	<u>DSC Ratio</u>	<u>Cash Flow</u>	<u>Cum Cash Flow</u>
<b>Year 1*</b>	2019	621,230	3,106	(18,730)	(403,929)	(21,896)	179,782	(126,000)	1.43	53,782	53,782
<b>Year 2*</b>	2020	694,547	3,473	(20,941)	(456,027)	(24,720)	196,332	(126,000)	1.56	70,332	124,113
<b>Year 3</b>	2021	708,437	3,542	(21,359)	(469,708)	(25,462)	195,451	(126,000)	1.55	69,451	193,564
<b>Year 4</b>	2022	722,606	3,613	(21,787)	(483,799)	(26,225)	194,408	(126,000)	1.54	68,408	261,972
<b>Year 5</b>	2023	737,058	3,685	(22,222)	(498,313)	(27,012)	193,196	(126,000)	1.53	67,196	329,169
<b>Year 6</b>	2024	751,800	3,759	(22,667)	(513,262)	(27,823)	191,807	(126,000)	1.52	65,807	394,975
<b>Year 7</b>	2025	766,836	3,834	(23,120)	(528,660)	(28,657)	190,232	(126,000)	1.51	64,232	459,207
<b>Year 8</b>	2026	782,172	3,911	(23,582)	(544,520)	(29,517)	188,464	(126,000)	1.50	62,464	521,671
<b>Year 9</b>	2027	797,816	3,989	(24,054)	(560,856)	(30,402)	186,492	(126,000)	1.48	60,492	582,163
<b>Year 10</b>	2028	813,772	4,069	(24,535)	(577,681)	(31,315)	184,310	(126,000)	1.46	58,310	640,473
<b>Year 11</b>	2029	830,047	4,150	(25,026)	(595,012)	(32,254)	181,906	(126,000)	1.44	55,906	696,379
<b>Year 12</b>	2030	846,648	4,233	(25,526)	(612,862)	(33,222)	179,271	(126,000)	1.42	53,271	749,650
<b>Year 13</b>	2031	863,581	4,318	(26,037)	(631,248)	(34,218)	176,396	(126,000)	1.40	50,396	800,046
<b>Year 14</b>	2032	880,853	4,404	(26,558)	(650,185)	(35,245)	173,269	(126,000)	1.38	47,269	847,316
<b>Year 15</b>	2033	898,470	4,492	(27,089)	(669,691)	(36,302)	169,880	(126,000)	1.35	43,880	891,196
<b>Year 16</b>	2034	916,439	4,582	(27,631)	(689,782)	(37,391)	166,218	(126,000)	1.32	40,218	931,414
<b>Year 17</b>	2035	934,768	4,674	(28,183)	(710,475)	(38,513)	162,271	(126,000)	1.29	36,271	967,685
<b>Year 18</b>	2036	953,464	4,767	(28,747)	(731,789)	(39,668)	158,026	(126,000)	1.25	32,026	999,711
<b>Year 19</b>	2037	972,533	4,863	(29,322)	(753,743)	(40,858)	153,472	(126,000)	1.22	27,472	1,027,183
<b>Year 20</b>	2038	991,984	4,960	(29,908)	(776,355)	(42,084)	148,596	(126,000)	1.18	22,596	1,049,778
						(642,785)					

### **Attachment 3: RAD 9% LIHTC Financial Leverage Analyses**

**Lubbock Housing Authority**  
**RAD 9% LIHTC Financial Leverage Analysis**

**Project Inputs**

<b>Project Name</b>	Cherry Point/36 South
<b>AMP #</b>	AMP21
<b>Total Number of Units</b>	108
RAD Housing Units	108
LIHTC-Only Units	0
Market Rate Units	0
<b>Est. As Is Appraised Value Per Unit</b>	\$35,000
<b>% Attributable to Buildings</b>	85%
<b>Proj. Capital Repairs</b>	\$6,536,837
<b>Proj. Capital Repairs Per Unit</b>	\$60,526
<b>QCT - Y or N</b>	N
<b>RAD Modified 2016 Avg. Rent</b>	\$636
<b>LIHTC-Only Wgt. Avg. Rent</b>	
<b>Market-Rate Wgt. Avg. Rent</b>	
<b>Proj. Op. Expenses Per Unit (See Below)</b>	\$5,771

**Pro Forma Assumptions**

Soft Costs (% of hard costs)	20%
Reserves (months)	6.0
Developer Fee (% TDC less fee and acquisition)	15%

**LIHTC Inputs**

Monthly 9% Rate	9.00%
Monthly 4% Rate	3.29%
Est. Acquisition Tax Credit	\$105,708
Est. Rehab Tax Credit	\$816,992
<b>Total Credits</b>	<b>\$922,700</b>
<b>Pricing Per Federal Credit</b>	<b>\$0.88</b>

**Permanent Debt Sizing**

Est. Annual Revenue Less 5% Vacancy	\$785,006
Est. Annual Operating Expenses	\$623,235
NOI	\$161,770
Rate	6.00%
Amortization	35
DSC	1.15
<b>Mortgage Amount</b>	<b>\$2,055,893</b>

**Operating Expenses**

	15 - '17 Avg.	Modified RAD	Comments
Administration	\$311,165	\$311,165	Same
Resident Services	\$1,088	\$2,700	\$25/unit/yr.
Office & Fees	\$42,200	\$38,364	Reduced 10%
Utilities	\$34,489	\$31,354	Reduced 10%
Maintenance & Repair	\$118,226	\$90,943	Reduced 30%
Taxes & Insurance	\$121,710	\$121,710	Same
Replacement Reserve	\$0	\$27,000	\$ 250.00
<b>TOTAL</b>	<b>\$628,878</b>	<b>\$623,235</b>	
<b>TOTAL PER UNIT</b>	<b>\$5,823</b>	<b>\$5,771</b>	

**Project Pro Forma**

<b>Uses</b>	
Acquisition	\$3,780,000
Rehab	\$6,536,837
Soft Costs	\$1,307,367
Reserves	\$379,022
Developer Fee	\$1,233,484
<b>Total Development Cost</b>	<b>\$13,236,711</b>
<b>TDC per Unit (not including acq.)</b>	<b>\$87,562</b>
<b>Sources</b>	
Permanent Mortgage	\$2,055,893
PHA Seller's Note	\$3,780,000
LIHTC Equity	\$8,118,945
Deferred Fee (@10%)	\$123,348
<b>GAP (CFP/Oper. Res./HOME/AHP)</b>	<b>-\$841,476</b>
<b>Total Sources</b>	<b>\$13,236,711</b>

**Total Perm Debt & Equity** **\$10,174,838**

GAP funds	-\$841,476
GAP funds per unit	-\$7,791

<b>Leverage: Each \$1.00 of GAP funds results in debt and equity of:</b>	<b>-\$12.09</b>
--	-----------------

Cap Needs based on 2018 GPNA Estimates  
 RSMean \$136.05 2018 Gross Residential SqFt Cost  
 Total SqFt. 125,155

Modified 2016 Average RAD Rent \$ 636

**Lubbock Housing Authority**  
**RAD 9% LIHTC Financial Leverage Analysis**

**Project Inputs**

<b>Project Name</b>	<b>36 South</b>
AMP #	AMP21
Total Number of Units	36
RAD Housing Units	36
LIHTC-Only Units	0
Market Rate Units	0
Est. As Is Appraised Value Per Unit	\$35,000
% Attributable to Buildings	85%
Proj. Capital Repairs	\$2,178,946
Proj. Capital Repairs Per Unit	\$60,526
QCT - Y or N	N
RAD Modified 2016 Avg. Rent	\$636
LIHTC-Only Wgt. Avg. Rent	
Market-Rate Wgt. Avg. Rent	
Proj. Op. Expenses Per Unit (See Below)	\$5,759

**Pro Forma Assumptions**

Soft Costs (% of hard costs)	20%
Reserves (months)	6.0
Developer Fee (% TDC less fee and acquisition)	15%

**LIHTC Inputs**

Monthly 9% Rate	9.00%
Monthly 4% Rate	3.29%
Est. Acquisition Tax Credit	\$35,236
Est. Rehab Tax Credit	\$272,330
Total Credits	\$307,566
Pricing Per Federal Credit	\$0.88

**Permanent Debt Sizing**

Est. Annual Revenue Less 5% Vacancy	\$261,669
Est. Annual Operating Expenses	\$207,308
NOI	\$54,361
Rate	6.00%
Amortization	35
DSC	1.15
Mortgage Amount	\$690,859

**Operating Expenses**

	15 - '17 Avg.	Modified RAD	Comments
Administration	\$103,722	\$103,722	Same
Resident Services	\$363	\$900	\$25/unit/yr.
Office & Fees	\$13,585	\$12,350	Reduced 10%
Utilities	\$11,496	\$10,451	Reduced 10%
Maintenance & Repair	\$39,409	\$30,315	Reduced 30%
Taxes & Insurance	\$40,570	\$40,570	Same
Replacement Reserve	\$0	\$9,000	\$ 250.00
TOTAL	\$209,145	\$207,308	
TOTAL PER UNIT	\$5,810	\$5,759	

**Project Pro Forma**

<b>Uses</b>	
Acquisition	\$1,260,000
Rehab	\$2,178,946
Soft Costs	\$435,789
Reserves	\$126,304
Developer Fee	\$411,156
Total Development Cost	\$4,412,195
TDC per Unit (not including acq.)	\$87,561
<b>Sources</b>	
Permanent Mortgage	\$690,859
PHA Seller's Note	\$1,260,000
LIHTC Equity	\$2,706,311
Deferred Fee (@10%)	\$41,116
<b>GAP (CFP/Oper. Res./HOME/AHP)</b>	<b>-\$286,090</b>
Total Sources	\$4,412,195

**Total Perm Debt & Equity** **\$3,397,170**

GAP funds	-\$286,090
GAP funds per unit	-\$7,947

**Leverage: Each \$1.00 of GAP funds results in debt and equity of: -\$11.87**

Cap Needs based on 2018 GPNA Estimates  
 RSMean \$136.05 2018 Gross Residential SqFt Cost  
 Total SqFt. 125,155

Modified 2016 Average RAD Rent **\$ 636**

**Lubbock Housing Authority**  
**RAD 9% LIHTC Financial Leverage Analysis**

**Project Inputs**

<b>Project Name</b>	<b>Behner Place/Mary Meyers</b>
AMP #	AMP22
Total Number of Units	142
RAD Housing Units	142
LIHTC-Only Units	0
Market Rate Units	0
Est. As Is Appraised Value Per Unit	\$35,000
% Attributable to Buildings	85%
Proj. Capital Repairs	\$9,160,363
Proj. Capital Repairs Per Unit	\$64,510
QCT - Y or N	N
RAD Modified 2016 Avg. Rent	\$510
LIHTC-Only Wgt. Avg. Rent	
Market-Rate Wgt. Avg. Rent	
Proj. Op. Expenses Per Unit (See Below)	\$4,166

**Pro Forma Assumptions**

Soft Costs (% of hard costs)	20%
Reserves (months)	6.0
Developer Fee (% TDC less fee and acquisition)	15%

**LIHTC Inputs**

Monthly 9% Rate	9.00%
Monthly 4% Rate	3.29%
Est. Acquisition Tax Credit	\$138,986
Est. Rehab Tax Credit	\$1,143,038
Total Credits	\$1,282,024
Pricing Per Federal Credit	\$0.88

**Permanent Debt Sizing**

Est. Annual Revenue Less 5% Vacancy	\$827,657
Est. Annual Operating Expenses	\$591,526
NOI	\$236,131
Rate	6.00%
Amortization	35
DSC	1.15
Mortgage Amount	\$3,000,925

**Operating Expenses**

	15 - '17 Avg.	Modified RAD	Comments
Administration	\$242,747	\$242,747	Same
Resident Services	\$4,452	\$3,550	\$25/unit/yr.
Office & Fees	\$55,718	\$50,653	Reduced 10%
Utilities	\$34,880	\$31,709	Reduced 10%
Maintenance & Repair	\$122,317	\$94,090	Reduced 30%
Taxes & Insurance	\$133,277	\$133,277	Same
Replacement Reserve	\$0	\$35,500	\$ 250.00
<b>TOTAL</b>	<b>\$593,391</b>	<b>\$591,526</b>	
<b>TOTAL PER UNIT</b>	<b>\$4,179</b>	<b>\$4,166</b>	

**Project Pro Forma**

<b>Uses</b>	
Acquisition	\$4,970,000
Rehab	\$9,160,363
Soft Costs	\$1,832,073
Reserves	\$394,151
Developer Fee	\$1,707,988
<b>Total Development Cost</b>	<b>\$18,064,575</b>
TDC per Unit (not including acq.)	\$92,215
<b>Sources</b>	
Permanent Mortgage	\$3,000,925
PHA Seller's Note	\$4,970,000
LIHTC Equity	\$11,280,685
Deferred Fee (@10%)	\$170,799
<b>GAP (CFP/Oper. Res./HOME/AHP)</b>	<b>-\$1,357,834</b>
<b>Total Sources</b>	<b>\$18,064,575</b>

**Total Perm Debt & Equity** **\$14,281,610**

GAP funds	-\$1,357,834
GAP funds per unit	-\$9,562

<b>Leverage: Each \$1.00 of GAP funds results in debt and equity of:</b>	<b>-\$10.52</b>
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Cap Needs based on 2018 GPNA Estimates  
 RSMean \$136.05 2018 Gross Residential SqFt Cost  
 Total SqFt. 125,155

Modified 2016 Average RAD Rent **\$ 510**

**Lubbock Housing Authority**

**RAD 9% LIHTC Financial Leverage Analysis**

**Project Inputs**

<b>Project Name</b>	<b>Behner Place/Mary Meyers</b>
AMP #	AMP22
Total Number of Units	142
RAD Housing Units	107
LIHTC/PBV-Only Units	35
Market Rate Units	0
Est. As Is Appraised Value Per Unit	\$35,000
% Attributable to Buildings	85%
Proj. Capital Repairs	\$9,160,363
Proj. Capital Repairs Per Unit	\$64,510
QCT - Y or N	N
RAD Modified 2016 Avg. Rent	\$510
LIHTC-Only Wgt. Avg. Rent	\$701
Market-Rate Wgt. Avg. Rent	
Proj. Op. Expenses Per Unit (See Below)	\$4,166

**Pro Forma Assumptions**

Soft Costs (% of hard costs)	30%
Reserves (months)	6.0
Developer Fee (% TDC less fee and acquisition)	15%

**LIHTC Inputs**

Monthly 9% Rate	9.00%
Monthly 4% Rate	3.29%
Est. Acquisition Tax Credit	\$138,986
Est. Rehab Tax Credit	\$452,659
Total Credits	\$591,645
Pricing Per Federal Credit	\$0.88

**Permanent Debt Sizing**

Est. Annual Revenue Less 5% Vacancy	\$904,057
Est. Annual Operating Expenses	\$591,526
NOI	\$312,531
Rate	6.00%
Amortization	35
DSC	1.15
Mortgage Amount	\$3,971,871

**Operating Expenses**

	15 - '17 Avg.	Modified RAD	Comments
Administration	\$242,747	\$242,747	Same
Resident Services	\$4,452	\$3,550	\$25/unit/yr.
Office & Fees	\$55,718	\$50,653	Reduced 10%
Utilities	\$34,880	\$31,709	Reduced 10%
Maintenance & Repair	\$122,317	\$94,090	Reduced 30%
Taxes & Insurance	\$133,277	\$133,277	Same
Replacement Reserve	\$0	\$35,500	\$ 250.00
<b>TOTAL</b>	<b>\$593,391</b>	<b>\$591,526</b>	
<b>TOTAL PER UNIT</b>	<b>\$4,179</b>	<b>\$4,166</b>	

**Project Pro Forma**

<b>Uses</b>	
Acquisition	\$4,970,000
Rehab	\$9,160,363
Soft Costs	\$2,748,109
Reserves	\$425,984
Developer Fee	\$1,850,168
Total Development Cost	\$19,154,625
TDC per Unit (not including acq.)	\$99,892
<b>Sources</b>	
Permanent Mortgage	\$3,971,871
PHA Seller's Note	\$4,970,000
LIHTC Equity	\$5,205,958
Deferred Fee (@10%)	\$185,017
<b>GAP (CFP/Oper. Res./HOME/AHP)</b>	<b>\$4,821,779</b>
Total Sources	\$19,154,625

**Total Perm Debt & Equity** **\$9,177,829**

GAP funds \$4,821,779  
 GAP funds per unit \$33,956

<b>Leverage: Each \$1.00 of GAP funds results in debt and equity of:</b>	<b>\$1.90</b>
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Cap Needs based on 2018 GPNA Estimates  
 RSMean \$136.05 2018 Gross Residential SqFt Cost  
 Total SqFt. 125,155

Modified 2016 Average RAD Rent \$ 510  
 PBV Rent: 2bd 2018 FMR - UA \$ 701



## Attachment 4: PHA Development Models

# Mixed Finance Development Models

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## Selling off land and hard assets

- PHA sells property (land and buildings)
  - Generates most upfront income
  - Loses asset for future development
  - Threatens long term affordability since PHA no longer has any control

## Selling hard assets but keeping land

- PHA sells buildings but retains land
  - Typically through ground lease structure
  - Can use land as equity
  - Retains first right of refusal
  - Can structure many ways to ensure ongoing revenue

## Project-Basing vouchers into private property

- PHA project-bases vouchers into private property
  - HAP contract with private owner ensures affordability
  - Owner receives contract for guaranteed rent
  - PHA receives no revenue benefit but can improve budget and voucher utilization

## (Re) Developing and retaining all ownership

- PHA owns, develops, and/or manages property
  - Structured many different ways
  - PHA can receive developer fee, property revenues, other fees such as bond costs
  - Administratively, most complicated but provides most long term rights to PHA

# Developer Models

PHA Responsibility



<b>A</b> Private Developer	<b>B</b> Fee-Based Developer	<b>C</b> PHA Partners w/ Private Developer	<b>D</b> PHA as Developer
<ul style="list-style-type: none"> <li>• Development:               <ul style="list-style-type: none"> <li>• Developer</li> </ul> </li> <li>• Ownership:               <ul style="list-style-type: none"> <li>• Developer</li> </ul> </li> <li>• Property Management:               <ul style="list-style-type: none"> <li>• Developer's Agent</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Development:               <ul style="list-style-type: none"> <li>• Developer</li> </ul> </li> <li>• Ownership:               <ul style="list-style-type: none"> <li>• PHA</li> </ul> </li> <li>• Property Management:               <ul style="list-style-type: none"> <li>• PHA Agent</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Development:               <ul style="list-style-type: none"> <li>• Developer is Managing GP</li> </ul> </li> <li>• Ownership:               <ul style="list-style-type: none"> <li>• Partnership</li> </ul> </li> <li>• Property Management:               <ul style="list-style-type: none"> <li>• Partnership's Agent</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Development:               <ul style="list-style-type: none"> <li>• PHA/Affiliate as GP</li> </ul> </li> <li>• Ownership:               <ul style="list-style-type: none"> <li>• PHA/Affiliate</li> </ul> </li> <li>• Property Management:               <ul style="list-style-type: none"> <li>• PHA Agent</li> </ul> </li> </ul>

Developer responsible for all development services including design, construction, and construction/ permanent financing

PHA in capacity-building role learning from private developer and/or program manager

# MODEL A: PRIVATE DEVELOPER

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**Description:** PHA procures through RFQ an experienced tax credit developer (preferably with AHFC experience)

**PHA Skills Needed:** Legal counsel (with M-F finance experience); Program Manager/Financial Advisor; PHA Development Coordinator with Admin. Asst.; Relocation Staff

## **Advantages**

- Maximizes use of private sector experience
- If experienced AHFC developer, will increase competitiveness of 9% tax credit applications
- Developer can “front” portion of predevelopment third-party costs
- Once procured, developer can negotiate services and fees for contractor, property management, investors, market analysts, etc.
- Typically developer has strong relationships with investors to help with financing
- PHA can assume ownership after 15 year compliance period
- Developer provides completion guarantees

## **Disadvantages**

- Requires careful negotiation of Master Developer Agreement to identify clear roles and responsibilities
- Implementation responsibility lies with developer so maintaining productive relationships is essential
- May be limited Alaska tax credit developers with interest and/or experience in public housing mixed-finance development
- PHA must have skills (in staff and/or consultants) to control quality of product and milestones

# MODEL B: FEE-BASED DEVELOPER

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**Description:** PHA procures developer for development services only and to be Managing GP. After development (typically at stabilized occupancy), PHA replaces developer in the ownership structure and is responsible for ongoing operations.

**PHA Skills Needed:** Legal counsel; Program Manager/Financial Advisor; PHA Development Coordinator with Admin. Asst.; Relocation Staff; Property Manager with LIHTC experience; Design review/value engineering/construction monitor expertise

## **Advantages**

- Experienced developer should be able to access LIHTC and develop in a timely manner
- Developer responsible for all financing and development activities
- Developer has greater flexibility in who/how hires contractors, market analysts, A/E, etc.
- PHA takes ownership after development and can focus on long-term operations

## **Disadvantages**

- Developer has no long term interest in property so quality of product needs to be carefully and closely monitored
- May not attract best developers (who often are interested in long-term ownership and management)
- May required more detailed documentation of product standards in MDA
- Investors may be concerned about tax credit compliance during operations if PHA takes over responsibility
- PHA may have to hire/procure property management experience

# MODEL C: PHA PARTNERS WITH PRIVATE DEVELOPER

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**Description:** PHA procures developer to partner with in development, ownership and management responsibilities. Typical model when PHA is interested in learning private sector methods and techniques.

**PHA Skills Needed:** Legal counsel; Program Manager/Financial Advisor; PHA Development Coordinator with Admin. Asst.; Relocation Staff; Management Staff

## **Advantages**

- Can use LIHTC experience of developer to increase competitiveness of LIHTC application
- PHA (Instrumentality) starts developing its own LIHTC tract record
- Side-by-side mentoring during development can be a good learning opportunity

## **Disadvantages**

- Depending on how active role PHA plays in development, Part 85 procurement requirements may trigger need for public procurement of all third parties
- PHA must hire high quality development director (who will stay with agency) to learn “the ropes” of mixed-finance development
- Not all developers may be interested in partnering; many are not good at it
- PHA may need to provide more pre-development funds and share in guarantees and cost overruns

# MODEL D: PHA ACTS AS DEVELOPER

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**Description:** PHA creates and staffs an affiliated development entity to own and develop the rental housing

**PHA Skills Needed:** Legal counsel; strong Program Manager with capacity-building experience; strong PHA Development Director with Admin. Asst.; Relocation Staff; Management Staff

## **Advantages**

- PHA controls all aspects of development process
- PHA develops capacity for future development work (for public housing units or LIHTC units)
- No need to worry about relationships with developer and selection process

## **Disadvantages**

- PHA controls all aspects of development process
- PHA, with no track record, will have difficulty receiving tax credit allocations and other financing
- PHA must bear the full cost of all predevelopment activities
- PHA must be able to attract and retain high quality staff with development experience
- PHA must be able to respond in timely manner to stay on schedule
- Investors will view this approach as risky, which will impact PHA's equity raise abilities

# INSTRUMENTALITIES AND AFFILIATES

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The goal of establishing an affiliate or instrumentality for many PHAs is to limit liability:

- Acting as developer, a PHA may want to establish an affiliate or instrumentality specifically for purposes of developing the site and owning the improvements in a mixed-finance development in an effort to limit exposure of all the PHA's resources
- not all PHAs are permitted to create a affiliates or instrumentalities, depending upon state-enabling legislation



# PHA INSTRUMENTALITY

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An entity related to the PHA:

- whose assets, operations, and management are legally and effectively controlled by the PHA
- through which PHA functions or policies are implemented
- that utilizes public housing funds or public housing assets for the purpose of carrying out public housing development functions of the PHA

PHA selection of an instrumentality is not subject to 2 CFR Part 200:

- The instrumentality is essentially the PHA under the public housing program and is controlled by the PHA
- A PHA or its instrumentality acting as developer is subject to 2 CFR Part 200 in selection of all its partners and subcontractors, i.e., architects, consultants, contractors, attorneys, etc.

# PHA AFFILIATE

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An entity, other than an instrumentality:

- Formed by the PHA under state law in which a PHA has a financial or ownership interest or participates in their governance
- PHA as an institution has some measure of control over the assets, operations, or management of the affiliate
- Such control does not rise to the level of control to qualify the entity as an instrumentality

PHA selection of an affiliate is subject to 2 CFR Part 200 and 24 CFR Part 941:

- An affiliate procured by the PHA in accordance with Part 200 is not subject to Part 200 when the affiliate contracts for goods and services, including service of other members of its operational or development team

## **Attachment 5: HUD's rules governing PHA Instrumentalities and Affiliates**



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

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Special Attention of:  
Public Housing Directors;  
Public Housing Agencies;

**NOTICE: PIH-2007- 15 (HA)**

Issued: June 20, 2007

Expired: June 30, 2008

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**Subject: Applicability of Public Housing Development Requirements to Transactions between Public Housing Agencies and their Related Affiliates and Instrumentalities**

**I. Introduction**

- A. **Purpose.** The U.S. Department of Housing and Urban Development (Department) has encouraged the formation of new and innovative public and private partnerships to ensure long-term sustainability of public housing developments and the leveraging of public and private resources to transform communities. Public Housing Agencies (PHAs) continue to form and expand their relationships with private partners, including partnerships with entities related to the PHA.

The Office of Inspector General (OIG) in report No. 2004-AT-0001 has alleged violations of the Annual Contributions Contract (ACC) and regulations in agreements regarding development activities and PHA relationships with affiliated housing development entities and non-profit organizations. This notice intends to reaffirm the requirements of Public and Indian Housing Programs including the United States Housing Act of 1937 (Act), the ACC, and regulations (collectively, public housing requirements) that apply to public housing activities, including mixed-finance development activities. This notice will also assist PHAs in avoiding violations of existing requirements in development transactions with their partners. The Department intends to use this notice to focus on existing development related requirements applicable to administrative fees and development cost allocation; prohibition of conflicts of interest; the procurement of related entities; and disposition and encumbrance of public housing property. Moreover, this Notice will focus on these requirements as they pertain to Affiliates and Instrumentalities, entities through which PHAs are conducting development activities.

Additionally, this notice will provide guidance to the Department's Headquarters and field office staff on identifying transactions that have not been approved by the Department and addressing the issues that arise in the transactions.

- B. **Applicability.** This notice applies to public housing development activities pursuant to 24 CFR Part 941. This notice does not apply to development or management of non-public housing programs that are not funded with public housing funds, even if carried out by entities related to the PHA. This notice also does not apply to PHA instrumentalities, affiliates, consortia or joint ventures providing administrative management, supportive or social services pursuant to Section 13 of the Act and its implementing regulations at 24 CFR Part 943. Notwithstanding any provision of this notice, Moving to Work (MTW) participants may continue to operate in accordance with their MTW Agreements with the Department.
- C. **The Department's policy.** The Department encourages PHAs to take innovative approaches to implementation of public housing programs including the creation of partnerships to increase the capacity and experience of the PHA. PHAs have diverse experience and skills and must evaluate what is in the interest of the PHA and its clients prior to utilizing an Affiliate or Instrumentality for development and/or the operation of public housing programs.<sup>1</sup> If the PHA determines that the use of an Affiliate or Instrumentality to assist in the development of public housing and to administer and manage PHA programs is in the best interest of the PHA, the Department encourages PHAs to use Affiliates and Instrumentalities, so long as the implementation of the public housing program is consistent with the applicable public housing requirements.
- D. **Program requirements.** Similar to PHAs themselves, Affiliates and Instrumentalities are created under state laws, so their basic powers and functions are governed by state and local law and further defined in their organizational documents, rather than being defined by federal statutes and regulations. The Department's regulatory authority over PHAs and their Affiliates and Instrumentalities derives from the requirements of the Department's programs that are administered by the PHA, Affiliate or Instrumentality. Thus, when an Affiliate or Instrumentality participates in a public housing development program it becomes subject to existing requirements.
- E. **Terms.** While the Department's regulations permit the PHA to develop public housing through a variety of ownership structures, the following are types of entities that are used in the practice of public housing development:

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<sup>1</sup> This notice only covers development activities and activities related thereto.

1. An “**Affiliate/Affiliated entity**” is an entity, other than an Instrumentality, formed by the PHA under state law in which a PHA has a financial or ownership interest or participates in their governance. The PHA as an institution has some measure of control over the assets, operations, or management of the Affiliate, but such control does not rise to the level of control to qualify the entity as an Instrumentality. In addition, for the purpose of this notice, the definition of Affiliates includes only those entities that use public housing funds to carry out public housing development functions of the PHA. Except as specified in this notice, an Affiliate is treated like an unrelated third party contractor.
  
2. An “**Instrumentality**” is an entity related to the PHA whose assets, operations, and management are legally and effectively controlled by the PHA, through which PHA functions or policies are implemented and that utilize public housing funds or public housing assets for the purpose of carrying out public housing development functions of the PHA. For the Department’s purposes, an Instrumentality assumes the role of the PHA and is the PHA under the public housing requirements for purposes of implementing public housing development activities and programs. See 24 CFR 5.10, definition of a PHA. Instrumentalities must be authorized to act for and to assume such responsibilities. In addition, an instrumentality must abide by the public housing requirements that would be applicable to the PHA.

F. **Definitions.** For the purpose of this notice the following terms and phrases apply:

1. “**Public housing assets**” means public housing property, including real and personal property, tangible and intangible; and, tenant rents, used in connection with public housing that has been developed, acquired, or assisted with public housing funds.
  
2. “**Public housing units**” is the same term used in 24 CFR Part 941 and includes homeownership units developed with public housing funds prior to the transfer of title to the homebuyer.
  
3. “**Public housing funds**” means funds appropriated to implement programs authorized under the Act, including funds appropriated under Section 9 and 24 of the Act, excluding funds appropriated under Section 8 of the Act.

4. **“Public housing requirements”** means all requirements applicable to public housing, including without limitation, requirements pertaining to public housing under the Act, the Department’s implementing regulations and the ACC.

## **II. Formation of Instrumentalities and Affiliates**

This section provides guidance on the fiduciary and organizational linkages between Affiliates, Instrumentalities and PHAs. It describes the extent to which public housing funds can be used to form Affiliates and Instrumentalities. The second part of this section specifically focuses on the relationship between PHAs and Instrumentalities that were formed with public housing funds.

Under the existing public housing structure there is usually one PHA in a jurisdiction. Therefore, any entity that does business with the PHA is presumed to be a contractor. An entity will be treated as a contractor unless it is made clear by the PHA that it should be treated differently, e.g., as an Instrumentality. The PHA may obtain a private legal opinion, an opinion from the local government, or guidance from the Department that the entity is an Instrumentality under HUD regulations and has the requisite powers and delegated authority to carry out the responsibilities of the PHA for development purposes under the applicable public housing requirements. If no such opinion is obtained, the PHA should look to the indicia of control over the entity as the basis for the PHA treating the entity as an Instrumentality (see Section B.1 below). Otherwise, the entity will be treated as a contractor.

- A. **Use of Federal funds to form Affiliates and Instrumentalities.** Public housing funds may be used for administrative expenses incurred in the formation of an Affiliate or Instrumentality created to develop and operate a PHA’s public housing development programs.
  1. Public housing funds may be used for costs related to forming an Affiliate or Instrumentality. If an Affiliate or Instrumentality is formed with public housing funds solely for developing a mixed-income and/or mixed-use development, the development must contain public housing units, although it may contain Low Income Housing Tax Credit (LIHTC) units, other affordable units, market rate housing, and commercial development. (See section 9 of the Act). Subject to the requirements discussed in Section III, the PHA may also use public housing funds for the costs of preparing and submitting a tax credit application, where it is developing public housing units in a mixed-income project, a mixed-use project, or a project that consists solely of public housing units, some of which are also LIHTC units.

2. Public housing funds **may not** be used to pay the cost of forming an Affiliate/Instrumentality created for the sole purpose of developing LIHTC or market rate developments that do not include any public housing units. In this event, the organizational costs must be paid with non-public housing funds, which includes de-federalized fees paid to the Central Office Cost Center.
3. Where multiple projects are contemplated, the first project must contain some public housing units. Public housing funds can be used, subject to the requirements discussed in Section III, to establish an Affiliate or Instrumentality that intends to develop multiple projects, some of which may not include public housing units as long as the first project includes public housing units. However, public housing funds appropriated under the Act must not be used to finance or develop the projects or phases that do not include any public housing units.

B. **Indicia of control necessary to determine an Instrumentality.**

Instrumentalities will be considered, for purposes of the public housing program, to be the PHA. As such, the Instrumentality must have the authority to carry out proposed activities of the PHA. Generally, the requirements are assumed to be met where the Instrumentality is created as a division within the existing structure of the PHA. The following factors should be considered in the formation and operation of an Instrumentality of the PHA which is a separate legal entity from the PHA.

- a. The Instrumentality is directed or managed by the same persons who constitute the board of directors or governing body of the PHA or who are employees of the PHA.
- b. Board positions on the Instrumentality may be associated with an employment position at the PHA or appointed by such persons. In the event of a PHA staff change, the PHA would appoint another employee to the board of the Instrumentality.
- c. The organizational documents of the Instrumentality contain provisions that in the event of a change in the controlling interest of the Instrumentality, all public housing assets of the Instrumentality are returned to the PHA or are otherwise protected.
- d. The organization is a component unit of a primary government using the suggested criteria and tests included



in the Government Accounting Standards Board Statement 14.

2. An Instrumentality must abide by the public housing requirements that would be applicable to the PHA.

### **III. Allocation and Source of Funds for the Cost of Shared Resources**

This section includes allocation of formation costs discussed in Section II of this notice, and provides guidance on fiscal management and cost allocation when public housing funds are involved in a development activity. As a general rule, public housing funds may only be used for the development, administration, or management of a project that contains public housing units subject to the authority by which the funds were appropriated. The costs to carry out the administrative, management, or development functions for a project containing no public housing units shall be paid for with funds other than public housing funds. The PHA has the option of using the cost allocation system as outlined in this section or a fee based approach in lieu of cost allocation as outlined in Section B.

- A. **Basic cost allocation requirements.** Where staff, facilities, equipment, or other resources are shared between a PHA and an Affiliate/Instrumentality, or between the public housing program and non-public housing programs, the costs must be equitably allocated to each entity or program. This is the cost allocation principle that is the norm for both public and private business practices, and it applies to the development of public housing. The same cost allocation requirements apply where a PHA's employee performs work for an Affiliate as a consultant or other type of contractor. In the case of mixed-finance development the number of public housing units must be approximately proportionate to the PHA's contribution compared to the number of non-public housing units and the contribution from other sources. (See section 35 of the Act). OMB Circular A-87, Cost Principles for State and Local Governments (A-87), (2 CFR part 225) contains several provisions on this subject, including the following:
  - Attachment A, Sec. C.3.a. "A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received."
  - Attachment A, Sec. D.1. "The total cost of Federal awards is comprised of the allowable direct cost of the program, plus its allocable portion of allowable indirect costs, less applicable credits."
  - Attachment B, Sec. 8.h.(4). "Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation... unless a statistical sampling system... or other

substitute system has been approved by the cognizant Federal agency.”

**B. Fee based structure.** PHAs may use a fee based structure in lieu of cost allocation systems. Where the PHA earns certain fees, as detailed in the Financial Management Handbook, it may use the fees as the PHA wishes, including to pay Affiliate or Instrumentality costs. This structure is permitted under Section A(2)(b) of Attachment A of A-87 as an alternative to reduce the administrative burden regarding the establishment of overhead rates.

1. *Reasonable fee amount.* This section is applicable to mixed-finance development activities approved under 24 CFR 941 Subpart F that include the use of Capital Funds, HOPE VI funds, or other public housing capital assistance eligible to be used for development. When using public housing funds, a reasonable administrative fee is 3% of the total project budget. The administrative fee may be paid with public housing funds and covers the PHA’s administrative cost for the mixed-finance development activities. (See the Department’s Cost Control and Safe Harbor Standards for Rental Mixed-Finance Development, Revised April 9, 2003.) The total project budget includes all hard and soft development costs paid with both public and private financing. The total project budget should exclude Community and Supportive Services (CSS) costs for the purpose of calculating the administrative fee. If the administrative fee is at or below the 3% safe harbor standard, no further review is required. Alternatively, the PHA may charge up to a 6% administrative fee provided the PHA demonstrates to the Department, in writing, that the fee is appropriate for the scope of work, specific circumstances of the project, and local or national market for the services provided.
2. *Treatment of fees.* Under OMB Circular A-87, a PHA that receives federal and non-federal funds must assure that it is not disproportionately allocating overhead to federal programs. In the case where the PHA is charging within the approved amount for administrative fees for mixed-finance development, this concern is assumed to be satisfied.
  - a. For PHAs undertaking development, any administrative fee that the PHA charges for mixed-finance development programs is considered non-program income for purposes of A-87 and 24 CFR Part 85, provided that the fees charged are reasonable under the criteria established by the Department; however, other state and local restrictions may

still apply. Consequently, any reasonable fees earned by the PHA will be treated as local revenue subject only to the controls and limitations imposed by the PHA's management, board or other authorized governing body. The PHA is not required to document or demonstrate actual costs to earn the administrative fee. Additionally, the PHA is not required to distinguish or separately account for the expenses or costs associated with the administrative fee earned from its public housing development programs.

- b. A PHA may use the administrative fee for any purpose appropriate for local revenue, including PHA, Instrumentality, or Affiliate costs, such as to pay the Central Office Cost Center or to hire external consultants including a program manager, development advisors, or relocation specialists. The administrative fees or costs incurred must be within the administrative fee limits.
- c. PHA fees and or assets derived from non-public housing funds and non-public housing assets are not subject to the provisions of this notice.

- C. **Accounting and reporting requirements.** PHAs and Instrumentalities must comply with Generally Accepted Accounting Principles (GAAP) reporting requirements (24 CFR 5.801). This includes the Instrumentality providing the PHA and the Department with audited financial statements and financial performance reviews. If an Affiliate is included as a component unit or, to the extent that these accounting and reporting requirements apply to unrelated third party contractors, then Affiliates must also comply. (See PHA GAAP Flyer, Vol. 1, Issue 3, July 1999).

#### **IV. Conflicts of Interest**

PHAs are bound by conflict of interest provisions found in both the ACC and in HUD regulations at 24 CFR Part 85. Instrumentalities and Affiliates are also bound by these requirements. Conflict-of-interest questions can arise in transactions by PHAs, their Affiliates and Instrumentalities. This section highlights contractual and regulatory provisions that address conflicts of interest.

We discuss below the overarching standards for Part 85 and the ACC, respectively. As a practical matter, the Department is most concerned with conflicts of interest resulting in an actual or perceived personal financial benefit to agents of the PHA, Instrumentality and Affiliate involving public housing funds. Such instances create, at a minimum, a perception of abuse of authority and self-dealing in a federal program. In such instances the Department will closely scrutinize the transactions and will consider all available remedies for resolving these conflicts.

The following provides an overview of conflict-of-interest concepts generally and provides excerpts from the ACC and other Department regulations.

A. **Conflict of Interest.** PHAs and Instrumentalities are to avoid situations in which agents of those entities participate in contracting related decision making that results in a benefit received by that agent or person linked to that agent. In addition, the PHA's Instrumentalities and Affiliates may not contract with a third party in which certain PHA officials, their immediate family and certain local officials have an interest. Participation by a representative of the PHA (e.g., board member, employee, officer) in the PHA's Instrumentality is not, per se, a conflict; nor is a representative's participation in an Affiliate, so long as the representative and certain persons related to that representative do not have an interest in the Affiliate. Under the Departments regulations, the PHA, and therefore its Instrumentality, must develop standards for determining whether someone has a conflict of interest in a matter involving the PHA and any other party.

1. *Prohibited individuals.* The conflict-of-interest provision applies to an individual that is a member of the prohibited class as listed in Section 19 of the ACC or 24 CFR section 85.36(b)(3) (e.g., a PHA employee, officer or agent, any member of his or her immediate family, his or her business partner, or an organization which employs or is about to employ any of the above). Personal financial interests of an individual not specifically enumerated as covered, or individuals specifically exempted (e.g., tenant commissioners, under the ACC) do not constitute a conflict of interest under either the ACC or Part 85.
2. *Decision making capacity.* Under Part 85, a conflict of interest exists if an agent of the PHA/Instrumentality will participate in the award or administration of the contract supported by federal funds, and the decision, influence, award, or administration results in a benefit, actual or perceived, to the prohibited individual. However, the ACC strictly prohibits, without a waiver, contracting with an entity in which a prohibited individual has any financial interest regardless of the individual's decision making capacity.
3. *Applicability to Employment Sharing Arrangements* There is no conflict of interest where an agent of the PHA, Affiliate, or Instrumentality receives a normal and customary compensation package for employment by the PHA or the Affiliate/Instrumentality, including compensation provided to the employee by the PHA or the Affiliate/Instrumentality. For

example, a bonus provided by the PHA to the development director or payrolled employee for their service to the Instrumentality/Affiliate would not be considered a financial interest, if consistent with the PHA's customary compensation package. Where the PHA permits its staff to provide services to an Affiliate or Instrumentality the allocation of the salary expenses between these entities do not create a conflict of interest for the individual employee.

**B. Consolidated Annual Contributions Contract (ACC) – Section 19.** Affiliates/Instrumentalities are not exempt from the conflict-of-interest prohibition that applies to public housing in general. As discussed in Section I.E, an Instrumentality is construed as the PHA and an Affiliate is considered a contractor. The prohibition of conflicts of interest is stated in Section 19 Part A of the ACC, Form HUD-53012A (7/95).<sup>2</sup> “(1) In addition to any other applicable conflict-of-interest requirements, neither the PHA nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under this ACC in which any of the following classes of people has an interest, direct or indirect, during his or her tenure or for one year thereafter.”

1. “(A)(1)(i) Any present or former member or officer of the governing body of the HA [housing authority] or any member of the officer's immediate family. There shall be excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, the HA or a business entity.”
2. “(A)(1)(ii) Any employee of the HA who formulates policy or who influences decisions with respect to the project(s), or any member of the employee's immediate family, or the employee's partner.”
3. “(A)(1)(iii) Any public official, member of the local governing body, or State or local legislator, or any member of such individuals' immediate family, who exercises functions or responsibilities with respect to the project(s) or the HA.”

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<sup>2</sup> PHAs should examine their ACCs as some PHAs may still be operating under older versions of the ACC and those terms will apply.

C. **The Department's Regulations: 24 CFR Part 85**

The Department's regulations that apply to procurement by a PHA or its subgrantees, 24 CFR Part 85, contain a similar prohibition against real or apparent conflict of interest. The prohibition of conflicts of interest is stated in 24 CFR 85.36(b)(3).

“Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- (i) The employee, officer or agent,
- (ii) Any member of his immediate family,
- (iii) His or her partner, or
- (iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.”

D. **Waiver.** If the Department determines there is good cause, the PHA may obtain from the Department a written waiver of Section 19 of the ACC and an exception to the conflict-of-interest provisions in 24 CFR Part 85.36(b)(3).

E. **Applicability to Instrumentalities.** An Instrumentality is construed as the PHA in conjunction with public housing development activities. As such, there is no inherent conflict of interest regarding transactions between a PHA and its Instrumentality within the sphere of activity. An Instrumentality is required to follow the ACC and Part 85 conflict-of-interest provisions in its contracting with third parties, as though it were the PHA.

**V. PHA Selection of Affiliates/Instrumentalities/Owners Entities and Procurement by Those Entities.**

In all cases, when a PHA or its Instrumentality expends public housing funds as part of a development activity, procurement of development partners is governed by 24 CFR Part 85 and 24 CFR 602(d)(1). This section provides an overview of how the procurement requirements apply to Affiliates/Instrumentalities and mixed-finance owner entities engaged in development activities with the PHA.

**A. Instrumentality**

1. *Selecting the Instrumentality.* A PHA’s selection of an Instrumentality for development is not subject to 24 CFR Part 85. The Instrumentality is essentially the PHA under the public housing program and is controlled by the PHA. Therefore, the PHA need not procure an Instrumentality.
2. *Procurement by the Instrumentality.* An Instrumentality of the PHA that is created or selected to complete a public housing development activity is subject to 24 CFR Part 85 in selection of its partners and subcontractors. An Instrumentality must procure third party members of its operational or development team, i.e., architects, consultants, contractors, attorneys, etc. because the Instrumentality is subject to the same procurement requirements as the PHA (see 24 CFR Part 85 and 24 CFR Part 941).

**B. Affiliate**

1. *Procurement of the Affiliate.* PHA procurement of a PHA Affiliate is subject to the applicable provisions of 24 CFR Part 85 and 24 CFR Part 941. The PHA may choose to implement any of the methods of procurement outlined in 24 CFR 85.36, including procurement by noncompetitive proposals, as long as the preconditions to the use of that method are met. For purposes of mixed-finance development the affiliate may be procured in accordance with 24 CFR 85.36 as modified by 24 CFR 941.602(d).
2. *Selections by the Affiliate.* An Affiliate that has been procured by the PHA in accordance with Part 85 is not subject to Part 85 when the Affiliate contracts for goods or services, including services of the other members of its operational or development team, e.g., architects, consultants, contractors, and attorneys.

- C. Selection by an owner entity.** 24 CFR 941.602(d)(2) refers to the exercise of “significant functions” within the owner entity by the PHA or

an Instrumentality in order to determine whether the procurement of subcontractors is subject to 24 CFR Part 85.<sup>3</sup> In a mixed-finance transaction, the procured developer typically forms the owner entity and assumes a role in the partnership. The following are examples of PHA or Affiliate/Instrumentality involvement in the owner entity.

1. If the PHA or its Instrumentality (by virtue of having been selected and not procured by the PHA) is a general partner or managing member of the owner entity or occupies a position that allows either the PHA or the Instrumentality to exercise significant functions as to the management of the development, then selections by the owner entity are subject to the provisions of 24 CFR Part 85.
2. If an Affiliate or any other entity (by virtue of having been procured by the PHA or Instrumentality) is the general partner or managing member of the owner entity (even if the Affiliate is occupying a position that allows it to exercise significant functions as to the management of the development), then the owner entity is not subject to the provisions of 24 CFR Part 85.
3. A PHA, Instrumentality, or Affiliate that has limited rights as a limited partner or minority member, including a purchase option or right of first refusal, does not qualify as exercising significant functions within the owner entity.

## **VI. Section 30, Capital Fund Financing and Public Housing Development**

The following is a summary of the key program requirements affecting PHAs and their Affiliates/Instrumentalities participating in the development of public housing.

- A. **Section 30 of the 1937 Act: Public housing mortgages and security interests.** Private development firms, PHAs, Affiliates and Instrumentalities providing development functions for public housing development and/or mixed-finance housing development projects must conform to the requirements of section 30 (42 U.S.C. 1437z-2) to the extent they mortgage or grant a security interest in any public housing asset. In general, entities may not mortgage or otherwise grant a security interest in any public housing project, asset, or other property of the PHA without the prior written approval of the Assistant Secretary for Public and Indian Housing or the Deputy Assistant Secretary for the Office of Public Housing Investments (OPHI). With the exception of security interests in

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<sup>3</sup> The Procurement Process chapter of the Mixed-Finance Guidebook provides additional detail on this topic.



public housing appurtenances such as administration buildings, the Declaration of Trust (pursuant to section 8 of the ACC and section 9 of the Act) must be recorded before any mortgage or security interest on a public housing project.

- B. Capital Fund Financing Program.** PHAs may participate in the financing element of the Capital Fund under the Capital Fund Financing Program (CFFP). A PHA may borrow private capital to make improvements and pledge, subject to the availability of appropriations, a portion of its future year annual Capital Funds to make debt service payments for either a bond or conventional bank loan transaction. The loans or bonds are obligations of the PHA. The Department does not guarantee or insure these loans or bonds. No action taken under CFFP or section 30 shall result in any liability to HUD. The PHA obligation is subject to the availability of appropriations by Congress and compliance with statutory and regulatory requirements. A PHA must obtain written approval from the Department prior to executing any document that would encumber or pledge as collateral any public housing asset. This includes both physical assets and future public housing funding, such as Operating Funds or Capital Funds. In order to receive approval from the Department, a PHA must submit a financing proposal that includes a term sheet, financial documents, and a justification for the use of Capital Funds for financing.
- C. Public housing and mixed-finance development.** A PHA may use any generally accepted method of development outlined in 24 CFR Part 941. The purpose of the development program is to allow the PHA to develop public housing units that serve the needs of the public housing residents over the long term. The following is a summary of the public housing requirements applicable to the development of public housing units.
1. *Mixed-finance development.* Private development firms and/or Affiliates and Instrumentalities undertaking mixed-finance development of public housing units must conform to applicable public housing requirements. Specifically, the entity must follow the requirements of 24 CFR Part 941, Subpart F – Public/Private Partnerships for Mixed-Finance Development of Public Housing Units, and the guidance and procedures established by the OPHI, including but not limited to the Mixed-Finance Guidebook (1998). The OPHI must approve the obligation of any public housing funds prior to the expenditure of these funds.
  2. *Other development methods.* Private development firms, Affiliates or Instrumentalities conducting development activities under 24 CFR Part 941, Subparts A, B, C, D, and E must conform to the requirements of the appropriate Subpart. The

PHA must ensure in its contractual arrangements that the partners will comply with all applicable public housing requirements. The Department's field offices will provide technical assistance, with respect to approvals, monitoring, and reviews. The Program Centers must approve the transaction before the obligation of any public housing funds.

3. *Environmental requirements.* Note that the references to 24 CFR Part 50 in 24 CFR 941.208 and 941.608(b)(6) are outdated. The federal environmental review will be performed by a local or state Responsible Entity pursuant to 24 CFR Part 58, unless the Department chooses to perform the review itself under Part 50. Participants in the development process, including public or private for-profit or non-profit entities and their contractors, may not commit any public or private funds to activities that would have an adverse environmental impact or limit the choice of reasonable alternatives unless one of the following conditions has been met: (1) The Department has received a certification and request for release of funds and has approved the request for release of funds; or (2) The Department has done an environmental review and approved the activity or project.

## **VII. Disposition and Encumbrance of Public Housing Property**

Development transactions between PHAs and other parties, including Affiliates/Instrumentalities, frequently involve the disposition or the encumbrance of public housing property. The following provisions are reiterated to emphasize important restrictions and remind PHAs of their obligations associated with the receipt of public housing funds, which still apply where Instrumentalities and Affiliates are involved, and to specifically discuss the applicability of these provisions to Instrumentalities.

- A. **Consolidated Annual Contributions Contract, Part A (ACC) Form HUD-53012A (7/95).** The following are selected provisions of the ACC with particular application to transactions involving PHAs, Affiliates and Instrumentalities:
  1. Section 7 – Covenant Against Disposition and Encumbrances. This section states: “The HA shall not demolish or dispose of any project, or portion thereof, other than in accordance with the terms of this ACC and applicable HUD requirements. ... the HA shall not in any way encumber such project, or portion thereof, without the prior approval of HUD. In addition, the HA shall not pledge as collateral for a loan the assets of any project covered under this ACC.”

2. Section 8 – Declaration of Trust. This section states: “Promptly upon acquisition of the site of any project, the HA shall execute and deliver an instrument (which may be in the form of a declaration of trust, a trust indenture, or such other document as may be approved by HUD) confirming and further evidencing, among other things, the covenant of the HA not to convey or encumber the project except as expressly authorized in this ACC...”
  
  3. Section 9 – Depository Agreement and General Fund. This section states: “(B) All monies and investment securities received by or held for the account of the HA in connection with the development, operation and improvement of projects in accordance with an ACC with HUD shall constitute the “General Fund”...(C) The HA shall maintain records that identify the source and application of funds in such a manner as to allow HUD to determine that all funds are and have been expended in accordance with each specific program regulation and requirement. The HA may withdraw funds from the General Fund only for: (1) the payment of the costs of development and operation of the projects under the ACC with HUD; (2) the purchase of investment securities as approved by HUD; and (3) such other purposes as may be specifically approved by HUD. Program funds are not fungible; withdrawals shall not be made for a specific program in excess of the funds available on deposit for that program....These covenants apply to all public housing assets as defined in ..., including not only real estate, but also money, investment assets, future receipts from rents, operating subsidy and other sources, and any other type of tangible or intangible personal property that is a part of a public housing project” (ACC, Sec. 2, Definitions “Project”).
- B. PHAs, Affiliates, and Instrumentalities may not dispose of or encumber public housing property without the Department’s approval either under 24 CFR Part 970 or Part 941, or section 30 of the Act, as applicable.
  - C. Examples. The following is a nonexclusive list of examples of general types of encumbrances that are prohibited by the ACC covenant without the prior written approval of HUD:
    - a. A mortgage or other lien on project real estate;
    - b. Pledge or other encumbrance of public housing project funds, including tenant rents, and money on hand or future revenues;

- c. Use of project equipment, vehicles, or other tangible assets as collateral;
  - d. Creation of a claim against project assets, under a guaranty or indemnity agreement; and
  - e. Grant of a leasehold interest other than dwelling leases with eligible families in the project.
- D. **Exception: Disposition through mixed-finance development.** Transfer by deed or ground lease of public housing property to an Instrumentality, Affiliate or mixed-finance owner entity for the purpose of developing public housing through the mixed-finance method does not require written approval from the Department through 24 CFR Part 970. The PHA will provide a certification stating that the disposition is in compliance with the provisions of Section 18 of the Act. The Department will approve the transfer, sale or ground lease of public housing property as a component of the mixed-finance approval process.

### VIII. Reimbursement of Public Housing Funds

This section outlines the reimbursement provisions for PHAs that improperly use public housing funds for expenses associated with the development of projects that do not contain public housing units. Additionally, the section outlines corrective actions that PHAs must take where a PHA creates mortgages or grants a security interest in public housing property without the prior written approval of the Department.

The Department may pursue enforcement actions in the event that the PHA is found to have violated the terms of the existing public housing requirements. At its option, the Department may pursue enforcement actions for violations of ACC, statutory, or regulatory requirements and/or allow PHAs to implement the cures described below.

- A. **Reimbursement for improper use of public housing funds for development.** PHAs that have used public housing funds, itself or through a private partner or an Affiliate/Instrumentality, to develop a project that contained no public housing units must reimburse or cause the reimbursement of such funds by the private partner or Affiliate/Instrumentality, as appropriate. Any development costs paid with public housing funds for the improvement of the non-public housing units or for the improvement of a site developed with no public housing units must be reimbursed to the PHA, unless otherwise directed by the Department.
- B. **Reimbursement improper use of public housing funds for development for development of mixed-finance communities.** PHAs that have used public housing funds, without prior written from the

Department, that resulted in the development of mixed-finance projects that include some public housing units must reimburse or cause the reimbursement of such funds to the PHA under the following circumstance:

In the case where a PHA did not previously obtain the Department's approval for the mixed-finance development, the PHA must reimburse all improper costs related to the improvement of the non-public housing units (both hard and soft costs) and/or for the improvement of the site. The Department may use a pro rata share test to ensure that public housing funds were not expended in a greater ratio than the amount of public housing units in the development. For example, if 25 percent of the units in the development are public housing units, the entity must reimburse any public housing funds spent over and above 25 percent of the development costs, excluding costs such as administration, demolition, relocation and supportive services.

- C. **Failure to obtain approval from the Department for section 30.** PHAs are to scrutinize any financial guarantees, loan agreements, indemnifications or security agreements entered into by the PHA, an Affiliate or Instrumentality to ensure that mortgages or other such documents that grant a security interest in any public housing project, public housing property or other public housing asset have been previously approved in writing by the Department. At the discretion of the Department, agreements entered without prior approval from the Department that potentially give third parties a claim on PHA assets in violation of public housing regulations must be terminated or restructured. The PHA must submit documentation to the Department, including all transactional documents, evidencing that such unapproved encumbrances or security interests have been terminated or restructured in a manner to satisfactorily remedy any violations of the public housing requirements.

## **IX. Monitoring and Reporting in the PHA Plan**

Currently, the OPHI reviews and approves mixed-finance transactions that involve PHAs and their Affiliates/Instrumentalities and owner entities. The purpose of this section is to assist with the identification of those transactions that the Department has not approved.

Because the pertinent requirements are not peculiar to transactions involving Affiliates/Instrumentalities, the general approach described should create neither a heightened nor diminished level of scrutiny merely based upon the existence of an Affiliate or Instrumentality. The purpose of this notice is not to impose new or different requirements upon PHAs or the Department, but to assist in the interpretation of existing requirements in complex situations involving the use of Affiliates or Instrumentalities.

**A. Audit Findings: A-133 Compliance Supplement**

1. PHAs are required to disclose activities with Affiliates/Instrumentalities in audited financial statements. The information provided should include cost allocations and financial and accounting transactions between PHAs and their Instrumentalities and Affiliates. The annual audit should include a review of the PHA's use of public housing funds in agreements with Affiliates or Instrumentalities in accordance with OMB Circular A-133 Compliance Supplement.
2. The audit may also disclose the existence of encumbrances that have not been previously approved by the Department. To assist with this part of the review, paragraph 3 below provides a non-comprehensive list of types of transactions that the Department has approved for the use of public housing funds where encumbrances may arise. The identification of any of these types of transactions, without the Department's approval, may indicate non-compliance with existing ACC and public housing requirements as outlined in this notice.
3. The types of transactions include: project syndications, limited liability corporations/partnerships and/or partnership agreements, contractual relationships, and associated accounting between PHAs, Affiliates, Instrumentalities, and other entities involved with projects utilizing public housing funds and/or assets, bank loans, pledges or guarantees of repayment.
4. Any findings from the audit that are related to the encumbrance of public housing assets or formation and cost allocation activities of Affiliates/Instrumentalities will be resolved by the field office, in conjunction with the OPHI. Such findings could trigger a joint review by OPHI and the field office. A checklist that will be used to assist with that review is attached to this Notice as Appendix 1.

**B. Development Activity Reporting: PHA Plan**

1. In accordance with 24 CFR 903, the PHA is required to report disposition of public housing property and any public housing development activities to be entered into with Affiliates/Instrumentalities and other private development entities in the PHA Plan. The field office in the region where the PHA is located approves the PHA Plan. If the field office identifies any problematic disclosures in the PHA Plan, they will work with OPHI to review them as necessary.
2. The PHA Plan includes submission of the Annual Statement for HOPE VI, Mixed-Finance and Capital Fund Program in Part III. The PHA Plan also includes Implementation Schedules for each active grant that details the eligible activities, including development activities conducted with Affiliates

and Instrumentalities, to be funded and the budget of estimated sources and uses.

3. In accordance with the HOPE VI Notice of Funding Availability and 24 CFR 903, the PHA is required to report development activities in the PHA Plan. Additionally, the Department must separately approve all development transactions with Affiliates/Instrumentalities and private development entities that utilize public housing funds for the development. (See 24 CFR Part 941, Subparts A-F sections 941.302, 941.501, 941.612, & 941.614).
4. The approval referred to above is only for development transactions with Affiliates/Instrumentalities and private development entities that involve the use of public housing funds and assets. Non-public housing development activity is not subject to review and approval by the Department, and thus is not included in the PHA plan.

**C. Procurement Review**

Should a review be triggered, part of the process may include a review of procurement which should include an evaluation of compliance with the conflict-of-interest provisions that are included in the HUD Procurement Handbook, 24 CFR 85.36 and the ACC and reiterated in this notice.

**D. Checklist**

The Department's staff and PHAs may use the attached checklist (Appendix 1) as guidance for assessing compliance with the requirements discussed in this notice.

Signed:

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/s/  
Orlando J. Cabrera, Assistant Secretary for  
Public and Indian Housing

## Affiliate/Instrumentality Reference Sheet

<b>Purpose:</b>		
<b>This reference sheet will assist in analyzing concepts covered in the PIH Notice regarding Affiliates and Instrumentalities.</b>		
<u>Issue</u>	<u>Source Documents</u>	<u>Comments and Notice References</u>
<b><u>Determine Necessity of Review:</u></b>		
Does the PHA have any Instrumentalities (related entities that are effectively and legally controlled by the PHA), including but not limited to a Housing Development Corporation, nonprofit or for-profit entities?	<ul style="list-style-type: none"> <li>•PHA Plan</li> <li>•Annual audit</li> <li>•Entity's organizational documents</li> </ul>	(See Notice Section I and II)
Does the PHA have any Affiliates (related entities that do not meet the definition of Instrumentality, but nevertheless the PHA has some measure of control over the entity in terms of organization, administration, or program activities)?	<ul style="list-style-type: none"> <li>•Procurement records</li> <li>•Board resolutions</li> <li>•Entity's organizational documents</li> </ul>	(See Notice Section I and II)
<b>(If the answers to both of the above threshold questions are “no”, it is unnecessary to proceed further).</b>		
Have public housing funds been used and have public housing development activities been conducted via the Affiliate or Instrumentality?	<ul style="list-style-type: none"> <li>•Development contract</li> <li>•PHA financial records</li> <li>•Invoices</li> </ul>	PHAs may work with Affiliates/Instrumentalities on non-public housing projects without public housing assistance without approval or review.
<b>(If the answer is “no”, it is unnecessary to proceed further).</b>		
Does the PHA have an approval from the Department for the public housing development activities conducted by the Affiliate/Instrumentality?	<ul style="list-style-type: none"> <li>•Approval letter</li> <li>•Executed ACC Amendment</li> <li>•Annual PHA Plan</li> </ul>	The approval, ACC Amendment and PHA Plan should indicate that the PHA was working with the Affiliate/Instrumentality.
<b>(If the answer is “yes”, it is unnecessary to proceed further).</b>		



<b><u>Ascertain the Basic Facts:</u></b>		
If one or more of the types of entities identified above exist, ascertain the basic facts about its organization, administration and activities.	<ul style="list-style-type: none"> <li>•Entity's organizational documents</li> <li>•Bylaws</li> <li>•Board resolutions</li> <li>•Articles of Incorporation</li> </ul>	The reviewer should become familiar with the organizational structure and relationship to the PHA.
<b><u>Programmatic Compliance Review:</u></b>		
<i>Formation</i>		
Did the PHA use public housing funds for the formation of an Affiliate or Instrumentality that has not performed public housing activities?	<ul style="list-style-type: none"> <li>•PHA financial records</li> <li>•Entity invoices</li> </ul>	The reviewer may review to determine if public housing funds were used to pay for ineligible expenses. (Section II.A)
<i>Cost Allocation</i>		
If the PHA is utilizing cost allocation for shared staff, facilities, equipment, or other resources, do the allocations generally comply with OMB Circular A-87 (2 CFR Part 225)?	<ul style="list-style-type: none"> <li>•Financial records</li> <li>•Accounting records</li> <li>•Invoices</li> <li>•Contracts</li> </ul>	The reviewer should determine if the PHA is allocating costs appropriately in accordance with Circular A-87. (Section III.A)
If the PHA is utilizing a fee based structure, are the fees for administration charged to the development below 3% of the total project costs or otherwise approved by the Department?	<ul style="list-style-type: none"> <li>•Approval letter</li> <li>•Development proposal</li> <li>•Development budgets</li> <li>•Payroll records</li> <li>•Accounting records</li> </ul>	The budgets should indicate fees within the safe harbor or approval for charging a greater fee. (Section III.B)
To the extent required, are the entities complying with Generally Accepted Accounting Principles?	<ul style="list-style-type: none"> <li>•Annual audits</li> <li>•Financial reviews</li> </ul>	The Audit should be free from findings. Affiliates need only comply with GAAP to the extent that they are required through contracts with the PHA, they are included as a component unit, or an unrelated third party would be required. (Section III.C)

<b><i>Conflict of Interest</i></b>		
<b>**The questions in this section should apply to all transactions involving public housing funds, regardless of the participation of an Affiliate or Instrumentality**</b>		
To what extent is there common membership on the governing boards of the PHA and Affiliate/Instrumentality?	<ul style="list-style-type: none"> <li>•Organizational documents of the Affiliate/Instrumentality</li> <li>•Board records</li> </ul>	The reviewer should identify any parties that may be prohibited individuals in the transactions. (Section IV.A.1)
Is there a personal financial benefit to any of the prohibited individuals as determined in accordance with the guidance provided in Section IV of the Notice?	<ul style="list-style-type: none"> <li>•PHA payroll records</li> <li>•Other payroll records for the prohibited individuals</li> </ul>	The reviewer should identify any parties with a personal financial benefit other than normal and customary compensation. (Section IV.A.2, B, C, and D)
If there is a personal financial benefit to a prohibited individual, has the Department issued a waiver of the ACC provisions and 85.36(b)(3) related to conflict of interest?	<ul style="list-style-type: none"> <li>•PHA/HUD correspondence records</li> <li>• Organizational documents of the Affiliate/Instrumentality</li> </ul>	The reviewer should ensure that the waiver and exceptions requirements have been met. (IV.B and C)
Is there reason for a Departmental review or investigation of the PHA's procurement or contracting transactions with its Affiliate/Instrumentality?		
<b><i>Procurement</i></b>		
Is the PHA in compliance with the procurement regulation? Have all Affiliates or other development partners been appropriately procured?	<ul style="list-style-type: none"> <li>•Procurement Handbook</li> <li>•Procurement records</li> </ul>	See Section V Generally
Does the PHA have an Instrumentality as defined in the Notice?	<ul style="list-style-type: none"> <li>•PHA Plan</li> <li>•Annual audit</li> <li>•Entity's organizational documents</li> </ul>	Sections I.E.2, II.B
Has the Instrumentality followed Part 85 procurement practices in the selection of members of its Development Team?	<ul style="list-style-type: none"> <li>•Contractual agreements</li> <li>•Procurement protocols for the Instrumentality.</li> </ul>	Section V

<b><i>Prohibition Against Encumbrances</i></b>		**The questions in this section should apply to all development transactions involving public housing funds, regardless of the participation of an Affiliate or Instrumentality**
Identify all developments that contain public housing, which are or have been developed, managed or operated by an entity other than the PHA, including Affiliates/Instrumentalities and private partners.	<ul style="list-style-type: none"> <li>•PIC</li> <li>•PHA Plan</li> <li>•Declarations of Trust or Restrictive Covenants</li> </ul>	This information should be included in the PHA Plan (See Sections VI and IX.B)
With respect to those developments, has the PHA or the Affiliate/Instrumentality entered into agreements or commitments that encumber, pledge, or otherwise restrict public housing property or assets?	<ul style="list-style-type: none"> <li>•Loan agreements</li> <li>•Guarantees</li> <li>•Documents recorded upon the deed relating to the property.</li> </ul>	Section VI. The reviewer should look for any unapproved transactions affecting Public Housing property.
With respect to those agreements, has the department previously reviewed and approved the transaction through a Mixed Finance approval, CFFP approval, Section 30 approval or otherwise?	<ul style="list-style-type: none"> <li>•Mixed-finance approval</li> <li>•CFFP approval</li> <li>•Section 30 approval</li> </ul>	Section VI.B. These transactions are allowed with the Department's approval required under Part 941.
Is there sufficient indication of an unapproved prohibited encumbrance to justify an audit or separate review?		
<b><i>Disposition</i></b>		**The questions in this section should apply to all development transactions involving public housing funds, regardless of the participation of an Affiliate or Instrumentality**
Does the PHA have an approval under the Authority under 24 CFR 970 for the disposition of property?	•HUD disposition approval	Section VII.A.
Does the disposition fall under the Mixed Finance exception and have an approval of a mixed finance development under 24 CFR 941?	•HUD mixed-finance approval	Section VII.B.

Project	Month/Year	Tenant#	Trans Date	Code	Trans Type	Amount	Move In Date	Move Out Date	Bdrms
021-C 36 South	9/1/2018	5101-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$457.00	10/3/2016		1
021-C 36 South	9/1/2018	5102-6	9/1/2018	00-DR	Dwelling Rental - Comp	\$160.00	10/14/2016		1
021-C 36 South	9/1/2018	5103-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$184.00	7/1/2008		2
021-C 36 South	9/1/2018	5104-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$151.00	9/9/2011		2
021-C 36 South	9/1/2018	5105-7	9/1/2018	00-DR	Dwelling Rental - Comp	\$64.00	2/1/2013		2
021-C 36 South	9/1/2018	5106-14	9/1/2018	00-DR	Dwelling Rental - Comp	\$386.00	7/12/2018		2
021-C 36 South	9/1/2018	5107-2	9/1/2018	00-DR	Dwelling Rental - Comp	\$345.00	9/27/2002		2
021-C 36 South	9/1/2018	5108-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$574.00	6/26/2012		2
021-C 36 South	9/1/2018	5109-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$362.00	5/13/2013		2
021-C 36 South	9/1/2018	5111-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$151.00	2/7/2013		2
021-C 36 South	9/1/2018	5112-13	9/1/2018	00-DR	Dwelling Rental - Comp	\$151.00	2/2/2018		2
021-C 36 South	9/1/2018	5113-2	9/13/2018	01-DR	Dwelling Rental Adjustm	(\$78.00)	9/9/2000		2
021-C 36 South	9/1/2018	5113-2	9/1/2018	00-DR	Dwelling Rental - Comp	\$346.00	9/9/2000		2
021-C 36 South	9/1/2018	5114-4	9/1/2018	00-DR	Dwelling Rental - Comp	(\$14.00)	8/25/2016		2
021-C 36 South	9/1/2018	5115-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$123.00	11/4/2009		2
021-C 36 South	9/1/2018	5116-12	9/1/2018	00-DR	Dwelling Rental - Comp	\$216.00	7/24/2018		2
021-C 36 South	9/1/2018	5117-6	9/1/2018	00-DR	Dwelling Rental - Comp	\$158.00	3/31/2008		2
021-C 36 South	9/1/2018	5118-7	9/1/2018	00-DR	Dwelling Rental - Comp	\$355.00	3/1/2017		2
021-C 36 South	9/1/2018	5119-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$370.00	7/23/2013		2
021-C 36 South	9/1/2018	5120-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$5.00	10/4/2016		2
021-C 36 South	9/1/2018	5121-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$325.00	2/28/2008		2
021-C 36 South	9/1/2018	5122-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$224.00	9/16/2008		2
021-C 36 South	9/1/2018	5123-7	9/1/2018	00-DR	Dwelling Rental - Comp	\$169.00	5/22/2017		2
021-C 36 South	9/1/2018	5124-6	9/1/2018	00-DR	Dwelling Rental - Comp	\$124.00	9/27/2012		2
021-C 36 South	9/1/2018	5125-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$438.00	6/17/2008		2
021-C 36 South	9/1/2018	5126-8	9/1/2018	00-DR	Dwelling Rental - Comp	\$465.00	1/25/2018		2
021-C 36 South	9/1/2018	5127-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$219.00	4/21/2012		2
021-C 36 South	9/1/2018	5128-4	9/1/2018	00-DR	Dwelling Rental - Comp	(\$14.00)	7/25/2006		2
021-C 36 South	9/1/2018	5129-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$212.00	5/28/2013		2
021-C 36 South	9/1/2018	5130-4	9/1/2018	00-DR	Dwelling Rental - Comp	(\$14.00)	8/13/2007		2
021-C 36 South	9/1/2018	5131-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$457.00	5/18/2016		1
021-C 36 South	9/1/2018	5132-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$166.00	6/20/2006		1
021-C 36 South	9/1/2018	5133-1	9/1/2018	00-DR	Dwelling Rental - Comp	\$457.00	1/1/1900		1
021-C 36 South	9/1/2018	5134-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$151.00	3/7/2017		1
021-C 36 South	9/1/2018	5135-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$16.00	4/11/2018		1
021-C 36 South	9/1/2018	5136-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$166.00	7/20/2006		1
Total						\$8,027.00			

Project	Month/Year	Tenant#	Trans Date	Code	Trans Type	Amount	Move In Date	Move Out Date	Bdrms
AMP 023 - 96 West	9/1/2018	5001-5	9/1/2018	00-DR	Dwelling Rental - Comput	\$323.00	11/3/2011		2
AMP 023 - 96 West	9/1/2018	5002-10	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	10/3/2016		2
AMP 023 - 96 West	9/1/2018	5003-10	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	8/24/2017		2
AMP 023 - 96 West	9/1/2018	5004-11	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	2/11/2015		2
AMP 023 - 96 West	9/1/2018	5005-2	9/1/2018	00-DR	Dwelling Rental - Comput	\$404.00	9/15/1999		2
AMP 023 - 96 West	9/1/2018	5006-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$264.00	7/15/2016		2
AMP 023 - 96 West	9/1/2018	5007-3	9/1/2018	00-DR	Dwelling Rental - Comput	\$157.00	1/10/2009		2
AMP 023 - 96 West	9/1/2018	5008-4	9/1/2018	00-DR	Dwelling Rental - Comput	\$574.00	5/26/2000		2
AMP 023 - 96 West	9/1/2018	5009-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$482.00	3/26/2018		2
AMP 023 - 96 West	9/1/2018	5010-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$153.00	1/4/2012		2
AMP 023 - 96 West	9/1/2018	5011-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$175.00	9/29/2016		2
AMP 023 - 96 West	9/1/2018	5012-12	9/1/2018	00-DR	Dwelling Rental - Comput	\$574.00	10/3/2016		2
AMP 023 - 96 West	9/1/2018	5013-4	9/1/2018	00-DR	Dwelling Rental - Comput	(\$36.00)	6/16/2010		3
AMP 023 - 96 West	9/1/2018	5014-18	9/27/2018	01-DR	Dwelling Rental Adjustme	(\$20.27)	9/12/2018		2
AMP 023 - 96 West	9/1/2018	5015-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$854.00	2/18/2014		3
AMP 023 - 96 West	9/1/2018	5016-11	9/1/2018	00-DR	Dwelling Rental - Comput	\$326.00	2/26/2018	10/18/2018	2
AMP 023 - 96 West	9/1/2018	5017-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$30.00	8/29/2014		2
AMP 023 - 96 West	9/1/2018	5019-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$327.00	6/4/2014		2
AMP 023 - 96 West	9/1/2018	5020-10	9/1/2018	00-DR	Dwelling Rental - Comput	\$254.00	9/20/2017		3
AMP 023 - 96 West	9/1/2018	5021-5	9/1/2018	00-DR	Dwelling Rental - Comput	\$54.00	10/19/2017		2
AMP 023 - 96 West	9/1/2018	5022-7	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	4/23/2008		2
AMP 023 - 96 West	9/1/2018	5023-13	9/1/2018	00-DR	Dwelling Rental - Comput	\$166.00	2/3/2018		2
AMP 023 - 96 West	9/1/2018	5024-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$254.00	6/6/2018		2
AMP 023 - 96 West	9/1/2018	5025-12	9/1/2018	00-DR	Dwelling Rental - Comput	(\$32.00)	2/19/2014	9/11/2018	4
AMP 023 - 96 West	9/1/2018	5025-13	9/26/2018	01-DR	Dwelling Rental Adjustme	\$19.00	9/26/2018		4
AMP 023 - 96 West	9/1/2018	5026-10	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	11/10/2016		2
AMP 023 - 96 West	9/1/2018	5027-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$251.00	1/23/2017		3
AMP 023 - 96 West	9/1/2018	5028-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$338.00	3/15/2017		4
AMP 023 - 96 West	9/1/2018	5029-15	9/1/2018	00-DR	Dwelling Rental - Comput	\$244.00	8/15/2017		2
AMP 023 - 96 West	9/1/2018	5031-5	9/1/2018	00-DR	Dwelling Rental - Comput	\$323.00	8/1/2012		2
AMP 023 - 96 West	9/1/2018	5032-7	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	10/1/2013		2
AMP 023 - 96 West	9/1/2018	5033-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$247.00	2/24/2016		2
AMP 023 - 96 West	9/1/2018	5034-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$330.00	4/6/2018		2
AMP 023 - 96 West	9/1/2018	5035-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$151.00	2/18/2010		2
AMP 023 - 96 West	9/1/2018	5036-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$353.00	7/26/2018		2
AMP 023 - 96 West	9/1/2018	5037-11	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	11/20/2017		2
AMP 023 - 96 West	9/1/2018	5038-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$102.00	10/13/2016		3
AMP 023 - 96 West	9/1/2018	5039-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$274.00	7/29/2017		2
AMP 023 - 96 West	9/1/2018	5040-11	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	6/5/2017		2
AMP 023 - 96 West	9/1/2018	5041-11	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	1/26/2018		2
AMP 023 - 96 West	9/1/2018	5042-10	9/1/2018	00-DR	Dwelling Rental - Comput	\$160.00	2/23/2018		3
AMP 023 - 96 West	9/1/2018	5043-14	9/1/2018	00-DR	Dwelling Rental - Comput	\$64.00	10/3/2014		2
AMP 023 - 96 West	9/1/2018	5044-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$258.00	1/4/2018		2
AMP 023 - 96 West	9/1/2018	5045-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$172.00	3/17/2015		2
AMP 023 - 96 West	9/1/2018	5046-2	9/1/2018	00-DR	Dwelling Rental - Comput	\$421.00	1/5/2018		2
AMP 023 - 96 West	9/1/2018	5047-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$6.00	1/10/2017		2

AMP 023 - 96 West	9/1/2018	5048-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$595.00	3/26/2014		3
AMP 023 - 96 West	9/1/2018	5049-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$67.00	8/24/2018		2
AMP 023 - 96 West	9/1/2018	5050-11	9/1/2018	00-DR	Dwelling Rental - Comput	\$527.00	11/27/2017		2
AMP 023 - 96 West	9/1/2018	5051-12	9/1/2018	00-DR	Dwelling Rental - Comput	\$442.00	6/22/2018		2
AMP 023 - 96 West	9/1/2018	5052-10	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	12/22/2015		2
AMP 023 - 96 West	9/1/2018	5053-2	9/1/2018	00-DR	Dwelling Rental - Comput	\$151.00	3/31/2005		2
AMP 023 - 96 West	9/1/2018	5054-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$398.00	8/19/2011		2
AMP 023 - 96 West	9/1/2018	5055-10	9/1/2018	00-DR	Dwelling Rental - Comput	\$151.00	10/15/2014		2
AMP 023 - 96 West	9/1/2018	5056-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$468.00	6/19/2017		2
AMP 023 - 96 West	9/1/2018	5057-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$78.00	12/8/2012		2
AMP 023 - 96 West	9/1/2018	5058-12	9/1/2018	00-DR	Dwelling Rental - Comput	\$14.00	10/19/2015		2
AMP 023 - 96 West	9/1/2018	5059-8	9/12/2018	01-DR	Dwelling Rental Adjustme	\$162.39	5/21/2012	8/30/2018	2
AMP 023 - 96 West	9/1/2018	5060-11	9/1/2018	00-DR	Dwelling Rental - Comput	\$118.00	10/2/2013		2
AMP 023 - 96 West	9/1/2018	5061-4	9/1/2018	00-DR	Dwelling Rental - Comput	\$490.00	6/11/2013		2
AMP 023 - 96 West	9/1/2018	5062-12	9/1/2018	00-DR	Dwelling Rental - Comput	\$226.00	6/14/2018		3
AMP 023 - 96 West	9/1/2018	5063-11	9/1/2018	00-DR	Dwelling Rental - Comput	\$481.00	2/3/2016		2
AMP 023 - 96 West	9/1/2018	5064-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$204.00	3/20/2017		2
AMP 023 - 96 West	9/1/2018	5065-14	9/1/2018	00-DR	Dwelling Rental - Comput	\$362.00	8/18/2017		2
AMP 023 - 96 West	9/1/2018	5066-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$250.00	7/23/2018		2
AMP 023 - 96 West	9/1/2018	5067-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$376.00	7/11/2013		2
AMP 023 - 96 West	9/1/2018	5068-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$151.00	11/1/2010		2
AMP 023 - 96 West	9/1/2018	5069-3	9/1/2018	00-DR	Dwelling Rental - Comput	\$151.00	4/11/2006		2
AMP 023 - 96 West	9/1/2018	5070-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$255.00	9/13/2016		2
AMP 023 - 96 West	9/1/2018	5071-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$138.00	5/26/2015		2
AMP 023 - 96 West	9/1/2018	5072-7	9/20/2018	01-DR	Dwelling Rental Adjustme	(\$33.67)	7/2/2014	9/20/2018	2
AMP 023 - 96 West	9/1/2018	5072-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$101.00	7/2/2014	9/20/2018	2
AMP 023 - 96 West	9/1/2018	5073-12	9/1/2018	00-DR	Dwelling Rental - Comput	\$114.00	12/6/2016		2
AMP 023 - 96 West	9/1/2018	5074-3	9/1/2018	00-DR	Dwelling Rental - Comput	\$99.00	10/9/2010		3
AMP 023 - 96 West	9/1/2018	5075-12	9/1/2018	00-DR	Dwelling Rental - Comput	\$145.00	7/26/2017		2
AMP 023 - 96 West	9/1/2018	5076-2	9/1/2018	00-DR	Dwelling Rental - Comput	\$138.00	10/1/1998		2
AMP 023 - 96 West	9/1/2018	5077-3	9/1/2018	00-DR	Dwelling Rental - Comput	\$157.00	3/12/2003		2
AMP 023 - 96 West	9/1/2018	5078-5	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	7/7/2018		2
AMP 023 - 96 West	9/1/2018	5079-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$241.00	3/29/2016		2
AMP 023 - 96 West	9/1/2018	5080-10	9/1/2018	00-DR	Dwelling Rental - Comput	\$243.00	1/5/2017		2
AMP 023 - 96 West	9/1/2018	5081-10	9/1/2018	00-DR	Dwelling Rental - Comput	\$38.00	7/8/2017		2
AMP 023 - 96 West	9/1/2018	5082-5	9/1/2018	00-DR	Dwelling Rental - Comput	\$255.00	1/18/2017		2
AMP 023 - 96 West	9/1/2018	5083-10	9/1/2018	00-DR	Dwelling Rental - Comput	\$123.00	7/21/2017		2
AMP 023 - 96 West	9/1/2018	5084-12	9/1/2018	00-DR	Dwelling Rental - Comput	\$354.00	6/19/2013		2
AMP 023 - 96 West	9/1/2018	5085-2	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	3/17/2015		2
AMP 023 - 96 West	9/1/2018	5086-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$158.00	8/8/2018		2
AMP 023 - 96 West	9/1/2018	5087-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$454.00	6/4/2015		2
AMP 023 - 96 West	9/1/2018	5088-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$325.00	2/20/2014		2
AMP 023 - 96 West	9/1/2018	5089-7	9/4/2018	01-DR	Dwelling Rental Adjustme	(\$12.00)	11/3/2016		2
AMP 023 - 96 West	9/1/2018	5089-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$492.00	11/3/2016		2
AMP 023 - 96 West	9/1/2018	5090-5	9/1/2018	00-DR	Dwelling Rental - Comput	\$128.00	8/1/2004		2
AMP 023 - 96 West	9/1/2018	5091-16	9/1/2018	00-DR	Dwelling Rental - Comput	\$193.00	5/29/2018		2
AMP 023 - 96 West	9/1/2018	5092-10	9/1/2018	00-DR	Dwelling Rental - Comput	(\$14.00)	1/5/2018		2

AMP 023 - 96 West	9/1/2018	5093-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$2.00	2/17/2017		3
AMP 023 - 96 West	9/1/2018	5094-12	9/1/2018	00-DR	Dwelling Rental - Comput	(\$11.00)	7/11/2013		2
AMP 023 - 96 West	9/1/2018	5095-5	9/1/2018	00-DR	Dwelling Rental - Comput	\$71.00	5/2/2006		2
AMP 023 - 96 West	9/1/2018	5096-11	9/25/2018	01-DR	Dwelling Rental Adjustme	(\$81.90)	2/2/2018	9/21/2018	2
AMP 023 - 96 West	9/1/2018	5096-11	9/1/2018	00-DR	Dwelling Rental - Comput	\$273.00	2/2/2018	9/21/2018	2

Project	Month/Year	Tenant#	Trans Date	Code	Trans Type	Amount	Move In Date	Move Out Date	Bdrms
022-A Behner	9/1/2018	10001-8	9/1/2018	00-DR	Dwelling Rental - Cor	\$396.00	12/22/2015		2
022-A Behner	9/1/2018	10002-9	9/1/2018	00-DR	Dwelling Rental - Cor	\$3.00	3/13/2018		2
022-A Behner	9/1/2018	10003-5	9/1/2018	00-DR	Dwelling Rental - Cor	(\$73.00)	5/7/2018		3
022-A Behner	9/1/2018	10004-4	9/1/2018	00-DR	Dwelling Rental - Cor	\$435.00	1/19/2017		3
022-A Behner	9/1/2018	10005-6	9/1/2018	00-DR	Dwelling Rental - Cor	\$304.00	3/15/2017		3
022-A Behner	9/1/2018	10006-9	9/1/2018	00-DR	Dwelling Rental - Cor	\$216.00	10/6/2015		3
022-A Behner	9/1/2018	10007-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$108.00	2/3/2017		2
022-A Behner	9/1/2018	10008-7	9/1/2018	00-DR	Dwelling Rental - Cor	(\$91.00)	3/3/2017		2
022-A Behner	9/1/2018	10009-6	9/1/2018	00-DR	Dwelling Rental - Cor	(\$113.00)	12/13/2016		3
022-A Behner	9/1/2018	10010-10	9/1/2018	00-DR	Dwelling Rental - Cor	\$9.00	10/5/2016	9/4/2018	2
022-A Behner	9/1/2018	10010-10	9/1/2018	00-DR	Dwelling Rental - Cor	(\$9.00)	10/5/2016	9/4/2018	2
022-A Behner	9/1/2018	10010-11	9/12/2018	01-DR	Dwelling Rental Adjust	\$24.70	9/12/2018		2
022-A Behner	9/1/2018	10011-8	9/10/2018	01-DR	Dwelling Rental Adjust	\$1.40	9/10/2018		2
022-A Behner	9/1/2018	10012-2	9/1/2018	00-DR	Dwelling Rental - Cor	\$269.00	2/1/2018		3
022-A Behner	9/1/2018	10013-9	9/1/2018	00-DR	Dwelling Rental - Cor	(\$47.00)	10/1/2017		3
022-A Behner	9/1/2018	10014-5	9/1/2018	00-DR	Dwelling Rental - Cor	\$155.00	7/26/2013		3
022-A Behner	9/1/2018	10015-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$4.00	6/5/2017		3
022-A Behner	9/1/2018	10016-3	9/1/2018	00-DR	Dwelling Rental - Cor	\$115.00	12/3/2007		2
022-A Behner	9/1/2018	10017-6	9/1/2018	00-DR	Dwelling Rental - Cor	\$490.00	12/13/2016		2
022-A Behner	9/1/2018	10018-4	9/1/2018	00-DR	Dwelling Rental - Cor	\$78.00	12/13/2016		3
022-A Behner	9/1/2018	10019-10	9/1/2018	00-DR	Dwelling Rental - Cor	\$284.00	10/2/2017		3
022-A Behner	9/1/2018	10020-11	9/1/2018	00-DR	Dwelling Rental - Cor	\$128.00	4/4/2018		2
022-A Behner	9/1/2018	10021-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$117.00	11/29/2016		2
022-A Behner	9/1/2018	10022-9	9/1/2018	00-DR	Dwelling Rental - Cor	\$258.00	1/7/2015		2
022-A Behner	9/1/2018	10023-1	9/1/2018	00-DR	Dwelling Rental - Cor	\$202.00	2/11/1994		2
022-A Behner	9/1/2018	10024-5	9/1/2018	00-DR	Dwelling Rental - Cor	\$529.00	6/6/2014		3
022-A Behner	9/1/2018	10025-4	9/7/2018	01-DR	Dwelling Rental Adjust	\$392.00	9/7/2018		2
022-A Behner	9/1/2018	10026-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$215.00	1/17/2014		2
022-A Behner	9/1/2018	10027-6	9/1/2018	00-DR	Dwelling Rental - Cor	\$132.00	1/23/2017		3
022-A Behner	9/1/2018	10028-1	9/1/2018	00-DR	Dwelling Rental - Cor	\$490.00	2/15/1994		2
022-A Behner	9/1/2018	10029-4	9/1/2018	00-DR	Dwelling Rental - Cor	(\$11.00)	10/19/2016		2
022-A Behner	9/1/2018	10030-11	9/1/2018	00-DR	Dwelling Rental - Cor	\$428.00	9/24/2015		2
022-A Behner	9/1/2018	10031-7	9/1/2018	00-DR	Dwelling Rental - Cor	(\$33.00)	7/1/2014		2
022-A Behner	9/1/2018	10032-9	9/1/2018	00-DR	Dwelling Rental - Cor	\$4.00	7/27/2015		2
022-A Behner	9/1/2018	10033-8	9/1/2018	00-DR	Dwelling Rental - Cor	\$182.00	12/14/2015		2
022-A Behner	9/1/2018	10034-4	9/1/2018	00-DR	Dwelling Rental - Cor	\$283.00	8/5/2013		3
022-A Behner	9/1/2018	10035-2	9/1/2018	00-DR	Dwelling Rental - Cor	(\$46.00)	9/7/2012		2
022-A Behner	9/1/2018	10036-8	9/1/2018	00-DR	Dwelling Rental - Cor	\$545.00	12/16/2016		3
022-A Behner	9/1/2018	10037-9	9/1/2018	00-DR	Dwelling Rental - Cor	\$117.00	6/24/2011		2
022-A Behner	9/1/2018	10039-5	9/1/2018	00-DR	Dwelling Rental - Cor	\$38.00	10/23/2012		3
022-A Behner	9/1/2018	10040-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$58.00	4/13/2017		3
022-A Behner	9/1/2018	10041-3	9/1/2018	00-DR	Dwelling Rental - Cor	\$732.00	9/27/2006		3
022-A Behner	9/1/2018	10042-12	9/1/2018	00-DR	Dwelling Rental - Cor	\$287.00	7/19/2016		2
022-A Behner	9/1/2018	10043-3	9/1/2018	00-DR	Dwelling Rental - Cor	\$303.00	6/16/2018		2
022-A Behner	9/1/2018	10044-9	9/1/2018	00-DR	Dwelling Rental - Cor	\$3.00	10/1/2015		2
022-A Behner	9/1/2018	10045-5	9/7/2018	01-DR	Dwelling Rental Adjust	(\$563.00)	6/19/2018		2



022-A Behner	9/1/2018	10045-5	9/1/2018	00-DR	Dwelling Rental - Cor	\$472.00	6/19/2018		2
022-A Behner	9/1/2018	10046-5	9/1/2018	00-DR	Dwelling Rental - Cor	\$30.00	6/2/2014		3
022-A Behner	9/1/2018	8001-9	9/1/2018	00-DR	Dwelling Rental - Cor	\$64.00	10/25/2017		2
022-A Behner	9/1/2018	8002-4	9/1/2018	00-DR	Dwelling Rental - Cor	\$107.00	11/9/2015		1
022-A Behner	9/1/2018	8003-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$137.00	12/12/2011		3
022-A Behner	9/1/2018	8004-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$167.00	1/9/2015		3
022-A Behner	9/1/2018	8005-10	9/1/2018	00-DR	Dwelling Rental - Cor	(\$47.00)	1/2/2015		3
022-A Behner	9/1/2018	8006-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$149.00	5/6/2015		3
022-A Behner	9/1/2018	8007-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$409.00	6/10/2015		3
022-A Behner	9/1/2018	8008-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$235.00	4/3/2016		2
022-A Behner	9/1/2018	8009-9	9/1/2018	00-DR	Dwelling Rental - Cor	\$93.00	1/23/2017		2
022-A Behner	9/1/2018	8010-5	9/1/2018	00-DR	Dwelling Rental - Cor	(\$23.00)	3/9/2017		3
022-A Behner	9/1/2018	8011-6	9/1/2018	00-DR	Dwelling Rental - Cor	\$853.00	3/27/2009		4
022-A Behner	9/1/2018	8012-4	9/1/2018	00-DR	Dwelling Rental - Cor	\$193.00	11/17/2017		3
022-A Behner	9/1/2018	8013-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$504.00	3/28/2018		3
022-A Behner	9/1/2018	8014-7	9/1/2018	00-DR	Dwelling Rental - Cor	\$100.00	10/2/2017		2
022-A Behner	9/1/2018	8015-8	9/1/2018	00-DR	Dwelling Rental - Cor	\$15.00	7/29/2015	9/30/2018	2
022-A Behner	9/1/2018	8016-8	9/1/2018	00-DR	Dwelling Rental - Cor	\$46.00	10/25/2017		2
022-A Behner	9/1/2018	8017-5	9/1/2018	00-DR	Dwelling Rental - Cor	\$282.00	2/19/2015		2
022-A Behner	9/1/2018	8018-6	9/1/2018	00-DR	Dwelling Rental - Cor	\$423.00	11/27/2014		3
022-A Behner	9/1/2018	8019-5	9/1/2018	00-DR	Dwelling Rental - Cor	(\$138.00)	11/7/2013		4
022-A Behner	9/1/2018	8020-6	9/1/2018	00-DR	Dwelling Rental - Cor	\$294.00	3/9/2017		4
022-A Behner	9/1/2018	8023-6	9/1/2018	00-DR	Dwelling Rental - Cor	\$853.00	1/14/2014		4
022-A Behner	9/1/2018	8024-11	9/1/2018	00-DR	Dwelling Rental - Cor	\$84.00	3/27/2017		2
022-A Behner	9/1/2018	8025-10	9/1/2018	00-DR	Dwelling Rental - Cor	\$490.00	6/23/2014		2
022-A Behner	9/1/2018	8026-5	9/1/2018	00-DR	Dwelling Rental - Cor	\$732.00	5/19/2014		3
022-A Behner	9/1/2018	8027-5	9/1/2018	00-DR	Dwelling Rental - Cor	\$476.00	11/22/2013		3
022-A Behner	9/1/2018	8028-5	9/1/2018	00-DR	Dwelling Rental - Cor	\$59.00	3/26/2018		2
022-A Behner	9/1/2018	8029-2	9/1/2018	00-DR	Dwelling Rental - Cor	\$408.00	6/9/2012		1
022-A Behner	9/1/2018	8030-2	9/1/2018	00-DR	Dwelling Rental - Cor	\$219.00	8/1/2016		2
022-A Behner	9/1/2018	8031-4	9/1/2018	00-DR	Dwelling Rental - Cor	(\$3.00)	12/14/2015		3
022-A Behner	9/1/2018	8032-6	9/1/2018	00-DR	Dwelling Rental - Cor	\$40.00	6/27/2017		3
022-A Behner	9/1/2018	8033-8	9/1/2018	00-DR	Dwelling Rental - Cor	\$225.00	3/27/2017		2
022-A Behner	9/1/2018	8034-8	9/1/2018	00-DR	Dwelling Rental - Cor	\$212.00	10/27/2014		1
022-A Behner	9/1/2018	8035-7	9/1/2018	00-DR	Dwelling Rental - Cor	(\$109.00)	4/11/2016		3
022-A Behner	9/1/2018	8036-8	9/1/2018	00-DR	Dwelling Rental - Cor	\$263.00	2/2/2017		3

Project	Month/Year	Tenant#	Trans Date	Code	Trans Type	Amount	Move In Date	Move Out Date	Bdrms
021-B Cherry Point 006	9/1/2018	3008-5	9/1/2018	00-DR	Dwelling Rental - Comput	(\$99.00)	9/23/2014		3
021-B Cherry Point 006	9/1/2018	3018-5	9/1/2018	00-DR	Dwelling Rental - Comput	(\$100.00)	7/27/2015		3
021-B Cherry Point 006	9/1/2018	4001-5	9/1/2018	00-DR	Dwelling Rental - Comput	\$20.00	5/15/2014		3
021-B Cherry Point 006	9/1/2018	4002-5	9/1/2018	00-DR	Dwelling Rental - Comput	\$231.00	8/6/2018		3
021-B Cherry Point 006	9/1/2018	4003-4	9/1/2018	00-DR	Dwelling Rental - Comput	\$427.00	1/19/2011		3
021-B Cherry Point 006	9/1/2018	4004-2	9/1/2018	00-DR	Dwelling Rental - Comput	\$458.00	2/20/2004		3
021-B Cherry Point 006	9/1/2018	4005-4	9/1/2018	00-DR	Dwelling Rental - Comput	\$71.00	6/4/2018		3
021-B Cherry Point 006	9/1/2018	4007-3	9/1/2018	00-DR	Dwelling Rental - Comput	(\$108.00)	11/8/2013		3
021-B Cherry Point 006	9/1/2018	4008-4	9/1/2018	00-DR	Dwelling Rental - Comput	(\$82.00)	3/26/2014		3
021-B Cherry Point 006	9/1/2018	4010-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$48.00	5/2/2018		3
021-B Cherry Point 006	9/1/2018	4014-10	9/1/2018	00-DR	Dwelling Rental - Comput	\$131.00	8/13/2018		3
021-B Cherry Point 006	9/1/2018	4015-13	9/1/2018	00-DR	Dwelling Rental - Comput	\$369.00	4/5/2017		3
021-B Cherry Point 006	9/1/2018	4016-4	9/1/2018	00-DR	Dwelling Rental - Comput	(\$83.00)	1/6/2009		3
021-B Cherry Point 006	9/1/2018	4017-4	9/1/2018	00-DR	Dwelling Rental - Comput	\$51.00	2/20/2015		3
021-B Cherry Point 006	9/1/2018	4021-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$41.00	1/4/2012		3
021-B Cherry Point 006	9/1/2018	4022-2	9/1/2018	00-DR	Dwelling Rental - Comput	\$217.00	9/29/2008		3
021-B Cherry Point 006	9/1/2018	4025-3	9/1/2018	00-DR	Dwelling Rental - Comput	(\$48.00)	9/29/2010		3
021-B Cherry Point 006	9/1/2018	4026-6	9/1/2018	00-DR	Dwelling Rental - Comput	(\$91.00)	7/1/2015		3
021-B Cherry Point 006	9/1/2018	4028-6	9/1/2018	00-DR	Dwelling Rental - Comput	(\$72.00)	10/10/2013		3
021-B Cherry Point 006	9/1/2018	4029-4	9/1/2018	00-DR	Dwelling Rental - Comput	(\$89.00)	5/1/2012		3
021-B Cherry Point 006	9/1/2018	4031-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$232.00	3/14/2013		5
021-B Cherry Point 006	9/1/2018	4036-5	9/1/2018	00-DR	Dwelling Rental - Comput	(\$109.00)	7/3/2017		4
021-B Cherry Point 006	9/1/2018	4037-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$239.00	8/3/2010		4
021-B Cherry Point 006	9/1/2018	4038-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$70.00	11/1/2016		3
021-B Cherry Point 006	9/1/2018	4040-5	9/1/2018	00-DR	Dwelling Rental - Comput	\$171.00	8/27/2014		3
021-B Cherry Point 006	9/1/2018	4041-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$253.00	6/20/2018		3
021-B Cherry Point 006	9/1/2018	4043-7	9/1/2018	00-DR	Dwelling Rental - Comput	(\$82.00)	12/1/2016	8/31/2018	4
021-B Cherry Point 006	9/1/2018	4043-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$82.00	12/1/2016	8/31/2018	4
021-B Cherry Point 006	9/1/2018	4046-9	9/1/2018	00-DR	Dwelling Rental - Comput	(\$54.00)	2/1/2018		5
021-B Cherry Point 006	9/1/2018	4047-3	9/1/2018	00-DR	Dwelling Rental - Comput	\$186.00	10/16/2010		4
021-B Cherry Point 006	9/1/2018	4048-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$285.00	12/23/2016		3
021-B Cherry Point 006	9/1/2018	4052-4	9/1/2018	00-DR	Dwelling Rental - Comput	\$188.00	7/27/2015		2
021-B Cherry Point 006	9/1/2018	4054-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$521.00	1/18/2017		2
021-B Cherry Point 006	9/1/2018	4057-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$622.00	10/30/2015		3
021-B Cherry Point 006	9/1/2018	4058-5	9/1/2018	00-DR	Dwelling Rental - Comput	\$79.00	11/18/2010		3
021-B Cherry Point 006	9/1/2018	6002-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$77.00	6/6/2015		3
021-B Cherry Point 006	9/1/2018	6003-7	9/1/2018	00-DR	Dwelling Rental - Comput	(\$83.00)	11/20/2014		3
021-B Cherry Point 006	9/1/2018	6004-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$36.00	12/13/2017		3
021-B Cherry Point 006	9/1/2018	6007-7	9/1/2018	00-DR	Dwelling Rental - Comput	(\$134.00)	7/8/2016		4
021-B Cherry Point 006	9/1/2018	6009-5	9/1/2018	00-DR	Dwelling Rental - Comput	\$204.00	6/17/2015	9/30/2018	4
021-B Cherry Point 006	9/1/2018	6011-4	9/1/2018	00-DR	Dwelling Rental - Comput	(\$156.00)	11/4/2016		5
021-B Cherry Point 006	9/1/2018	6012-3	9/1/2018	00-DR	Dwelling Rental - Comput	(\$108.00)	11/10/2016		3
021-B Cherry Point 006	9/1/2018	6013-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$54.00	10/12/2011		3
021-B Cherry Point 006	9/1/2018	6016-4	9/1/2018	00-DR	Dwelling Rental - Comput	\$219.00	2/26/2014		5
021-B Cherry Point 006	9/1/2018	6018-3	9/1/2018	00-DR	Dwelling Rental - Comput	(\$108.00)	12/22/2016		3
021-B Cherry Point 006	9/1/2018	6020-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$587.00	5/2/2018		3

021-B Cherry Point 006	9/1/2018	6022-11	9/1/2018	00-DR	Dwelling Rental - Comput	\$571.00	1/29/2016		3
021-B Cherry Point 006	9/1/2018	6024-4	9/1/2018	00-DR	Dwelling Rental - Comput	\$103.00	6/13/2018		4
021-B Cherry Point 006	9/1/2018	6025-6	9/1/2018	00-DR	Dwelling Rental - Comput	(\$84.00)	8/19/2016		4
021-B Cherry Point 006	9/1/2018	6026-10	9/1/2018	00-DR	Dwelling Rental - Comput	(\$113.00)	12/27/2016		3
021-B Cherry Point 006	9/1/2018	6027-3	9/1/2018	00-DR	Dwelling Rental - Comput	\$268.00	4/21/2009		3
021-B Cherry Point 006	9/1/2018	6028-7	9/1/2018	00-DR	Dwelling Rental - Comput	(\$6.00)	5/2/2018		3
021-B Cherry Point 006	9/1/2018	6029-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$320.00	3/12/2013		3
021-B Cherry Point 006	9/1/2018	6032-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$43.00	2/13/2017		3
021-B Cherry Point 006	9/1/2018	6033-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$5.00	1/11/2010		3
021-B Cherry Point 006	9/1/2018	6035-6	9/1/2018	00-DR	Dwelling Rental - Comput	(\$64.00)	9/13/2016		3
021-B Cherry Point 006	9/1/2018	6036-8	9/1/2018	00-DR	Dwelling Rental - Comput	(\$96.00)	2/21/2017		3
021-B Cherry Point 006	9/1/2018	6039-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$173.00	3/17/2017		4
021-B Cherry Point 006	9/1/2018	6040-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$230.00	10/13/2017		3
021-B Cherry Point 006	9/1/2018	6042-6	9/1/2018	00-DR	Dwelling Rental - Comput	(\$138.00)	11/27/2017		4
021-B Cherry Point 006	9/1/2018	6043-6	9/1/2018	00-DR	Dwelling Rental - Comput	(\$113.00)	3/28/2018		3
021-B Cherry Point 006	9/1/2018	6044-4	9/1/2018	00-DR	Dwelling Rental - Comput	\$10.00	11/17/2006		3
021-B Cherry Point 006	9/1/2018	6046-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$108.00	12/5/2012		3
021-B Cherry Point 006	9/1/2018	6047-6	9/1/2018	00-DR	Dwelling Rental - Comput	\$480.00	7/30/2015		3
021-B Cherry Point 006	9/1/2018	6049-9	9/1/2018	00-DR	Dwelling Rental - Comput	\$322.00	8/10/2015		3
021-B Cherry Point 006	9/1/2018	6050-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$13.00	11/9/2010		3
021-B Cherry Point 006	9/1/2018	6052-7	9/4/2018	01-DR	Dwelling Rental Adjustm	\$346.50	9/4/2018		5
021-B Cherry Point 006	9/1/2018	6055-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$237.00	11/16/2017		5
021-B Cherry Point 006	9/1/2018	6056-8	9/1/2018	00-DR	Dwelling Rental - Comput	\$470.00	1/18/2017		3
021-B Cherry Point 006	9/1/2018	6057-4	9/1/2018	00-DR	Dwelling Rental - Comput	(\$3.00)	7/29/2013		4
021-B Cherry Point 006	9/1/2018	6058-7	9/1/2018	00-DR	Dwelling Rental - Comput	\$25.00	11/14/2016	9/30/2018	3
021-B Cherry Point 006	9/1/2018	6060-2	9/1/2018	00-DR	Dwelling Rental - Comput	\$53.00	12/29/2000		3
Total						\$7,723.50			

Project	Month/Year	Tenant#	Trans Date	Code	Trans Type	Amount	Move In Date	Move Out Date	Bdrms
022-B Mary Myers	9/1/2018	7001-9	9/1/2018	00-DR	Dwelling Rental - Comp	\$17.00	11/21/2017		1
022-B Mary Myers	9/1/2018	7002-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$104.00	5/17/2005		1
022-B Mary Myers	9/1/2018	7003-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$153.00	9/7/2001		1
022-B Mary Myers	9/1/2018	7004-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$180.00	4/18/2017		1
022-B Mary Myers	9/1/2018	7005-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$133.00	4/24/2012		1
022-B Mary Myers	9/1/2018	7006-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$463.00	1/31/2011		2
022-B Mary Myers	9/1/2018	7007-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$104.00	7/22/2005		1
022-B Mary Myers	9/1/2018	7008-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$98.00	1/10/2013		1
022-B Mary Myers	9/1/2018	7009-2	9/1/2018	00-DR	Dwelling Rental - Comp	\$98.00	8/3/2011		1
022-B Mary Myers	9/1/2018	7010-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$22.00	7/2/2013		1
022-B Mary Myers	9/1/2018	7011-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$103.00	12/21/2009		1
022-B Mary Myers	9/1/2018	7012-10	9/1/2018	00-DR	Dwelling Rental - Comp	\$80.00	3/3/2017		2
022-B Mary Myers	9/1/2018	7013-8	9/4/2018	01-DR	Dwelling Rental Adjustr	\$240.30	9/4/2018		2
022-B Mary Myers	9/1/2018	7014-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$398.00	8/26/2005		1
022-B Mary Myers	9/1/2018	7015-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$103.00	1/7/2014		1
022-B Mary Myers	9/1/2018	7016-4	9/5/2018	01-DR	Dwelling Rental Adjustr	\$84.93	9/5/2018		1
022-B Mary Myers	9/1/2018	7017-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$140.00	6/24/2014		1
022-B Mary Myers	9/1/2018	7018-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$56.00	3/26/2018		1
022-B Mary Myers	9/1/2018	7019-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$103.00	11/9/2015		1
022-B Mary Myers	9/1/2018	7020-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$77.00	10/1/2016		1
022-B Mary Myers	9/1/2018	7021-2	9/1/2018	00-DR	Dwelling Rental - Comp	\$110.00	8/6/2008		1
022-B Mary Myers	9/1/2018	7022-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$98.00	8/9/2002		1
022-B Mary Myers	9/1/2018	7023-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$104.00	1/10/2002		1
022-B Mary Myers	9/1/2018	7024-6	9/1/2018	00-DR	Dwelling Rental - Comp	\$194.00	2/16/2018		1
022-B Mary Myers	9/1/2018	7025-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$103.00	10/15/2013	10/12/2018	1
022-B Mary Myers	9/1/2018	7026-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$104.00	6/19/2018		1
022-B Mary Myers	9/1/2018	7027-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$104.00	5/7/2009		1
022-B Mary Myers	9/1/2018	7028-1	9/1/2018	00-DR	Dwelling Rental - Comp	\$98.00	6/1/1994		1
022-B Mary Myers	9/1/2018	7029-2	9/1/2018	00-DR	Dwelling Rental - Comp	\$104.00	5/8/2004		1
022-B Mary Myers	9/1/2018	7030-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$214.00	4/30/2015		1
022-B Mary Myers	9/1/2018	7031-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$398.00	8/14/2013		1
022-B Mary Myers	9/1/2018	7032-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$122.00	8/8/2013		1
022-B Mary Myers	9/1/2018	7033-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$398.00	3/29/2018		1
022-B Mary Myers	9/1/2018	7034-6	9/1/2018	00-DR	Dwelling Rental - Comp	\$103.00	12/13/2013		1
022-B Mary Myers	9/1/2018	7035-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$236.00	5/21/2013		1
022-B Mary Myers	9/1/2018	7036-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$205.00	7/28/2010		1
022-B Mary Myers	9/1/2018	7037-5	9/11/2018	01-DR	Dwelling Rental Adjustr	\$69.33	9/11/2018		1
022-B Mary Myers	9/1/2018	7038-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$124.00	11/30/2012		1
022-B Mary Myers	9/1/2018	7039-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$152.00	10/29/2010		1
022-B Mary Myers	9/1/2018	7040-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$103.00	12/7/2007		1
022-B Mary Myers	9/1/2018	7041-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$123.00	12/2/2013		1
022-B Mary Myers	9/1/2018	7042-6	9/14/2018	01-DR	Dwelling Rental Adjustr	\$52.13	9/14/2018		1
022-B Mary Myers	9/1/2018	7043-6	9/1/2018	00-DR	Dwelling Rental - Comp	\$178.00	10/19/2015		1
022-B Mary Myers	9/1/2018	7044-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$104.00	3/22/2006		1
022-B Mary Myers	9/1/2018	7045-5	9/1/2018	00-DR	Dwelling Rental - Comp	\$117.00	9/26/2014		1
022-B Mary Myers	9/1/2018	7046-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$211.00	4/20/2016		1

022-B Mary Myers	9/1/2018	7047-4	9/1/2018	00-DR	Dwelling Rental - Comp	\$154.00	1/7/2016		1
022-B Mary Myers	9/1/2018	7049-2	9/1/2018	00-DR	Dwelling Rental - Comp	\$279.00	6/29/2018		1
022-B Mary Myers	9/1/2018	7050-1	9/1/2018	00-DR	Dwelling Rental - Comp	\$152.00	7/8/2016	9/30/2018	1
022-B Mary Myers	9/1/2018	7051-2	9/1/2018	00-DR	Dwelling Rental - Comp	\$103.00	12/1/2017		1
022-B Mary Myers	9/1/2018	7052-1	9/1/2018	00-DR	Dwelling Rental - Comp	\$97.00	9/8/2016		1
022-B Mary Myers	9/1/2018	7053-1	9/1/2018	00-DR	Dwelling Rental - Comp	\$191.00	8/18/2016		1
022-B Mary Myers	9/1/2018	7054-1	9/1/2018	00-DR	Dwelling Rental - Comp	\$316.00	9/2/2016		1
022-B Mary Myers	9/1/2018	7055-1	9/1/2018	00-DR	Dwelling Rental - Comp	\$214.00	8/18/2016		1
022-B Mary Myers	9/1/2018	7056-1	9/1/2018	00-DR	Dwelling Rental - Comp	\$398.00	12/15/2016		1
022-B Mary Myers	9/1/2018	7057-1	9/1/2018	00-DR	Dwelling Rental - Comp	\$167.00	9/15/2016		1
022-B Mary Myers	9/1/2018	7058-2	9/1/2018	00-DR	Dwelling Rental - Comp	\$223.00	3/15/2018		1
022-B Mary Myers	9/1/2018	7059-2	9/1/2018	00-DR	Dwelling Rental - Comp	\$188.00	6/4/2018		1
022-B Mary Myers	9/1/2018	7060-3	9/1/2018	00-DR	Dwelling Rental - Comp	\$157.00	1/4/2018		1