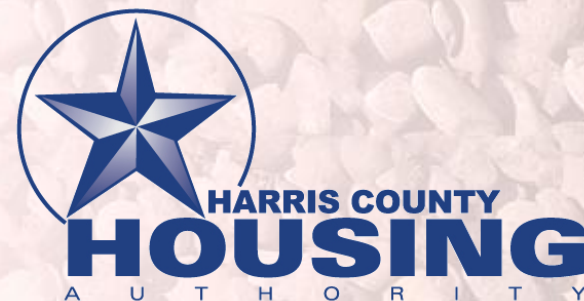


AFFORDABLE HOUSING PROGRAM

ANNUAL RETREAT

August 2009



Tax Credit Developments under Management



CORNERSTONE VILLAGE

Senior community 91% occupied with 14 vacant 2 bedroom units leasing for \$777 per month.

LOUETTA VILLAGE

Senior community 100% occupied with a waiting list of applicants. New landscaping improvements of new trees and flowers are complete.



Tax Credit Developments under Management



PRIMROSE AT HERITAGE PARK

Senior community 96% occupied with 9 available 2-bedroom units leasing at \$787 per month. Permanent loan will convert on August 17, 2009.

BAYBROOK PARK

Senior community 100% occupied in Webster, Texas.



Tax Credit Developments under Management



WATERSIDE COURT

Single family homes with 4-bedrooms and planned activities for children. 100% occupied.

MAGNOLIA ESTATES

HCHA's newest senior community 95% leased with 8 available 2-bedroom units leasing for \$787 per month.



Independence Homeownership Program

The HCV Independence Homeownership program currently assists 14 families who were former tenants.

2 families are closing on new homes within the next 30 days:

❑ Cynthia's closing is August 11th, with the builder named Pride Builders in the Greensbrook Place subdivision.

❑ Karen's estimated closing September 15th with builder, Legend Homes in the Imperial Gardens subdivision. HCCSD funding \$14,200 in Down payment assistance.



SRO and MOD3 Programs

❑ SRO-Jackson Hinds Gardens Inc.

- *HCHA maintains 100% lease up totaling 72 units benefiting formerly homeless men and women in Harris County.*

❑ MOD-3 G Thomas Apartments

- *8 apartment complexes remain 100% leased in the Crosby area.*



Cypresswood Estates (New)

- ❑ **Cypresswood Estates** – An 88-unit senior housing community to be constructed at 15403 Kuykendahl Road near FM 1960 West. The project will be funded by Neighborhood Stabilization and CDBG Program funds.
- ❑ The total project cost is \$11,272,779, of which 85% is grant funds.
- ❑ The project will carry a permanent loan of \$1,698,953.
- ❑ The HCHA will serve as sole developer of the project, with a projected developer fee of \$1.1 million.
- ❑ Construction is projected to begin September 2009.
- ❑ The project's design qualifies for a LEED Silver designation.

Sierra Meadows

- ❑ **Sierra Meadows** is a 90-unit LIHTC senior housing development to be constructed at Beltway 8 near Wilson Road. The project will be funded with 9% tax credits from TDHCA. The project was awarded tax credits on July 30, 2009.
- ❑ The total project cost is \$13,495,451, of which 60% is tax credit equity and \$2 million is HOME funds.
- ❑ The project will carry a permanent loan of \$3,000,000.
- ❑ The HCHA will serve as co-developer of the project, with Integrated Real Estate Development. The projected developer fee is \$1.4 million.
- ❑ Construction is projected to begin November 2009.

Patriots by The Lake

Master Plan

❑ Project Status

- The master plan preliminary design and engineering phase has been completed.
- The lift station, force main and wastewater treatment plant construction design has begun.
- Local and regional VA support for the project has been obtained. The VA office in Washington has established a liaison between the National VA office and the Houston VA office for this project.
- RFQs for Architecture and Engineering firms were posted for 30 days and are due August 7, 2009.



Patriots by The Lake

Master Plan (Cont'd)

❑ New Developments

- The General Plan, Preliminary Plat and Final Plat for the development have been approved by the City of Houston.
- The Army Corps of Engineers approved and issued a permit for our storm water outfall into Lake Houston.
- MUD 499's funding agreement for the lift station, force main and wastewater treatment plant has been executed with the initial funds due by the end of September.



❑ Next Steps / Action Items

- The Architecture and Engineering RFQ closed on August 7, 2009. The RFQs will be screened using a scoring matrix and interviews scheduled.
- Submit for all remaining Corps permits for the project, including docks, bulkhead, fill and flood plain mitigation.

Patriots by The Lake

Financing Proposals

- ❑ ***Structured Growth Capital/NDH Capital:*** SGC/NDH is a leading corporate financier with Annual financing volume between \$100 to \$400 million. SGC/NDH has financed in excess of \$3 billion in investment grade-rated paper to date.
- ❑ ***China Shenyang International Economic & Technical Cooperation Corporation (CSYIC):*** CSYIC is a foreign economic and trading company directly under the People's Republic of China. Since 1984 CSYIC has forged business relationships with more than 70 countries and is charged with using \$14 billion in surplus funds to finance infrastructure and housing projects.
- ❑ ***Amerifund Commercial Corporation:*** Amerifund is a member of the Mortgage Bankers association in Washington, D.C. and since 1994, Amerifund has specialized in single tenant government-leased building.

Patriots by The Lake

Financing Proposals (Cont'd)

❑ Comparative Analysis of Financing Proposals

Company Name / Proposed Terms	Structured Growth Capital	(CSYIC)	Amerifund Corp.
Loan Amount	\$92MM-\$100MM	\$180MM	\$90-\$94MM
Fees	No	No	1.5%
Proposed Interest Rate	6%-6.5%	1%	6%-6.5%
Term:			
Construction	24-30 Months	24-60 Months	24-30 Months
Perm Phase	20 Years	20 Years	20 Years
Amortization	20-30 Years	30 Years	20 Years
Construction Loan Interest Costs*	\$2MM-\$7.8MM	None	\$7.8MM
Guaranty Requirement	None	None	None
Equity Requirement**	Approximately \$65MM	100% LTC	Approximately \$65MM
Developers Fee	None	\$10MM-\$14MM	None
Land Reimbursement	No	Yes	No

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