

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, FEBRUARY 28, 2012, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

800 JUNCTION HIGHWAY, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, FEBRUARY 28, 2012, 6:00 P.M.
KERRVILLE CITY HALL COUNCIL CHAMBERS
800 JUNCTION HIGHWAY, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION offered by Fern Lancaster, First Assembly of God Church.

PLEDGE OF ALLEGIANCE TO THE FLAG led by EMS Person of the Year Jason Lackey, Firefighter of the Year Dwain Kutzer, and Police Officer of the Year John H. Latham.

1. VISITORS/CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the Council. Prior to speaking, each speaker must fill out the speaker request form and give it to the City Secretary. Council may not discuss or take any action on an item but may place the issue on a future agenda. The number of speakers will be limited to the first ten speakers and each speaker is limited to four minutes.

2. PRESENTATIONS:

2A. Kerrville EMS Person of the Year Award for 2012 to Firefighter/Paramedic Jason Lackey. (staff)

2B. Kerrville Firefighter of the Year Award for 2012 to Driver/Paramedic Dwain Kutzer. (staff)

2C. Kerrville Police Officer of the Year Award for 2012 and Police Commendation Award to John H. Latham. (staff)

2D. Proclamation designating March as Texas History Month, Daughters of the Republic of Texas.

2E. Bob Rose, Meteorologist with Lower Colorado River Authority, drought information. (Bob Rose)

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: February 24, 2012 at 4:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

3. CONSENT AGENDA:

These items are considered routine and can be approved in one motion unless a councilmember asks for separate consideration of an item. It is recommended that council approve the following items which will grant the Mayor or City Manager the authority to take all actions necessary for each approval:

3A. Award construction contract to Alsay, Inc. in the amount of \$71,950, for the Lois Street well rehabilitation project. (staff)

4. CONSIDERATION AND POSSIBLE ACTION:

4A. A resolution supporting the application of Kerrville Senior Veterans Residences, L.P. to construct low income rental housing pursuant to the low income housing tax credits program administered by the Texas Department of Housing and Community Affairs. (staff)

4B. A resolution authorizing Kerrville Senior Veterans Residences, L.P. to include the City of Kerrville, Texas, in the submission of a joint application to the Texas Department of Housing and Community Affairs for home investment partnership program funds. (staff)

4C. Scheduling the Kerrville Independence Day fireworks display for June 30, 2012, to coincide with Kerrville's 4th on the River Celebration. (staff)

4D. Provide direction to staff regarding way finding signs. (Councilmember Gross)

5. INFORMATION AND DISCUSSION:

5A. Report on the progress of the FY 2011 Comprehensive Annual Financial Report (CAFR) by the audit firm of BKD, LLP. (staff)

5B. Budget and economic update. (staff)

5C. Report on Kerrville Economic Development Corporation activities. (Mayor Wampler)

6. BOARD APPOINTMENTS:

6A. Appointment to the Kerrville Public Utility Board. (staff)

7. ITEMS FOR FUTURE AGENDAS

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

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Brenda Craig
City Secretary, City of Kerrville, Texas

8. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Announcement of items of community interest, including expressions of thanks, congratulations, or condolences; information regarding holiday schedules; honorary recognitions of city officials, employees, or other citizens; reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by city officials or employees; and announcements involving imminent threats to the public health and safety of the City. No action will be taken.

9. EXECUTIVE SESSION:

The City Council reserves the right to adjourn into executive session at any time to discuss any of the matters listed as permitted by law including if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices) and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code, including the following matters:

Section 551.074:

- Appointment to the Kerrville Public Utility Board.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

11. ADJOURNMENT.

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: February 24, 2012 at 4:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Kerville EMS Person of the Year Award for 2012 to Firefighter/Paramedic Jason Lackey. (staff)

**BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Recognition and Presentation of EMS Person of the Year Award for 2012
to Firefighter/Paramedic Jason Lackey

FOR AGENDA OF: February 28, 2012 **DATE SUBMITTED:** February 17, 2012

SUBMITTED BY: Chief Robert Ojeda *lo* **CLEARANCES:** Todd Parton, City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Firefighter/Paramedic Jason Lackey has been selected by his peers and his superiors to be the Kerrville Fire Department's EMS Person of the Year for 2012. He was selected for his almost ten (10) years of service to the City of Kerrville and the numerous hours he has spent on-duty and off-duty to make Kerrville a better place to live, work and play.

Jason holds a Master Firefighter Certification and he is also a certified Paramedic, a Field Training Paramedic Preceptor and a Special Operations Unit Lead Tactical Paramedic that works closely with the Kerrville Police Department's Special Operations Unit. He is certified as an instructor in Advanced Cardiac Life Support, Pediatric Advanced Life Support and Pre-hospital Life Support. These types of certifications are very difficult to acquire and maintain.

Jason's Public Safety Leadership, besides serving as a Firefighter/Paramedic, includes playing a critical role in the continuing education, public events and daily operations in the EMS Division. Over the past years, Jason has strived to improve EMS through enhancing his education by enrolling in a Registered Nurse program, becoming a certified instructor in multiple disciplines, teaching and coordinating an EMT Basic training program. He is extremely knowledgeable in pre-hospital medicine and a true asset to Kerrville Fire Department Emergency Medical Services. Jason is dedicated and passionate towards the EMS service and truly cares about the patient.

Jason's overall approach to his job indicates a genuine and high level of concern for providing the best level of service possible for the citizens of our community and has demonstrated this through his actions, on and off duty. He exemplifies the qualities of a team player and is extremely well respected by his fellow EMT's, paramedics and his superiors.

Due to Firefighter/Paramedic Jason Lackey's continued excellence in service for the citizens of Kerrville and Kerr County and making them a better and safer place to live, work and play, it is my honor and pleasure to recommend that Firefighter/Paramedic Jason Lackey be recognized and receive an award for being the Kerrville Fire Department's EMS Person of the Year for 2012.

RECOMMENDED ACTION

That Firefighter/Paramedic Jason Lackey be recognized and awarded the Kerrville Fire Department's EMS Person of the Year Award for 2012 for his continued excellence in service for the citizens of Kerrville and Kerr County.

Agenda Item:

2B. Kerrville Firefighter of the Year Award for 2012 to Driver/Paramedic Dwain Kutzer. (staff)

**BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Recognition and Presentation of Firefighter of the Year Award for 2012 to Driver/Paramedic Dwain Kutzer

FOR AGENDA OF: February 28, 2012 **DATE SUBMITTED:** February 17, 2012

SUBMITTED BY: Chief Robert Ojeda *lo* **CLEARANCES:** Todd Parton, City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:



Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Driver/Paramedic Dwain Kutzer has been selected by his peers and his superiors to be the Kerrville Fire Department's Firefighter of the Year for 2012. He was selected for his almost eleven (11) years of service to the City of Kerrville and the numerous hours he has spent on-duty and off-duty to make Kerrville a better place to live, work and play.

Dwain holds numerous certifications such as State Certified Advanced Firefighter and Paramedic. He is certified as a Firefighter 1 and 2, a Driver/Pumper Operator and a Hazardous Material Technician. He is also certified in Fire Administration, Fire and Arson Investigation, Technical Rescue, Trench Rescue and other certifications too numerous to mention. These types of certifications are very difficult to acquire and maintain.

His Public Safety Leadership, besides serving as a Driver/Paramedic, includes developing a new pre-plan computer program and the revision of our "after run" check sheets. These programs have made several functions within the department much more efficient and has saved everyone involved a great deal of time and energy.

Dwain's overall approach to his job indicates a genuine and high level of concern for providing the best level of service possible for the citizens of our community and has demonstrated this through his actions on and off duty. He exemplifies the qualities of a team player and is extremely well respected by his fellow firefighters, paramedics and his superiors.

Due to Driver/Paramedic Dwain Kutzer's continued excellence in service for the citizens of Kerrville and Kerr County and making them a better and safer place to live, work and play, it is my honor and pleasure to recommend that Driver/Paramedic Dwain Kutzer be recognized and receive an award for being the Kerrville Fire Department's Firefighter of the Year for 2012.

RECOMMENDED ACTION

That Driver/Paramedic Dwain Kutzer be recognized and awarded the Kerrville Fire Department's Firefighter of the Year Award for 2012 for his continued excellence in service for the citizens of Kerrville and Kerr County.

Agenda Item:

2C. Kerrville Police Officer of the Year Award for 2012 and Police Commendation Award to John H. Latham. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Presentation of Officer of the Year Award: Investigator John H. Latham - Police Commendation Award

FOR AGENDA OF: February 28, 2012 **DATE SUBMITTED:** February 17, 2012

SUBMITTED BY: Chief John Young **CLEARANCES:** Todd Parton, City Manager

EXHIBITS: Nomination Document

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:



Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:
REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Investigator Latham is assigned to the Support Services Division, Criminal Investigations Unit and has performed his duties in an exemplary manner. He is both dedicated and persistent in his investigative efforts, always willing and eager to assist other investigators as well as patrol officers. He makes it a point to keep apprised and respond to investigations initiated by patrol while on-call.

An example of his exceptional performance is evident in his response to an Aggravated Robbery that occurred on May 25, 2011 at the Kerr County Federal Credit Union co-located in the Super S Foods Store. Investigator Latham while on-call responded to the scene and with the assistance of Patrol, developed information that identified potential suspects. He obtained witness information, identified a possible suspect and developed sufficient probable cause to obtain an arrest warrant. Investigator Latham developed several leads including a cell phone number of the suspect. Using his training and experience he was able to obtain exigent records from the cell carrier. Using the cell phone data provided, he was able to monitor the suspect's location and movements. Determining that the suspect was in route back to Kerrville, he proceeded to develop a plan to affect an arrest. Investigator Latham, with assistance from Patrol and Texas DPS apprehended the suspect as she arrived in Kerrville as a passenger in a taxi cab.

The suspect was subsequently interviewed by Investigator Latham admitting to being involved in the Aggravated Robbery. Through excellent interviewing skills, Investigator Latham was also able to obtain a confession from the suspect who admitted to three (3) additional criminal cases; Aggravated Robbery at Check N Go, Burglary of a Habitation and a Theft of \$4,000 from a safe

at Domino's Pizza.

Investigator Latham's persistence and dedication to follow-up on investigations without delay are qualities and performance that identify him as an outstanding employee with an exemplary work ethic.

RECOMMENDED ACTION

Investigator John Latham will be awarded the Kerrville Police Department Police Commendation Award for his selection as Police Officer of the Year.



City of Kerrville
Police Department
429 Sidney Baker
Kerrville, Texas 78028-5069
830.792.2707 (O)
830.896.0717 (F)
ken.wilke@kerrvilletx.gov

MEMORANDUM

TO: Meritorious Conduct Board

FROM: Sgt. Kenneth Wilke

DATE: December -20-2011

SUBJECT: 2011 Officer of the Year Nomination: Inv. John H. Latham

I am requesting that the members of the Meritorious Conduct Board consider Investigator John H. Latham for 2011 Officer of the Year.

Investigator Latham is currently assigned to the Support Services Division, Criminal Investigations Unit as an Investigator.

Investigator Latham began his career with the Kerrville Police Department May 24, 2004 as a patrol officer. Investigator Latham was assigned to the Traffic Division in 2007, after a selection process showed him to be the most qualified candidate. Investigator Latham was then again assigned to the Criminal Investigations Unit on April 1, 2010, after a selection process showed that he was the best candidate.

Investigator Latham's performance for 2011 is and has been exemplary to say the least. Investigator Latham has displayed dedication and persistence in his investigative efforts. He is always willing and eager to assist other Investigators as well as patrol officers with their investigations.

Investigator Latham makes it a point to keep up with and respond to investigations initiated by Patrol when on-call, rather than wait until they are forwarded to him by Field Operations.

This work ethic was displayed on January 4, 2011 when Investigator Latham responded to a "suspicious circumstances" call for service. Evidence of a struggle at the crime scene was reported by Patrol to Investigator Latham, who responded without delay. Investigator Latham determined through interviews with Officers and witnesses that it was highly probable that a victim (Eva Ramos) had been assaulted and was missing.

Through persistence and immediate action Investigator Latham was able to develop specific leads that led him to an address in San Antonio. By networking with the San Antonio Police Department, he was able to locate Eva Ramos after she had been abducted and sexually assaulted. This was a particularly heinous crime that is not common for our area. It was through Investigator Latham's tenacity and self-motivation that this crime was brought to a swift end and the suspect brought to justice.

Had Investigator Latham not acted with such intensity and without delay, the potential of the violence escalating may have resulted in much more dire consequences to the victim.

Investigator Latham received a certificate of Merit for his outstanding performance in this case.

In another example of exceptional performance was on May 25, 2011, Patrol responded to an Aggravated Robbery that occurred at Kerr County Federal Credit Union, co-located in the Super S Foods store, 1044 Junction Hwy, Case # 1100010520.

Investigator Latham while on-call responded to the scene and with the assistance of Patrol was able to develop information that pointed to potential suspects. During the investigation it was determined that Angela Soto was a primary suspect in the Aggravated Robbery. Investigator Latham obtained witness information and probable cause to believe that suspect Soto committed the crime and an arrest warrant was obtained. Investigator Latham developed leads on a cell phone number of suspect Soto. Investigator Latham using his training and experience was able to make an exigent records request through ATT. Investigator Latham continued his persistent efforts and obtained Latitude and longitude points that were provided every 15 minutes until locating suspect Soto's possible location. On May 26, 2011, still monitoring suspect Soto's phone, Investigator Latham tracked movement that indicated suspect Soto was in route back to Kerrville and proceeded to intercept her as she arrived in Kerrville. After coordinating the assistance of Texas Department of Public Safety (DPS) Highway Patrol and our Patrol division, suspect Soto was located entering the city limits as a passenger in a taxi cab. DPS located the taxi and stopped the vehicle leading to the arrest of Soto on the existing warrant.

Soto was brought to the Kerrville Police Department and interviewed by Investigator Latham. Suspect Soto admitted to being involved with Aggravated Robbery but was hesitant to take all the blame. On May 31, 2011, suspect Soto was again interviewed by Investigator Latham and using learned interview techniques, Investigator Latham was able to obtain a confession from Soto in not one but four criminal cases to wit: Aggravated Robbery, Case Number: 1100010520; Robbery at Check N Go, Case Number 1100008243; Burglary of Habitation, Case Number: 1100007727; and, Theft of approximately \$4,500.00 stolen from Domino's safe, Case Number: 1100007217.

This persistence and dedication to follow-up on the investigation of crimes, without delay are the qualities and performance that identify Investigator Latham as an exemplary employee with an outstanding work ethic.

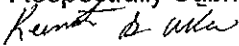
With regard to Investigator Latham's final work product and case presentation, I have found his reports to be complete and thorough, and above average. His reports need little or no correction and his attention to detail sets him apart as does his thoroughness. Investigator Latham always applies that extra attention to detail and to every case. By doing this he not only represents the Kerville Police Department with pride, but ensures that all cases are meticulously reviewed and fully investigated.

Investigator Latham is also involved in special projects. In July of 2010 Investigator Latham was assigned to assist with the Sex Offender Registration program. Investigator Latham took on this added responsibility while at the same time continuing to investigate his assigned case load. He has continued to assist with overseeing the Sex Offender Registration program to this date and has recently attended the Sex Offender Registration conference in November of this year. Investigator Latham's performance in this area has been outstanding. He has overseen the rebuilding and updating of the Sex Offender Registration files which had been neglected over the past several months.

Investigator Latham has had what I consider a perfect attendance record this year having only taken ½ hour for sick leave in an entire year. This is an exceptional attendance record. It shows his commitment to the police department in an area where others see an opportunity to take advantage of the system.

In conclusion – Investigator Latham has time after time put forth effort that far accedes the average employee's performance, more importantly his work efforts, exemplary and Outstanding investigative performance, as well as report writing, attendance, special programs and leadership by example, reflect the true work ethic that represents this departments commitment to solve crime and make him a candidate worthy of Officer of the Year.

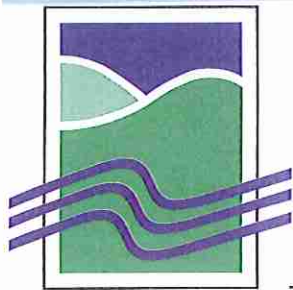
Respectfully Submitted



Sgt. Kenneth Wilke

Agenda Item:

2D. Proclamation designating March as Texas History Month, Daughters of the Republic of Texas.



CITY OF KERRVILLE

MAYOR AND CITY COUNCIL

800 Junction Highway

Kerrville, Texas 78028

830-257-8000 / www.kerrvilletx.gov

PROCLAMATION

- WHEREAS,** The Daughters of the Republic of Texas was organized in 1891 to perpetuate forever the memory of the Texas pioneer families and the soldiers of the Republic of Texas; and
- WHEREAS,** The Joshua D. Brown Chapter, chartered in January 1996 in Kerrville, is one of over 100 chapters in the State of Texas; and
- WHEREAS,** March 2nd, 1836, the Texas Declaration of Independence was signed at Washington-On-The-Brazos; and
- WHEREAS,** On March 6th, 1836, the Alamo fell and all Texan defenders died for the cause of Texas Independence; and
- WHEREAS,** On March 27th, 1836, about 400 Texans were slaughtered at Goliad;

NOW, THEREFORE, I, David Wampler, Mayor of the City of Kerrville, Texas, do hereby proclaim March 2012; as

"Texas History Month"

in the City of Kerrville and urge all citizens to join with me this month in honoring our Texas heroes and proudly displaying the Texas Flag.



IN WITNESS WHEREOF,

I have hereunto set my hand and caused the Seal of the City of Kerrville to be affixed hereto, the 28 day of February, 2012.

David Wampler, Mayor

Agenda Item:

2E. Bob Rose, Meteorologist with Lower Colorado River Authority, drought information. (Bob Rose)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Drought presentation by Bob Rose, Meteorologist with LCRA

FOR AGENDA OF: 2/28/12

DATE SUBMITTED: 2/17/12

SUBMITTED BY: Charlie Hastings *CH*
Public Works Director

CLEARANCES: Todd Parton
City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Drought presentation by Bob Rose, Meteorologist with the Lower Colorado River Authority (LCRA).

RECOMMENDED ACTION

Agenda Item:

3A. Award construction contract to Alsay, Inc. in the amount of \$71,950, for the Lois Street well rehabilitation project. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Award construction contract to Alsay, Inc. in the amount of \$71,950 for the Lois Street Well Rehabilitation Project.

FOR AGENDA OF: 2/28/12

DATE SUBMITTED: 2/17/12

SUBMITTED BY: Charlie Hastings *CHA* **CLEARANCES:** Todd Parton
Public Works Director City Manager

EXHIBITS: Bid Log, Copy of Contract

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *[Signature]*

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$39,828.40	\$39,828.40	\$40,000	02-882-410
\$32,121.60	\$44,574.94	\$50,000	02-890-410

PAYMENT TO BE MADE TO: Alsay, Inc.
3359 S.E. Loop 410
San Antonio, TX 78222

REVIEWED BY THE FINANCE DIRECTOR: *[Signature]*

SUMMARY STATEMENT

The Lois Street water well, located three blocks west of City Hall, has declined in production from 1100 to 150 gallons per minute over the course of about 45 years when it was originally drilled. The condition of the pump, column pipe, well casing and open hole well is unknown. The Lois Street well rehabilitation project consists of pulling the pump and cleaning the well to its original depth, televising the well, and performing a pump test to determine the most efficient pump size, depth and rate; the project includes an alternative bid for replacing the pump and column pipe, if needed, for a total bid of \$71,950. On February 14th, 2012, sealed bids were opened with Alsay, Inc. being the lowest qualified bidder. The contract time is 55 calendar days for final completion, and work is anticipated to begin the second week in March. The project is being funded from contingency line items in the Utility Fund.

RECOMMENDED ACTION

The Director of Public Works recommends that Council authorize the City Manager to execute a contract with Alsay, Inc. in the amount of \$71,950 for the Lois Street Well Rehabilitation Project.

CITY OF KERRVILLE						
Lois Street Well Rehabilitation						
Bid Opening						
2/14/2012						
BIDDER	Bid Bond	Addendum 1	Addendum 2	Base Bid	Base Bid +Additive Alternate 1	Base Bid +Additive Alternate 2
1 Alsay, Inc.	✓	✓	✓	\$29,900.00	\$71,950.00	\$64,300.00
2 Peerless Equipment, LTD	✓	✓	✓	\$40,385.00	\$75,067.50	\$73,917.50
3 Waterwell Services, Inc.				NO BID		
4						
5						
6						
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16						

Section 070

CITY OF KERRVILLE

CONSTRUCTION CONTRACT

This agreement made this day by and between the City of Kerrville, Texas, called "City," and the undersigned "Contractor" as follows:

1. THE WORK

The Contractor shall perform all the work as required by this contract for:

Mobilization, rehabilitation, testing and equipping the Lois Street Water Well in Kerrville, Texas, as detailed in Section 090 "Description of Work/Technical Specifications".

The following are incorporated herein:

- a. Contract Sum/Proposal, Section 070
- b. Description of Work/Technical Specifications, Section 090
- c. Plans, Sections 091 and 092
- d. Gamma Ray-Neutron Well Log, Section 093
- e. General Requirements, Section 100
- f. Addenda issued prior to receipt of Bid

Some of such documents may not be physically attached hereto but are on file at City Hall, and copies may be obtained upon request.

2. TIME

Construction substantial completion time will be **45** calendar days and **10** calendar days after for final completion from the date of written notice to proceed. Working days are defined in specification section 123.20. The Contractor's obligations to the project however, are not complete and retainage will not be released until all work at the site has been completed to the satisfaction of the City Engineer.

3. LIQUIDATED DAMAGES

Liquidated damages are hereby established for work which is not substantially complete in the amount of Three Hundred Dollars (\$300.00) per working day for each working day after the date established in the Notice to Proceed. The City may offset any such liquidated damages against any sums from time to time due by the City to Contractor.

The completion time assumes that fifteen percent of the working days are "bad weather days," days on which the work cannot proceed; therefore, the time for completion shall not be extended on account of bad weather until the said number of assumed "bad weather days" has been exceeded.

The time for completion shall not be extended except by written memorandum executed by the Contractor and the City Engineer. Contractor shall make written application to the City not later than ten (10) days after the day, event, or cause claimed by Contractor to be a delay. Failure to make such written claim within such time shall result in a waiver by Contractor of an extension based on those particular days, events, or causes. If, for example, this contract assumes twenty (20) bad weather days and Contractor desired a one-day extension for the twenty-first day of rain, Contractor shall make a written claim not later than ten (10) days after the occurrence of such twenty-first day.

The said amount per day is not a penalty but an agreed amount of actual damages which are difficult to calculate. Such damages include loss of staff time, answering complaints by citizens who have been inconvenienced by the work, City Council time, loss of use, and other damages difficult to reasonably anticipate or calculate.

4. PAYMENTS

The City shall pay the Contractor ninety-five percent (95%) of the portion of Contract Sum properly allocable to labor, materials, and equipment incorporated in the Work and ninety-five percent (95%) of the portion of the Contract Sum properly allocable to materials and equipment suitably stored at the site or at some other location agreed upon in writing, less the aggregate of previous payments made by the City, and, upon substantial completion of the entire Work, a sum sufficient to increase the total payments to ninety-five percent (95%) of the Contract Sum. All retainages from progress payments shall be withheld without liability for interest. Upon acceptance, the City shall make payment to Contractor such that one hundred percent (100%) of the Contract Sum has been paid.

The City may choose to award a contract for the amount of the base bid plus no or any combination of additive alternates.

5. LIABILITY INDEMNITY

THE CONTRACTOR AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF KERRVILLE, TEXAS, AND ALL OF THEIR RESPECTIVE OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, LOSSES, PROPERTY DAMAGES, AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OF DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PROPERTY ON ACCOUNT OF ANY NEGLIGENT ACT OF THE CONTRACTOR, THE CITY OF KERRVILLE, TEXAS, OR ANY OF THEIR RESPECTIVE OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, OR SUBCONTRACTORS IN THE EXECUTION, SUPERVISION, AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT, WHETHER OR NOT THE ACT OR OMISSION OF THE CITY OR ANY OF THEIR RESPECTIVE OFFICERS, EMPLOYEES, OR AGENTS WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH THE NEGLIGENCE OF THE CONTRACTOR OR ITS OFFICERS, EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT.

6. LIABILITY INSURANCE

Prior to the commencement of any work and not later than fifteen (15) days following the execution of this contract, the Contractor shall furnish the City copies of paid-up policies (to the City Risk Manager/City Hall) providing Liability and Workman's Compensation Coverage as follows (minimum limits):

TYPE OF INSURANCE	LIMITS
a. Workman's Compensation covering all employees	Statutory
b. Employer's Liability	<u>\$100,000.00</u>
c. Comprehensive General Liability	
Bodily Injury & Property Damage (per occurrence)	<u>\$1,000,000.00</u>
Aggregate	<u>\$1,000,000.00</u>
(Premises/Operations Products/Completed Operations/Independent	
Contractors/Contractual Liability/Coverages may not be excluded). XCU must be supplied if any exposure.	
d. Business Automobile Liability covering owned vehicles, rented and non-owned vehicles and employee non-ownership	
Bodily Injury Property Damage (per occurrence)	<u>\$1,000,000.00</u>
Aggregate	<u>\$1,000,000.00</u>

The Commercial General Liability and the Automobile Liability policies shall name the City of Kerrville, Texas, as additional insured and all policies shall provide for a waiver of subrogation in favor of the City of Kerrville. The policy and any renewal certificate shall provide that the City be notified thirty (30) days prior to cancellation or modification of any coverage. Language to the effect that the company will "Endeavor" or "Attempt" to so notify the City of Kerrville is not sufficient. Renewal certificates must be received by the City at least ten (10) days prior to any cancellation date. Policies will be in effect until final acceptance or cancellation of this contract, unless otherwise specified. The City may, at its sole option, terminate this agreement and file a claim on the Contractor's bid bond if the Contractor fails to deliver the required policies and certificates within 15 days after execution of this contract.

It shall be the responsibility of the Contractor to insure that all Subcontractors comply with the same insurance requirements as the said Contractor.

7. CASUALTY INSURANCE

In the event the work includes structures or buildings susceptible to damage by fire, windstorm, or other casualty, then the Contractor before being authorized to begin work shall furnish the City a duplicate original of an insurance policy naming the City of Kerrville as an additionally insured. Such insurance shall insure both the City of Kerrville and Contractor, during the term of the work, against loss by fire, windstorm, vandalism, theft, or other casualty. Such policy shall be in the total amount of this contract.

8. QUALITY OF WORK

All work shall be of good workmanship. Contractor shall comply with all applicable City of Kerrville Codes as well as all applicable professional and technical standards. Materials shall be of first quality.

9. CHANGES AND EXTRAS

No change of this Contract, whether for additional work, additional compensation, or other, shall be effective unless prior thereto a written change order has been authorized by the City Engineer. Employees of the City other than the City Engineer or Public Works Director do not have the authority to issue change orders.

10. ADDENDA

Contractor acknowledges the receipt of the following addenda:

1. Dated: 02/08/12 Acknowledged by: *Alan Bell*
2. Dated: 02/14/12 Acknowledged by: *Alan Bell*

11. CONTRACT SUM/PROPOSAL

Proposal: Contractor agrees to provide all labor, materials, and all incidentals necessary to complete "The Work" for the following Unit Prices:

ITEM NO.	APPROX. QUANTITY	UNIT	DESCRIPTION OF ITEM	UNIT PRICE	TOTAL AMOUNT
BASE BID					
1.	1	LS	Mobilize, pull existing pump and column pipe, brush existing casing, remove accumulated debris to the original depth of the well, televise existing well, reinstall pump and column pipe and make well operable, complete in place and demobilize	\$ 11,800.00	\$ 11,800.00
2.	1	LS	Set and remove test pump.	\$ 10,000.00	\$ 10,000.00
3.	36	HR	Provide up to 36 hour test pumping, can be stopped by City Engineer before reaching 36 hours.	\$ 100.00	\$ 100.00
4.	100	LF	Replace up to 100 linear feet of 8-inch T&C black steel column pipe (20% of existing pipe assumed to be in need of replacement).	\$ 45.00	\$ 4,500.00
TOTAL BASE BID				\$ 29,900.00	

ITEM NO.	APPROX. QUANTITY	UNIT	DESCRIPTION OF ITEM	UNIT PRICE	TOTAL AMOUNT
ADDITIVE BID ALTERNATE #1 – (Option for replacing and extending depth of existing 8-inch pump and pipe)					
A1.	1	LS	Allowance for purchase and installation of new 8-inch pump and motor equipment described in bid specifications, complete in place.	\$ <u>15,000</u>	\$ <u>15,000</u>
A2.	550	LF	Install up to 550 feet of new submersible power cable per bid specifications, complete in place.	\$ <u>10.00</u>	\$ <u>5,500.00</u>
A3.	500	LF	Install up to 500 feet of new 1/4-inch stainless steel airline, complete in place.	\$ <u>2.50</u>	\$ <u>1,250.00</u>
A4.	500	LF	Install up to 500 feet of new 8-inch T&C black steel column pipe, complete in place.	\$ <u>45.00</u>	\$ <u>22,500.00</u>
A5.	1	LS	Install new 8-inch ductile iron positive check valve, complete in place.	\$ <u>800.00</u>	\$ <u>800.00</u>
A6.	1	LS	Install new 8-inch discharge head, complete in place.	\$ <u>1,500.00</u>	\$ <u>1,500.00</u>
TOTAL ADDITIVE BID ALTERNATE #1				\$ <u>46,550.00</u>	
TOTAL BASE BID PLUS ADDITIVE BID ALTERNATE #1 LESS DEDUCTION OF BASE BID ITEM 4				\$ <u>71,950.00</u>	

ITEM NO.	APPROX. QUANTITY	UNIT	DESCRIPTION OF ITEM	UNIT PRICE	TOTAL AMOUNT
ADDITIVE BID ALTERNATE #2 – (Option for replacing existing equipment with 6-inch pump and pipe)					
B1.	1	LS	Allowance for purchase and installation of new 6-inch pump and motor equipment described in bid specifications, complete in place.	\$ <u>15,000</u>	\$ <u>15,000</u>
B2.	550	LF	Install up to 550 feet of new submersible power cable per bid specifications, complete in place.	\$ <u>10.00</u>	\$ <u>5,500.00</u>
B3.	500	LF	Install up to 500 feet of new 1/4-inch stainless steel airline, complete in place.	\$ <u>2.50</u>	\$ <u>1,250.00</u>
B4.	500	LF	Install up to 500 feet of new 6-inch T&C black steel column pipe, complete in place.	\$ <u>30.50</u>	\$ <u>15,250.00</u>
B5.	1	LS	Install new 6-inch ductile iron positive check valve, complete in place.	\$ <u>700.00</u>	\$ <u>700.00</u>
B6.	1	LS	Install new 6-inch discharge head, complete in place.	\$ <u>1,200.00</u>	\$ <u>1,200.00</u>
TOTAL ADDITIVE BID ALTERNATE #2				\$ <u>38,900.00</u>	
TOTAL BASE BID PLUS ADDITIVE BID ALTERNATE #2 LESS DEDUCTION OF BASE BID ITEM 4				\$ <u>64,300.00</u>	

COMPLETED BY

DATE

Steve Bell

02/14/12

Sub-Contractors:

	NAME	ADDRESS	PHONE	WORK TO BE PERFORMED
1.	N/A			
2.				
3.				

(Attach additional sheet if required)

INSURANCE AGENT

NAME	ADDRESS	PHONE	POLICY
------	---------	-------	--------

1. Arthur J. Gallagher Risk Management Services

2. 14241 Dallas Parkway, Suite 300

3. Dallas, TX 75254 (214)365-7905

BONDING AGENT

NAME	ADDRESS	PHONE	POLICY
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1. Arthur J. Gallagher Risk Management Services

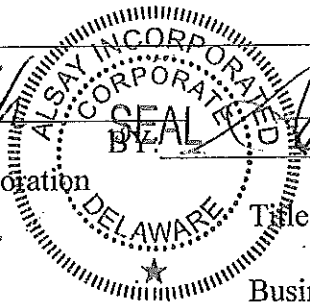
2. P.O. Box 53910

3. Lubbock, TX 79453

Signed this 14th day of February, 2012

Attest:

[Signature]
Secretary
(if bid by a Corporation)



SEAL

[Signature]
Title: Asst. Sec./G.M.

Business Address:

3359 S.E. Loop 410

San Antonio, TX 78222

Phone: (210)628-1090

Fax: (210)628-1505

ACCEPTED THIS _____

day of _____, 20____

By: _____

Todd Parton
City Manager
City of Kerrville, Texas.

ATTEST:

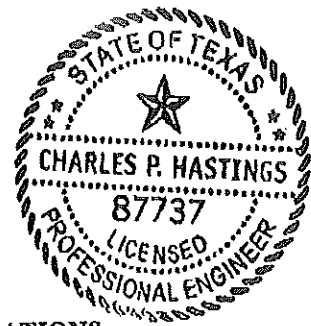
Brenda G. Craig
City Secretary

CITY SEAL

APPROVED AS TO FORM:

Michael C. Hayes
City Attorney

February 8, 2012
ADDENDUM NO. 1



TO
PLANS, CONTRACT DOCUMENTS, AND TECHNICAL SPECIFICATIONS
DATED January 2012

FOR

LOIS STREET WELL REHABILITATION

1. The addendum shall be considered to be part of the above referenced project and shall be included in the Contractor bid submitted to the City as described in Item 060 "Advertisement for Bid" of the original contract documents.
2. The existing well is powered with 3-phase 460 VAC, which can be used for the pump test with the city bearing the cost of the electricity used.
3. A submersible pump shall be used for the pump test to avoid disturbing the surrounding residential neighborhood.
4. The water in the well must be settled and clear in order for the televising of the well to be acceptable.
5. Page 070-5, Base Bid Item 4, the T&C column pipe shall be Schedule 80.
6. Page 070-6, Additive Bid Alternate #1 Bid Item A4, the T&C column pipe shall be Schedule 80.
7. Page 070-7, Additive Bid Alternate #2 Bid Item B4, the T&C column pipe shall be Schedule 80.
8. Page 090-2, Additive Alternate #1, is amended to read "1. Purchase and install new 8-inch, 60HP or more (depending on pump test and pump curves), 460 volt, 3 PH, submersible motor; and 8-inch, 475-S-600-7 stainless steel pump."
9. Page 090-3, Additive Alternate #2, is amended to read "1. Purchase and install new 6-inch, 60HP or more (depending on pump test and pump curves), 460 volt, 3 PH, submersible motor; and 6-inch, 475-S-600-7 stainless steel pump."
10. Page 092-1, Drainage Plan, Note 2 is amended to read "2. Water leaving the well site, whether a pit or any other method is used to remove sediment, shall be clear and flow out to Lois Street in a southeasterly direction to the existing drainage ditch shown."

*****Please be aware that when completing the contract form (Item 070), that section 10, "Addenda" MUST be signed and dated.

Attie Rose 2/14/12

Charles Hastings
2/8/12

February 14, 2012
ADDENDUM NO. 2

TO

PLANS, CONTRACT DOCUMENTS, AND TECHNICAL SPECIFICATIONS
DATED January 2012

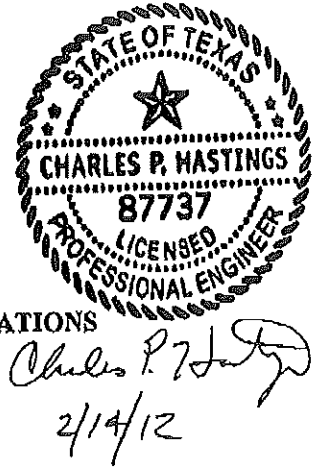
FOR

LOIS STREET WELL REHABILITATION

1. The addendum shall be considered to be part of the above referenced project and shall be included in the Contractor bid submitted to the City as described in Item 060 "Advertisement for Bid" of the original contract documents.
2. Page 070-5, Base Bid Item 4, the T&C column pipe shall be Schedule 40.
3. Page 070-6, Additive Bid Alternate #1 Bid Item A4, the T&C column pipe shall be Schedule 40.
4. Page 070-7, Additive Bid Alternate #2 Bid Item B4, the T&C column pipe shall be Schedule 40.

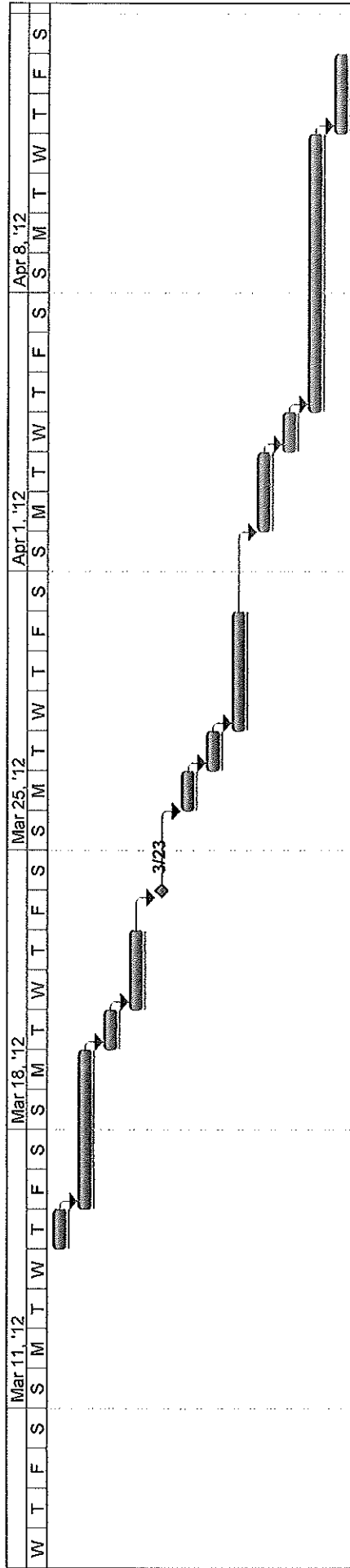
*****Please be aware that when completing the contract form (Item 070), that section 10, "Addenda" MUST be signed and dated.

Steve Bell 2/14/12



ID	Task Name	Start	Duration	12, '12							Feb 19, '12							Feb 26, '12							Mar 4, '12								
				M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T
1	Mobilization	Thu 3/15/12	1 day																														
2	Pull pump	Fri 3/16/12	2 days																														
3	Scratch casing	Tue 3/20/12	1 day																														
4	Airlift debris	Wed 3/21/12	2 days																														
5	Televiser	Fri 3/23/12	1 day																														
6	Mobilize test pump	Mon 3/26/12	1 day																														
7	Install test pump	Tue 3/27/12	1 day																														
8	Perform 36 hr. test	Wed 3/28/12	3 days																														
9	Pull test pump	Mon 4/2/12	2 days																														
10	De-mobilize test pump	Wed 4/4/12	1 day																														
11	Order new pumping equipment	Thu 4/5/12	5 days																														
12	Install permanent pump	Thu 4/12/12	2 days																														

Project: kernville-lois-street-rehab Date: Tue 2/14/12	Task Split Progress	Milestone Summary Project Summary	External Tasks External Milestone Deadline
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BID BOND

Conforms with The American Institute of
Architects, A.I.A. Document No. A-310

KNOW ALL BY THESE PRESENTS, That we, Alsay, Inc.

_____ as Principal, hereinafter called the Principal,

and the Argonaut Insurance Company

of Chicago, Illinois, a corporation duly organized under

the laws of the State of Illinois, as Surety, hereinafter called the Surety, are held and firmly bound unto

City of Kerrville, Texas as Oblige, hereinafter called the Oblige,

in the sum of Ten Percent of the Amount Bid

Dollars (\$ 10%), for the payment of which sum well and truly to be made, the said Principal and the said
Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for Lois Street Well Rehabilitation

NOW, THEREFORE, if the Oblige shall accept the bid of the Principal and the Principal shall enter into a Contract with the Oblige
in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with
good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in
the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the
Principal shall pay to the Oblige the difference not to exceed the penalty hereof between the amount specified in said bid and such
larger amount for which the Oblige may in good faith contract with another party to perform the Work covered by said bid, then this
obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 14th day of February

Damonique Brooks
Witness

Alsay, Inc.

{ Alfred Pebl
Principal
Title

Carla D. Hancock
Witness

Argonaut Insurance Company

{ Jennifer Winters
Attorney-in-Fact

Argonaut Insurance Company
225 W. Washington, 6th Floor
Chicago, IL 60606

AS-0035134

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

D. N. Broyles, Jennifer Winters, Cara D. Hancock, Dede Allen, Linda Thornbrugh, Cyndy Kleindienst, Kim Gately, Jean Brill

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

\$15,000,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 15th day of September, 2011.

Argonaut Insurance Company

ME Arledge

by: _____

Michael E. Arledge President

STATE OF TEXAS

COUNTY OF HARRIS SS:

On this 15th day of September, 2011 A.D., before me, a Notary Public of the State of Texas, in and for the County of Harris, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Harris, the day and year first above written.



Kathleen M. Meeks

(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 14th day of February, 2012.

Joshua C. Betz

Joshua C. Betz Assistant Vice President

Section 060

ADVERTISEMENT FOR BID

Sealed bids for the **Lois Street Well Rehabilitation** project will be received by the office of the city secretary, City Hall, 800 Junction Highway, Kerrville, Texas 78028 until 3:00 p.m. on **February 14, 2012** and will then be publicly opened and read aloud in Council Chambers at City Hall.

The date and time of opening the bids shall be clearly marked on the outside of the sealed envelope. No bids will be accepted after 3:00 p.m. on the date of bid opening.

The bidding documents, plans, specifications, etc. may be examined by all bidders at the public works office at City Hall, 800 Junction Highway, Kerrville, Texas, 78028, 830-258-1220, or on the City's website www.kerrvilletx.gov. Free copies may be obtained at City Hall.

Each bid must be accompanied by a certified check, cashier's check, or bid bond payable to the City of Kerrville, Texas, in the amount of ten percent (10%) of the amount bid as a guarantee that the contract and bond will be entered into within ten (10) days after the award is made.

A performance/payment bond in the amount of one hundred percent (100%) of the total contract price will be required.

A non-mandatory pre-bid conference shall be held at 3:00 PM on **February 7, 2012** at City Hall. **All questions regarding this project shall be directed to the Director of Public Works at 830-258-1220.**

Advertised: January 21, 2012
 January 28, 2012

Pre-Bid Meeting: February 7, 2012

Bid Opening: February 14, 2012

Bid Award February 28, 2012

Agenda Item:

4A. A resolution supporting the application of Kerrville Senior Veterans Residences, L.P. to construct low income rental housing pursuant to the low income housing tax credits program administered by the Texas Department of Housing and Community Affairs. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Resolution of Support for the Kerrville Senior Veterans Residences, L.P. project, a 50 unit senior housing development for Veterans only to be constructed on the campus of the Kerrville Division of the South Texas VA Health Services.

FOR AGENDA OF: February 28, 2012 **DATE SUBMITTED:** February 15, 2012

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS: Resolution of Support

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$ 0	\$ 0	\$ 0	

PAYMENT TO BE MADE TO:
REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Communities for Veterans has been selected as the preferred developer for a project to be located on the Kerrville Division campus of the South Texas VA Health Services, for the purpose of creating a 50 unit senior housing development for aging military veterans.

The Developer will be seeking tax credit funding from the Texas Department of Housing and Community Affairs. In order to score enough points for this application to be competitive, a Resolution of Support from the local governmental jurisdiction in which the project is located.

A significant scoring item with the application for the Tax Credit Program is community investment. An application may receive up to 18 points if a community provides local incentives equivalent to \$1,000 per unit (a total value of \$50,000 for this project). HOME funds may be used to meet this local investment threshold. Without the points for local community investment, an application will not likely succeed due to the highly competitive nature of the tax credit program. Therefore, should the City Council decide to support this project it should also consider passing a resolution to authorize the developer to apply for HOME funds on the city's behalf.

Attached is a resolution of support for this project. This resolution qualifies the City Council's support on the basis of five (5) conditions:

1. That the occupancy for this project will be limited to military veterans, their spouses, and their dependents and that this occupancy limitation will be incorporated into the Tenant Occupancy Plan portion of the land lease negotiated between Kerrville Senior Veterans Residences, L.P. and the U.S. Department of Veterans Affairs for the Community; and
2. That Kerrville Senior Veterans Residences, L.P. will be authorized via resolution by the City Council to apply for HOME Funds on behalf of the City of Kerrville pursuant to Subsection 50.9(b)(5), Texas Administrative Code, to submit a joint application to the Texas Department of Housing and Community Affairs for 2012 Housing Tax Credits and HOME Investment Partnership Program funds for the Community; and
3. That the Community will be developed in accordance with all applicable zoning, subdivision, building, fire, and life safety codes and ordinances; and
4. That the Community will be subject to all applicable building permit and building inspection requirements of the City of Kerrville; and
5. That all annual property taxes will be paid each year as required by law.

RECOMMENDED ACTION

Should the City Council decide to pass a resolution of support, staff recommends that it be based upon the five (5) conditions listed above.

CITY OF KERRVILLE, TEXAS
RESOLUTION NO. _____-2012

**A RESOLUTION SUPPORTING THE APPLICATION OF KERRVILLE
SENIOR VETERANS RESIDENCES, L.P. TO CONSTRUCT LOW INCOME
RENTAL HOUSING PURSUANT TO THE LOW INCOME HOUSING TAX
CREDITS PROGRAM ADMINISTERED BY THE TEXAS DEPARTMENT OF
HOUSING AND COMMUNITY AFFAIRS.**

WHEREAS, Kerrville Senior Veterans Residences, L.P. is submitting an application to the Texas Department of Housing and Community Affairs requesting assistance through its Low Income Housing Tax Credit Program for the construction of a 50-unit multi-family apartment community to be located on property leased from the Kerrville Veterans Administration Hospital, 3600 Memorial Highway, Kerrville, Texas 78028, hereinafter referred to as the "Community"; and

WHEREAS, the Community will address the needs of our military veterans and their families who have valiantly served our community and our nation; and

WHEREAS, the City Council of the City of Kerrville recognizes the need to provide an inventory of decent affordable housing to accommodate our military veterans who; and

WHEREAS, the Community will serve tenants whose incomes are within the following area median income categories: 35 of the units (70%) will serve tenants whose incomes are at or below 60% of the area median; 15 of the units (30%) will serve tenants whose incomes are at or below 50% of the area median; and

WHEREAS, based on the findings of the City Planner, the development of the Community at the above described location is consistent with the City's Comprehensive Plan, will require no change to the City's zoning regulations, and will not require the extension of public utilities; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds it in the public interest to support and endorse efforts by the private development sector to construct decent affordable housing in Kerrville to serve our military veterans and their families;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. The City Council hereby supports and endorses the application of Kerrville Senior Veterans Residences, L.P. to the Texas Department of Housing and Community Affairs pursuant to its Low Income Housing Tax Credit Program related to the construction of the above described apartment community to be generally located at 3600 Memorial Boulevard with the following stipulations:

1. That the occupancy for this project will be limited to military veterans, their spouses, and their dependents and that this occupancy limitation will be incorporated into the Tenant Occupancy Plan portion of the land lease negotiated between Kerrville Senior Veterans Residences, L.P. and the U.S. Department of Veterans Affairs for the Community; and

2. That the City Council will adopt a resolution which appoints the Kerrville Senior Veterans Residences, L.P. and its joint application for HOME Funds on behalf of the City pursuant to Subsection 50.9(b)(5), Texas Administrative Code, to the Texas Department of Housing and Community Affairs for 2012 Housing Tax Credits and HOME Investment Partnership Program funds for the Community; and
3. That the Community will be developed in accordance with all applicable zoning, subdivision, building, fire, and life safety codes and ordinances; and
4. That the Community will be subject to all applicable building permit and building inspection requirements of the City of Kerrville; and
5. That all annual property taxes will be paid each year as required by law.

SECTION TWO. The support and endorsement expressed in SECTION ONE, above, shall not be construed as an exclusive endorsement, it being the intent of the City Council of the City of Kerrville to reserve the right to support and endorse other qualified applications for projects related to the development of low and moderate income housing within the City of Kerrville, even if such applications are in direct competition with the application for this Community.

SECTION THREE. That the City Council hereby generally supports the goals of the State of Texas set forth in *1996 State of Texas Consolidated Plan* relating to the administration of various affordable housing programs funded by the U.S. Department of Housing and Urban Development and that the development of the Community appears to be substantially consistent with said goals to the extent of its purpose of increasing affordable housing inventory for very low, low, and moderate income veterans in Kerrville.

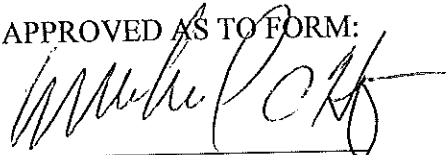
PASSED AND APPROVED ON this the ____ day of _____, 2012, A.D.

David Wampler, Mayor

ATTEST:

Brenda Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

Agenda Item:

4B. A resolution authorizing Kerrville Senior Veterans Residences, L.P. to include the City of Kerrville, Texas, in the submission of a joint application to the Texas Department of Housing and Community Affairs for home investment partnership program funds. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Resolution authorizing Kerrville Senior Veterans Residences, L.P. to submit an application to include the City of Kerrville, Texas, in the submission of a joint application to the Texas Department of Housing and Community Affairs for Home Investment Partnership Program funds.

FOR AGENDA OF: February 28, 2012 **DATE SUBMITTED:** February 23, 2012

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS: Resolution Authorizing Application for HOME Funds

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$ 0	\$ 0	\$ 0	

PAYMENT TO BE MADE TO:
REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

The attached resolution authorizes Kerrville Senior Residences, L.P. to apply to the Texas Department of Housing and Community Affairs for HOME funds to be used as the community's local financial commitment for a tax credit application for the multi-family residential project proposed at the Kerrville Veterans Administration Hospital.

By authorizing the use of these HOME funds, the application will meet the local investment threshold to receive 18 points toward its total score. This is very competitive program and without these points it is not likely that the application will be successful.

RECOMMENDED ACTION

Should the City Council pass the resolution of support for a tax credit application for this housing project, staff recommends that the City Council pass this resolution authorizing the developer to apply for HOME funds on the city's behalf.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. ____-2012**

A RESOLUTION AUTHORIZING KERRVILLE SENIOR VETERANS RESIDENCES, L.P. TO INCLUDE THE CITY OF KERRVILLE, TEXAS, IN THE SUBMISSION OF A JOINT APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS

WHEREAS, Kerrville Senior Veterans Residences, L.P. has proposed a development of affordable rental housing at 3600 Memorial Boulevard, Kerrville, Texas, site of the Kerrville Campus of the South Texas Veterans Health Care System (Veterans Hospital), to serve military veterans and their immediate family members; and

WHEREAS, Kerrville Senior Veterans Residences, L.P. intends to include the City of Kerrville, Texas, in the submission of a joint application to the Texas Department of Housing and Community Affairs ("TDHCA") for 2012 Housing Tax Credits and HOME Investment Partnership Program ("Program") funds for the Kerrville Senior Veterans Residences; and

WHEREAS, pursuant to state law and the process used to review applications, TDHCA requires that the City Council adopt a resolution authorizing the joint application and providing evidence of the City's support for the Program; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to authorize the submission of the joint application to TDHCA, as specified above;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. The City Council for the City of Kerrville, Texas, appoints Kerrville Senior Veterans Residences, L.P. to act on its behalf in applying to the TDHCA for funds for the Kerrville Senior Veterans Residences. The provisions of the grant application for TDHCA is as substantially set forth in **Exhibit A (Housing Tax Credit Program: 2012-2013 Qualified Action Plan, Subsection 50.8. Threshold Criteria)**, attached hereto and incorporated herein by reference.

SECTION TWO. The City Manager is authorized to act in all matters in connection with this application and participation in the TDHCA Program.

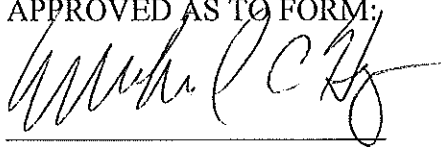
PASSED AND APPROVED ON this the 28th day of February, 2012, A.D.

David Wampler, Mayor

ATTEST:

Brenda Craig, City Secretary

APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to read "Michael C. Hayes", written over a horizontal line.

Michael C. Hayes, City Attorney

EXHIBIT A
(Housing Tax Credit Program: 2012-2013 Qualified Action Plan,
Subsection 50.8. Threshold Criteria)

§50.8. Threshold Criteria.

The purpose of this section is to identify the mandatory requirements that must be submitted at the time of the original Application submission unless specifically indicated otherwise. If any of the Threshold Criteria indicated below are not resolved, clarified or corrected to the satisfaction of the Department, through the Administrative Deficiency process, the Application will be terminated.

- (1) **Submission of the Application.** Includes the entire Uniform Application and any other supplemental forms which may be required by the Department and in the format prescribed by the Department. (§2306.1111)
- (2) **Governing Body Resolutions.** The following resolutions, if applicable to the proposed Development, must be submitted by the Resolutions Delivery Date as indicated in §50.3 of this chapter (relating to Program Calendar) and may not be more than one year old from the beginning of the Application Acceptance Period or for Tax-Exempt Bond Developments from the date Parts 1 - 4 are submitted to the Department.
 - (A) **Twice the State Average.** If the Development is located in a municipality, or if located completely outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins (or for Tax-Exempt Bond Developments at the time the Certificate of Reservation is issued by the Texas Bond Review Board) the Applicant must obtain prior approval of the Development from the Governing Body of the appropriate municipality or county containing the Development. Such approval must reference this rule and authorize an allocation of Housing Tax Credits for the Development; (§2306.6703(a)(4))
 - (B) **One Mile Three Year Rule.** If the Applicant proposes to construct a Development proposing New Construction or Adaptive Reuse (excluding New Construction of non-residential buildings) that is located one linear mile (measured by a straight line on a map) or less from a Development that: (§2306.6703(a)(3))
 - (i) serves the same type of household as the new Development, regardless of whether the Development serves families, elderly individuals, or another type of household; and
 - (ii) has received an allocation of Housing Tax Credits or private activity bonds for any New Construction at any time during the three-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments the three-year period preceding the date Parts 1 - 4 are submitted); and
 - (iii) has not been withdrawn or terminated from the Housing Tax Credit Program;
 - (iv) an Application is not ineligible under this paragraph if:

- (I) the Development is using federal HOPE VI funds received through the United States Department of Housing and Urban Development; locally approved funds received from a public improvement district or a tax increment financing district; funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. §§12701 et seq.); or funds provided to the state and participating jurisdictions under the Housing and Community Development Act of 1974 (42 U.S.C. §§5301 et seq.); or
 - (II) the Development is located in a county with a population of less than one million; or
 - (III) the Development is located outside of a metropolitan statistical area; or
 - (IV) the Governing Body, of the Unit of General Local Government where the Development is to be located has by vote specifically allowed the construction of a new Development located within one linear mile or less from a Development described under clause (i) of this subparagraph.
 - (v) In determining when an existing Development received an allocation as it relates to the application of the three-year period, the Development will be considered from the date the Board took action on approving the allocation of tax credits. In dealing with ties between two or more Developments as it relates to this rule, refer to §50.6(f) of this chapter (relating to Allocation and Award Process).
- (C) **Developments in Certain Census Tracts.** Staff will not recommend and the Board will not allocate Housing Tax Credits for a Competitive Housing Tax Credit or Tax-Exempt Bond Development located in a census tract that has more than 30% Housing Tax Credit Units per total households in the census tract as established by the U.S. Census Bureau for the most recent Decennial Census unless:
- (i) the Development is in a Place whose population is less than 100,000;
 - (ii) the Applicant proposes only Reconstruction or Rehabilitation (excluding New Construction of non-residential buildings); or
 - (iii) submits to the Department an approval of the Development referencing this rule in the form of a resolution from the Governing Body of the appropriate municipality or county containing the Development. These ineligible census tracts are outlined in the Housing Tax Credit Site Demographic Characteristics Report for the current Application Round.
- (3) **Rehabilitation Costs.** Developments involving Rehabilitation must establish a scope of work that will substantially improve the interiors of all Units and exterior deferred maintenance, at a minimum, and will involve at least \$25,000 per Unit in direct construction cost, also referred to as building costs in §1.32(e)(4) of this title (relating to Underwriting Rules and Guidelines), and site work. If financed with TRDO-USDA the minimum is \$19,000 and for Tax-Exempt Bond Developments, less than twenty-five (25) years old, the minimum is \$15,000 per Unit.
- (4) **Experience Requirement.** The purpose of the experience requirement is for someone in the Development to demonstrate they have experience in development. Evidence must be provided in the Application that meets the criteria as stated in subparagraph (A) of this paragraph. An Applicant may submit their experience documentation prior to the Application deadline and the Department will attempt to review and respond within thirty (30) days of submission regarding approval of the experience requirement. Experience of multiple parties may not be aggregated.
- (A) A Principal of the Developer, Development Owner, General Partner or General Contractor must establish that they have experience in the development of 150 units or more. Acceptable documentation to meet this requirement shall include:
- (i) an experience certificate issued by the Department in the past three (3) years; or
 - (ii) any of the items in subclauses (I) - (IX) of this clause:

- (I) American Institute of Architects (AIA) Document (A102) or (A103) 2007 - Standard Form of Agreement between Owner & Contractor;
 - (II) AIA Document G704--Certificate of Substantial Completion;
 - (III) AIA Document G702--Application and Certificate for Payment;
 - (IV) Certificate of Occupancy;
 - (V) IRS Form 8609, (only one per development is required);
 - (VI) HUD Form 9822;
 - (VII) Development agreements;
 - (VIII) Partnership agreements; or
 - (IX) other documentation satisfactory to the Department verifying that the Development Owner's General Partner, partner (or if Applicant is to be a limited liability company, the managing member), General Contractor, Developer or their Principals have the required experience.
- (B) For purposes of this requirement any individual attempting to use the experience of another individual must demonstrate they have or had the authority to act on their behalf that substantiates the minimum 150 unit requirement.
 - (i) The names on the forms and agreements in subparagraph (A)(ii) of this paragraph must tie back to the Development Owner's General Partner, partner (or if Applicant is to be a limited liability company, the managing member), Developer or their Principals as listed in the Application.
 - (ii) Experience may not be established for a Person who at any time within the preceding three years has been involved with affordable housing that has been in material non-compliance under the Department's rules or for affordable housing in another state, has been the subject of issued IRS Form 8823 citing non-compliance that has not been or is not being corrected with reasonable due diligence.
 - (iii) If a Principal is determined by the Department to not have the required experience, an acceptable replacement for that Principal must be identified prior to the date the award is made by the Board.
 - (iv) Notwithstanding the foregoing, no person may be used to establish such required experience if that Person or an Affiliate of that Person would not be eligible to be an Applicant themselves.
- (5) **Certifications.** The "Certification Form" provided in the Application confirming:
 - (A) a certification of the basic common amenities selected for the Development. All Developments must meet at least the minimum threshold of points based on the total number of Units in the Development. These points are not associated with the Selection Criteria points in §50.9(b) of this chapter (relating to Selection Criteria). The amenities selected must be made available for the benefit of all tenants and must be made available throughout normal business hours. If fees in addition to rent are charged for amenities, then the amenity may not be included among those provided to satisfy the threshold requirement. All amenities must meet accessibility standards. Spaces for activities must be sized appropriately to serve the Target Population of the Development. Applications for non-contiguous scattered site housing, excluding non-contiguous single family sites, will have the threshold test applied based on the number of Units per individual site, and will have to identify in the LURA which amenities are at each individual site. The complete list of amenities can be found in §1.1 of this title (relating to Definitions and Amenities for Housing Program Activities).
 - (i) Applications must meet a minimum threshold of points:
 - (I) Total Units equal 16, (1 point) is required;
 - (II) Total Units are 17 to 40, (4 points) are required;
 - (III) Total Units are 41 to 76, (7 points) are required;
 - (IV) Total Units are 77 to 99, (10 points) are required;

- (V) Total Units are 100 to 149, (14 points) are required;
- (VI) Total Units are 150 to 199, (18 points) are required; or
- (VII) Total Units are 200 or more, (22 points) are required.
- (ii) Unit Amenities (Tax Exempt Bond Developments Only). The Development must include enough amenities to meet the minimum threshold of (14 points). The amenity and quality feature shall be for every Unit at no extra charge to the tenant as certified to in the Application. The amenities and corresponding point structure is provided in §1.1 of this title. The amenities will be required to be identified in the LURA. Applications involving scattered site Developments must have a specific amenity located within each Unit to count for points. Rehabilitation Developments will start with a base score of (3 points) and Supportive Housing Developments will start with a base score of (5 points).
- (B) A certification that the Development will meet the minimum threshold for size of Units as provided in clauses (i) - (v) of this subparagraph. These minimum requirements are not associated with the points in §50.9(b)(4) of this chapter. Developments proposing Rehabilitation (excluding Reconstruction) or Supportive Housing Developments will not be subject to the requirements of this subparagraph.
 - (i) five hundred-fifty (550) square feet for an Efficiency Unit;
 - (ii) six hundred-fifty (650) square feet for a one Bedroom Unit that is not in a Qualified Elderly Development; 550 square feet for a one Bedroom Unit in a Qualified Elderly Development;
 - (iii) nine hundred (900) square feet for a two Bedroom Unit that is not in a Qualified Elderly Development; 700 square feet for a two Bedroom Unit in a Qualified Elderly Development;
 - (iv) one thousand (1,000) square feet for a three Bedroom Unit; and
 - (v) one thousand, two-hundred (1,200) square feet for a four Bedroom Unit;
- (C) A certification that the Development will adhere to the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere to local building codes or, if no local building codes are in place, then to the most recent version of the International Building Code.
- (D) A certification that the Applicant is and will remain in compliance with state and federal laws, including but not limited to, fair housing laws, including Chapter 301, Property Code, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), the Fair Housing Amendments Act of 1988 (42 U.S.C. §§3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. §§2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. §§12101 et seq.); the Rehabilitation Act of 1973 (29 U.S.C. §5701 et seq.); Fair Housing Accessibility; the Texas Fair Housing Act; and that the Development is designed consistent with the Fair Housing Act Design Manual produced by HUD, the Code Requirements for Housing Accessibility 2000 (or as amended from time to time) produced by the International Code Council and the Texas Accessibility Standards. (§2306.257; §2306.6705(7))
- (E) A certification that the Applicant has read and understands the Department's fair housing educational materials posted on the Department's website as of the beginning of the Application Acceptance Period.
- (F) A certification that the Applicant will attempt to ensure that at least 30% of the construction and management businesses with which the Applicant contracts in connection with the Development are Minority Owned Businesses, and that the Applicant will submit a report at least once in each 90-day period following the date of the Commitment until the Cost Certification is submitted, in a format prescribed by the Department and provided at the

time a Commitment is received, on the percentage of businesses with which the Applicant has contracted that qualify as Minority Owned Businesses. (§2306.6734)

- (G) Pursuant to §2306.6722 of the Texas Government Code, any Development supported with a Housing Tax Credit allocation shall comply with the accessibility standards that are required under §504, Rehabilitation Act of 1973 (29 U.S.C. §794), and specified under 24 C.F.R. Part 8, Subpart C. The Applicant must provide a certification from the Development engineer, an accredited architect or Department-approved Third Party accessibility specialist, that the Development will comply with the accessibility standards that are required under §504, Rehabilitation Act of 1973 (29 U.S.C. §794), and specified under 24 C.F.R. Part 8, Subpart C, and this subparagraph. (§2306.6722 and §2306.6730)
- (H) For Developments involving New Construction (excluding New Construction of non-residential buildings) where some Units are two-stories or single family design and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (i.e., one bedroom, two bedroom, three bedroom) must provide an accessible entry level and all common-use facilities in compliance with the Fair Housing Guidelines, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A similar certification will also be required after the Development is completed from an inspector, architect, or accessibility specialist.
- (I) A certification that the Development Owner agrees to establish a reserve account consistent with §2306.186 of the Texas Government Code and as further described in §1.37 of this title (relating to Reserve for Replacement Rules and Guidelines).
- (J) A certification that the Applicant, Developer, or any employee or agent of the Applicant has not formed a Neighborhood Organization for purposes of §50.9(b)(2) of this chapter, has not given money or a gift to cause the Neighborhood Organization to take its position of support or opposition, nor has provided any assistance to a Neighborhood Organization outside of the assistance allowed under §50.9(b)(2)(A)(viii) of this chapter to meet the requirements under §50.9(b)(2) of this chapter as it relates to the Applicant's Application or any other Application under consideration in the current Application Round.
- (K) A certification that the Development will operate in accordance with the requirements pertaining to rental assistance in Chapter 60 of this title (relating to Compliance Administration).
- (L) A certification that the Development Owner will contract with a Management Company throughout the Compliance Period that will perform criminal background checks on all adult tenants, head and co-head of households.
- (M) A certification that the Development Owner will affirmatively market to veterans through direct marketing or contracts with veteran's organizations. The Development Owner will be required to identify how they will affirmatively market to veterans and report to the Department in the annual housing report on the results of the marketing efforts to veterans. Exceptions to this requirement must be approved by the Department.
- (N) A certification as to whether the Applicant, Development Owner, Developer or Guarantor involved with the Application has not voluntarily or involuntarily had their involvement in a rent or income restricted multifamily Development terminated by a lender, equity provider, or other investors or owners as a Principal during the previous ten (10) years, however designated, or any combination thereof or if any litigation to effectuate such exit has been

instituted and is continuing at the time of Application. If such a termination of involvement occurred the facts and circumstances shall be fully disclosed. If an Applicant or Developer signs the certification and fails to disclose a discloseable matter and the Department learns at a later date that an exit did take place as described, then the Application may be terminated and any Allocation made will be rescinded. The disclosure of an exit does not, in and of itself, result in the Applicant or Application being deemed ineligible. Only if the Executive Director determines that the disclosed matter warrants ineligibility, a report of the matter and that recommendation shall be presented to the Board for a final determination. The Board may impose reasonable constraints, including time constraints, as a part of its determination. Any such matter to be presented for final determination of ineligibility by the Board must include notice from the Department to the affected party not less than fourteen (14) days prior to the scheduled Board meeting. The Executive Director may, but is not required, to issue a formal notice after disclosure if it is determined that the matter does not warrant ineligibility.

- (6) **Architectural Drawings.** While full size design or construction documents are not required, the drawings must have an accurate and legible scale and show the dimensions. All Developments involving New Construction, or conversion of existing buildings not configured in the Unit pattern proposed in the Application as well as all other Developments unless specifically stated otherwise, must provide all of the items identified in subparagraphs (A) - (C) of this paragraph.
- (A) A site plan which:
- (i) is consistent with the number of Units and Unit mix specified in the "Rent Schedule" provided in the Application;
 - (ii) is consistent with the number of buildings and building type/unit mix specified in the "Building/Unit Configuration" provided in the Application;
 - (iii) identifies all residential and common buildings;
 - (iv) clearly delineates the flood plain boundary lines and shows all easements;
 - (v) indicates possible placement of detention/retention pond(s) (if applicable); and
 - (vi) indicates the location of the parking spaces;
- (B) Building floor plans and elevations for each type of residential building and each common area building clearly depicting the height of each floor, a percentage estimate of the exterior composition and square footage of the common areas. Adaptive Reuse Developments, are only required to provide building plans delineating each Unit by number, type and area consistent with those in the "Rent Schedule" and pictures of each elevation of the existing building depicting the height of each floor and percentage estimate of the exterior composition. For Rehabilitation Developments in which the Unit configurations are not being altered then building floor plans are not required; however, photographs of elevations must be submitted and if elevations are proposed to be altered then after renovation drawings must be submitted; and
- (C) Unit floor plans for each type of Unit. The Net Rentable Areas these Unit floor plans represent should be consistent with those shown in the "Rent Schedule" and "Building/Unit Configuration" provided in the Application. Adaptive Reuse Developments, are only required to provide Unit floor plans for each distinct typical Unit type (i.e. one-bedroom, two-bedroom) and for all Unit types that vary in Net Rentable Area by 10% from the typical Unit.
- (7) **Development Costs.**
- (A) The Development Cost Schedule, as provided in the Application, must include the contact information for the person providing the cost estimate for the Hard Costs.
- (B) If offsite costs are included in the budget as a line item, or embedded in the site acquisition contract, or referenced in the utility provider letters, then the supplemental form "Off Site Cost Breakdown" must be provided.

- (C) If projected site work costs (excluding ineligible demolition costs) include unusual or extraordinary items or exceed \$9,000 per Unit, then the Applicant must provide a detailed cost breakdown prepared by a Third Party engineer, and a letter from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible.

(8) Readiness to Proceed.

- (A) **Site Control.** Evidence that the Development Owner has and will have at all times while the Application or any Commitment or Determination Notice is pending the ability to compel legal title to a developable interest in the Development Site, i.e., site control. If by the timeframes required in this chapter or any extension thereof as approved by the Department, Applicant fails to have the ability to compel legal title to such a developable interest, that Applicant shall be ineligible for participation in the next Application Round. This is an appealable matter. If the evidence is not in the name of the Development Owner, then the documentation should reflect an expressed ability to transfer the rights to the Development Owner. All of the sellers of the proposed Property for the thirty-six (36) months prior to the first day of the Application Acceptance Period and their relationship, if any, to members of the Development team must be identified at the time of Application (not required at pre-application). One of the following items described in clauses (i) - (iii) of this subparagraph must be provided:

- (i) a recorded warranty deed with corresponding executed settlement statement, unless required to submit items under clause (iv) of this subparagraph; or
- (ii) a contract for lease (the minimum term of the lease must be at least forty-five (45) years) which is valid for the entire period the Development is under consideration for tax credits; or
- (iii) a contract for sale, an exclusive option to purchase or a lease which is valid for the entire period the Development is under consideration for tax credits. For Tax Exempt Bond Development Applications, site control must be valid through December 1 of the prior program year with option to extend through March 1 of the current program year (Applications submitted for lottery) or ninety (90) days from the date of the Certificate of Reservation with the option to extend through the scheduled TDHCA Board meeting at which the award of Housing Tax Credits will be considered (Applications not submitted for lottery). The potential expiration of Site Control does not warrant the Application being presented to the TDHCA Board prior to the scheduled meeting. Proof of consideration, as specified in the contract, must be submitted and the expiration date and closing date deadline must be identified.
- (iv) If the acquisition can be characterized as an identity of interest transaction, as described in §1.32 of this title then the Applicant will be required to meet the documentation requirements as further described in §1.32 of this title.

- (B) **Zoning.** Evidence from the appropriate local municipal authority that satisfies one of clauses (i) - (iii) of this subparagraph. Documentation may be from more than one department of the municipal authority and must have been prepared and executed not more than six (6) months prior to the close of the Application Acceptance Period. (§2306.6705(5))

- (i) For New Construction, Adaptive Reuse or Reconstruction Developments, a letter from the chief executive officer of the Unit of General Local Government or another local official with appropriate jurisdiction stating that the Development is located within the boundaries of a Unit of General Local Government that has no zoning or for Developments located in Harris County the letter must state the Development is consistent with local housing policy adopted by the Unit of General Local Government

within which the Development is located or that such Unit of General Local Government has no zoning or formally adopted local housing policy.

- (ii) For New Construction, Adaptive Reuse or Reconstruction Developments, a letter from the chief executive officer of the Unit of General Local Government or another local official with appropriate jurisdiction stating that:
 - (I) The Development is permitted under the provisions of the zoning ordinance that applies to the location of the Development; or
 - (II) the Applicant is in the process of seeking the appropriate zoning and has signed and provided to the Unit of General Local Government a release agreeing to hold the Unit of General Local Government and all other parties harmless in the event that the appropriate zoning is denied. (§2306.6705(5)(B)) Documentation of final approval of appropriate zoning must be submitted to the Department with the Commitment or Determination Notice. No extensions may be requested to the deadline for submitting evidence of final approval of appropriate zoning.
- (iii) For Rehabilitation Developments, documentation of current zoning is required. If the property is currently conforming but with an overlay that would make it a non-conforming use as presently zoned, a letter from the chief executive officer of the Unit of General Local Government or another local official with appropriate jurisdiction which addresses the items in subclauses (I) - (IV) of this clause:
 - (I) a detailed narrative of the nature of non-conformance;
 - (II) the applicable destruction threshold;
 - (III) Owner's rights to reconstruct in the event of damage; and
 - (IV) Penalties for noncompliance.

(C) Financing Requirements.

- (i) Evidence of all necessary interim and permanent financing sufficient to fund the proposed Total Housing Development Cost less any other funds requested from the Department and any other sources documented in the Application. Any local, state or federal financing identified in this section which restricts household incomes at any AMGI lower than restrictions required pursuant to this chapter must be identified in the "Rent Schedule" and the local, state or federal income restrictions must include corresponding rent levels that do not exceed 30% of the income limitation in accordance with §42(g) of the Code. The income and corresponding rent restrictions will be imposed by the Housing Tax Credit LURA and monitored throughout the extended use period. Such evidence must be consistent with the sources and uses of funds represented in the Application and shall be provided in one or more of the following forms described in subclauses (I) - (IV) of this clause:
 - (I) Financing is in place as evidenced by:
 - (-a-) a valid and binding loan agreement; and
 - (-b-) deed(s) of trust in the name of the Development Owner as grantor; or
 - (-c-) for TRDO-USDA §515 Developments involving, an executed TRDO-USDA letter indicating TRDO-USDA has received a notification of the tax credit Application; or
 - (II) term sheet for the interim and permanent loans issued by a lending institution or mortgage company that is actively and regularly engaged in the business of lending money which is addressed to the Development Owner and includes the following as identified in items (-a-) - (-d-) of this subclause:
 - (-a-) has been executed by the lender; and
 - (-b-) a minimum loan term of fifteen (15) years with at least a thirty (30) year amortization; and
 - (-c-) an expiration date; and

- (-d-) all the terms and conditions applicable to the financing including the mechanism for determining the Interest rate, if applicable, and the anticipated interest rate, any required Guarantors, and anticipated developer fees paid during construction and anticipated deferred developer fees. Such a commitment may be conditional upon the completion of specified due diligence by the lender and upon the award of tax credits; or
 - (III) any federal, state or local gap financing, whether of soft or hard debt, must be identified at the time of Application as evidenced by:
 - (-a-) a term sheet from the lending agency which clearly describes the amount and terms of the funding must be submitted. If applying for points under §50.9(b)(5) of this chapter then documentation must be submitted as required by the deadlines stated therein; and
 - (-b-) evidence of a complete and receipted application for funding from another Department program must be obtained no later than March 1 (or for Tax Exempt Bond Developments at the time Parts 1 - 4 are submitted). The Department funding must be on a concurrent funding period with current tax credit Application Round; and
 - (IV) if the Development will be financed through more than 5% of Development Owner contributions, provide a letter from a Third Party CPA verifying the capacity of the Development Owner to provide the proposed financing with funds that are not otherwise committed together with a letter from the Development Owner's bank or banks confirming that sufficient funds are available to the Development Owner. Documentation must have been prepared and executed not more than six (6) months prior to the close of the Application Acceptance Period;
 - (ii) a written narrative describing the financing plan for the Development, including any non-traditional financing arrangements; the use of funds with respect to the Development; the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and the commitment status of the funding sources for the Development. This information must be consistent with the information provided throughout the Application; and (§2306.6705(1))
 - (iii) provide a term sheet from a syndicator that, at a minimum, provides an estimate of the amount of equity dollars expected to be raised for the Development in conjunction with the amount of Housing Tax Credits requested for allocation to the Development Owner, including pay-in schedules, anticipated developer fees paid during construction and anticipated deferred developer fees, syndicator consulting fees and other syndication costs. No syndication costs should be included in the Eligible Basis. (§2306.6705(2) and (3))
- (D) **Title Commitment or Policy.** The Application shall include a copy of:
- (i) the current title policy (or title status report if on Tribal Land) including a legal description which shows that the ownership (or leasehold) of the Development Site is vested in the name of the Development Owner; or
 - (ii) a complete, current title commitment with the proposed insured matching the name of the Development Owner and the title of the Development Site vested in the name of the seller or lessor as indicated on the sales contract, option or lease;
 - (iii) if the title policy, title status report, or commitment is more than six (6) months old as of the day the Application Acceptance Period closes, then a letter from the title company/Bureau of Indian Affairs indicating that nothing further has transpired on the policy, title status report or commitment must be provided.

- (9) **Notifications.** Evidence in the form of a certification that the Applicant met the requirements and deadlines identified in subparagraphs (A) - (C) of this paragraph. Notification must not be older than three (3) months from the first day of the Application Acceptance Period. (§2306.6705(9)) If evidence of these notifications was submitted with the pre-application for the same Application and satisfied the Department's review of Pre-application Threshold, then no additional notification is required at Application. However, re-notification is required by tax credit Applicants who have submitted a change in the Application, whether from pre-application to Application or as a result of an Administrative Deficiency that reflects a total Unit increase of greater than 10%, a total increase of greater than 10% for any given level of AMGI, or a change to the Target Population being served. For Applications submitted for Tax-Exempt Bond Developments or Applications not applying for Tax Credits, but applying only under other Multifamily Programs (HOME, Housing Trust Fund, etc.), notifications and proof thereof must not be older than three (3) months prior to the date Parts 5 and 6 of the Application are submitted.
- (A) The Applicant must request a list of Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site from local elected officials:
- (i) no later than the Full Application Neighborhood Organization Request Date as identified in §50.3 of this chapter, the Applicant must e-mail, fax or mail with registered receipt a completed "Neighborhood Organization Request" letter as provided in the Application to the local elected official for the city and county where the Development is proposed to be located. If the Development is located in an area that has district based local elected officials, or both at-large and district based local elected officials, the request must be made to the city council member or county commissioner representing that district; if the Development is located an area that has only at-large local elected officials, the request must be made to the mayor or county judge for the jurisdiction. If the Development is not located within a city or is located in the ETJ of a city, the county local elected official must be contacted. In the event that local elected officials refer the Applicant to another source, the Applicant must request Neighborhood Organizations from that source in the same format;
 - (ii) if no reply letter is received from the local elected officials by the Full Application Response to Neighborhood Organization Request Date, then the Applicant must certify to that fact in the certification form provided in the Application;
 - (iii) the Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as outlined by the local elected officials, or that the Applicant has knowledge of (regardless of whether the organization is on record with the county or state) as of the submission of the Application, in the certification form provided in the Application.
- (B) No later than the date the Application is submitted, notification must be sent to all of the following individuals and entities by e-mail, fax or mail with registered receipt return or similar tracking mechanism e-mail, fax or mail with registered receipt in the format required in the "Application Notification Template" provided in the Application. Developments located in an ETJ of a city are not required to notify city officials, however, are required to notify county officials. Evidence of notification is required in the form of a certification provided in the Application, although it is encouraged that Applicants retain proof of delivery of the notifications, to the persons or entities prescribed in clauses (i) - (ix) of this subparagraph, in the event that the Department requires proof of notification. Evidence of proof of delivery is demonstrated by signed receipt for mail or courier delivery and confirmation of receipt by recipient for facsimile and electronic mail. Officials to be notified are those officials in office at the time the Application is submitted.
- (i) Neighborhood Organizations on record with the state or county whose boundaries include the proposed Development Site as identified in subparagraph (A)(iii) of this paragraph;

- (ii) Superintendent of the school district containing the Development;
 - (iii) Presiding officer of the board of trustees of the school district containing the Development;
 - (iv) Mayor of the Governing Body of any municipality containing the Development;
 - (v) All elected members of the Governing Body of any municipality containing the Development;
 - (vi) Presiding officer of the Governing Body of the county containing the Development;
 - (vii) All elected members of the Governing Body of the county containing the Development;
 - (viii) State senator of the district containing the Development; and
 - (ix) State representative of the district containing the Development.
- (C) Each such notice must include, at a minimum, all of the following as identified in clauses (i) - (vi) of this subparagraph:
- (i) the Applicant's name, address, individual contact name and phone number;
 - (ii) the Development name, address, city and county;
 - (iii) a statement informing the entity or individual being notified that the Applicant is submitting a request for Housing Tax Credits with the Texas Department of Housing and Community Affairs (TDHCA);
 - (iv) statement of whether the Development proposes New Construction, Reconstruction, Adaptive Reuse or Rehabilitation;
 - (v) the type of Development being proposed (single family homes, duplex, apartments, townhomes, high-rise etc.); and
 - (vi) the approximate total number of Units and approximate total number of low-income Units.

(10) Development's Proposed Ownership Structure.

- (A) A chart which clearly illustrates the complete organizational structure of the final proposed Development Owner and of any Developer or Guarantor, providing the names and ownership percentages of all Persons having an ownership interest in the Development Owner or the Developer or Guarantor, as applicable, whether directly or through one or more subsidiaries. Nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors must be included in this exhibit and trusts must list all beneficiaries that have the legal ability to control or direct activities of the trust and are not just financial beneficiaries.
- (B) Evidence that each entity shown on the organizational chart described in subparagraph (A) of this paragraph that has ownership interest in the Development Owner, Developer or Guarantor, has provided a copy of the completed and executed Previous Participation and Background Certification Form to the Department. Nonprofit entities, public housing authorities and publicly traded corporations are required to submit documentation for the entities involved. Documentation for individual board members and executive directors, any Person receiving more than 10% of the Developer fee and Units of General Local Government are all required to submit this document. The form must include a list of all developments that are, or were, previously under ownership or Control of the Applicant and each Principal, including any Person providing the required experience. All participation in any TDHCA funded or monitored activity, including non-housing activities, as well as housing tax credit developments or other programs administered by other states using state or federal programs must be disclosed and authorize the parties overseeing such assistance to release compliance histories to the Department.
- (C) The documentation relating to the experience requirement, as further described under paragraph (4) of this section, is submitted that reflects a Person that appears in the organizational chart provided in subparagraph (A) of this paragraph.

- (11) **Development's Projected Income and Operating Expenses.**
- (A) All Applications must include a 15-year pro forma estimate of operating expenses and supporting documentation used to generate projections (operating statements from comparable properties);
 - (B) If rental assistance, an operating subsidy, an annuity, or an interest rate reduction payment is proposed to exist or continue for the Development, any related contract or other agreement securing those funds or proof of application for such funds must be provided, which at a minimum identifies the source and annual amount of the funds, the number of Units receiving the funds, and the term and expiration date of the contract or other agreement; (§2306.6705(4))
 - (C) Applicant must provide documentation from the source of the "Utility Allowance" estimate used in completing the Rent Schedule provided in the Application. This exhibit must clearly indicate which utility costs are included in the estimate;
 - (D) Occupied Developments undergoing Rehabilitation must also submit the items described in clauses (i) - (vi) of this subparagraph;
 - (i) The items in subclauses (I) and (II) of this clause are required unless the current property owner is unwilling to provide the required documentation. In that case, submit a signed statement as to the Applicant's inability to provide all documentation as described:
 - (I) submit at least one of the following identified in items (-a-) - (-d-) of this subclause:
 - (-a-) historical monthly operating statements of the subject Development for twelve (12) consecutive months ending not more than three (3) months from the first day of the Application Acceptance Period;
 - (-b-) the two (2) most recent consecutive annual operating statement summaries;
 - (-c-) the most recent consecutive six (6) months of operating statements and the most recent available annual operating summary;
 - (-d-) all monthly or annual operating summaries available; and
 - (II) a rent roll not more than six (6) months old as of the first day the Application Acceptance Period, that discloses the terms and rate of the lease, rental rates offered at the date of the rent roll, Unit mix, and tenant names or vacancy;
 - (ii) a written explanation of the process used to notify and consult with the tenants in preparing the Application; (§2306.6705(6))
 - (iii) for Qualified Elderly Developments, identification of the number of existing tenants qualified under the Target Population elected under this title;
 - (iv) a relocation plan outlining relocation requirements and a budget with an identified funding source; (§2306.6705(6))
 - (v) compliance with the Uniform Relocation Act, if applicable; and
 - (vi) if applicable, evidence that the relocation plan has been submitted to the appropriate legal or governmental agency. (§2306.6705(6))
- (12) **Applications Involving Nonprofit General Partners and Qualified Nonprofit Developments.** All Applications under the State Housing Credit Ceiling involving a §501(c)(3) or (4) nonprofit General Partner, and which meet the Nonprofit Set-Aside in §42(h)(5) of the Code, must submit all of the documents described in this subparagraph and indicate the nonprofit status on the carryover documentation and IRS Forms 8609. (§2306.6706) Applications under the State Housing Credit Ceiling that include an affirmative election to not be treated under the set-aside and a certification that they do not expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit only need to submit the information in subparagraphs (A) and (B) of this paragraph. Tax-Exempt Bond Applications only need to submit the information in subparagraphs (A) and (B) of this paragraph. Applications involving a nonprofit that is not a

§501(c)(3) or (4) only need to disclose the basis of their nonprofit status. A participating nonprofit, regardless of whether it is applying under the Nonprofit Set-Aside (for Applications under the State Housing Credit Ceiling) may be reported to the Internal Revenue Service as being involved if such request is by the Internal Revenue Service.

(A) An IRS determination letter which states that the nonprofit organization is a §501(c)(3) or (4) entity;

(B) The "Nonprofit Participation Exhibit" as provided in the Application;

(C) A Third Party legal opinion stating:

- (i) that the nonprofit organization is not affiliated with or Controlled by a for-profit organization and the basis for that opinion; and
- (ii) that the nonprofit organization is eligible, as further described, for a Housing Credit Allocation from the Nonprofit Set-Aside pursuant to §42(h)(5) of the Code and the basis for that opinion; and
- (iii) that one of the exempt purposes of the nonprofit organization is to provide low-income housing; and
- (iv) that the nonprofit organization prohibits a member of its board of directors, other than a chief Staff member serving concurrently as a member of the board, from receiving material compensation for service on the board; and
- (v) that the Qualified Nonprofit Development will have the nonprofit entity or its nonprofit Affiliate or subsidiary be the Developer or co-Developer as evidenced in the development agreement; and

(D) a copy of the nonprofit organization's most recent financial statement as prepared by a Certified Public Accountant; and

(E) evidence in the form of a certification that a majority of the members of the nonprofit organization's board of directors principally reside:

- (i) in this state, if the Development is located in a Rural Area; or
- (ii) not more than ninety (90) miles from the Development, if the Development is not located in a Rural Area.

(13) **Authorization to Release Credit Information.** The Authorization to Release Credit Information form may be requested, at the discretion of the Department, for any General Partner, Developer or Guarantor and other Affiliates of the Applicant.

(14) **Supplemental Threshold Reports.** The reports as required in this section must be prepared by a qualified Third party and must meet the requirements stated in subparagraphs (A) - (F) of this paragraph. The Environmental Site Assessment, Property Condition Assessment and Appraisal (if applicable) must be submitted on or before the Third Party Report Delivery Date as identified in §50.3 of this chapter. The Market Analysis Report must be submitted on or before the Market Analysis Delivery Date as identified in §50.3 of this chapter. If the entire report is not received by that date, the Application will be terminated and will be removed from consideration. A searchable electronic copy of the report in the format of a single file containing all information and exhibits clearly labeled with the report type, Development name, and Development location are required.

(A) **A Phase I Environmental Site Assessment (ESA) Report (required for all Developments):**

- (i) dated not more than twelve (12) months prior to the first day of the Application Acceptance Period. In the event that a Phase I Environmental Site Assessment on the Development is more than twelve (12) months old prior to the first day of the Application Acceptance Period, the Applicant must supply the Department with an updated letter or updated report dated not more than three (3) months prior to the first day of the Application Acceptance Period from the Person or organization which prepared the initial assessment confirming that the site has been re-inspected and

reaffirming the conclusions of the initial report or identifying the changes since the initial report;

- (ii) prepared in accordance with §1.35 of this title (relating to Environmental Site Assessment Rules and Guidelines);
- (iii) developments whose funds have been obligated by TRDO-USDA will not be required to supply this information; however, the Applicants of such Developments are hereby notified that it is their responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements; and
- (iv) if the report includes a recommendation that an additional assessment be performed then a statement from the Applicant must be submitted with the Application indicating those additional assessments and recommendations will be performed prior to closing. If the assessments require further mitigating recommendations then evidence indicating the mitigating recommendations have been carried out must be submitted at cost certification.

(B) A comprehensive Market Analysis Report (required for all Developments):

- (i) prepared by a Qualified Market Analyst approved by the Department in accordance with the approval process outlined in §1.33 of this title (relating to Market Analysis Rules and Guidelines);
- (ii) dated not more than six (6) months prior to the first day of the Application Acceptance Period. In the event that a Market Analysis is more than six (6) months old prior to the first day of the Application Acceptance Period, the Applicant must supply the Department with an updated Market Analysis from the Person or organization which prepared the initial report; however, the Department will not accept any Market Analysis which is more than twelve (12) months old as of the first day of the Application Acceptance Period;
- (iii) prepared in accordance with the methodology prescribed in §1.33 of this title;
- (iv) included in the Application submission is an executed engagement letter by the Qualified Market Analyst stating that the required exhibit has been commissioned to be performed and that the delivery date will be no later than the Market Analysis Delivery Date as identified in §50.3 of this chapter. In addition to the submission of the engagement letter with the Application, a map must be submitted that reflects the Qualified Market Analyst's intended market area; and,
- (v) for Applications in the TRDO-USDA Set-Aside proposing acquisition and Rehabilitation with residential structures at or above 80% occupancy at the time of Application Submission, the appraisal, required for Rehabilitation Developments and Identity of Interest transactions prepared in accordance with §1.34 of this title (relating to Appraisal Rules and Guidelines), will satisfy the requirement for a Market Analysis; however, the Department may request additional information as needed. (§2306.67055; §42(m)(1)(A)(iii))

(C) A Property Condition Assessment (PCA) Report (required for Rehabilitation and Adaptive Reuse Developments):

- (i) dated not more than six (6) months prior to the first day of the Application Acceptance Period. In the event that a PCA is more than six (6) months old prior to the first day of the Application Acceptance Period, the Applicant must supply the Department with an updated PCA from the Person or organization which prepared the initial report; however the Department will not accept any PCA which is more than twelve (12) months old as of the first day of the Application Acceptance Period;
- (ii) prepared in accordance with §1.36 of this title (relating to Property Condition Assessment Guidelines); and

- (iii) for Developments which require a capital needs assessment from TRDO-USDA, the capital needs assessment may be substituted and may be more than six (6) months old, as long as TRDO-USDA has confirmed in writing that the existing capital needs assessment is still acceptable and it meets the requirements of §1.36 of this title.
- (D) An appraisal report (required for Rehabilitation Developments and Identity of Interest transactions pursuant to §1.34 of this title):
 - (i) dated not more than six (6) months prior to the first day of the Application Acceptance Period. In the event that an appraisal is more than six (6) months old prior to the first day of the Application Acceptance Period, the Applicant must supply the Department with an updated appraisal from the Person or organization which prepared the initial report; however the Department will not accept any appraisal which is more than twelve (12) months old as of the first day of the Application Acceptance Period;
 - (ii) prepared in accordance with the §1.34 of this title; and
 - (iii) for Developments that require an appraisal from TRDO-USDA, the appraisal may be more than six (6) months old, as long as TRDO-USDA has confirmed in writing that the existing appraisal is still acceptable.
- (E) Inserted at the front of each of these reports must be a transmittal letter from the individual preparing the report that states that the Department is granted full authority to rely on the findings and conclusions of the report. The transmittal letter must also state the report preparer has read and understood the Department rules specific to the report found at §§1.33 - 1.36 of this title.
- (F) All Applicants acknowledge by virtue of filing an Application that the Department is not bound by any opinion expressed in the report. The Department may determine from time to time that information not required in the Department's Rules and Guidelines will be relevant to the Department's evaluation of the need for the Development and the allocation of the requested Housing Credit Allocation Amount. The Department may request additional information from the report provider or revisions to the report to meet this need. In instances of non-response by the report provider, the Department may substitute in-house analysis.

Agenda Item:

4C. Scheduling the Kerrville Independence Day fireworks display for June 30, 2012, to coincide with Kerrville's 4th on the River Celebration. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Scheduling the City of Kerrville Independence Day fireworks display for June 30, 2012, to coincide with Kerrville's 4th on the River Celebration.

FOR AGENDA OF: February 28, 2012 **DATE SUBMITTED:** February 23, 2012

SUBMITTED BY: Todd Parton **CLEARANCES:**
City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Kerrville's 4th on the River Celebration for 2012 is being scheduled for Saturday, June 30, 2012. It has been scheduled as a Saturday event due to the fact that July 4th falls on a Wednesday this year. A major objective for the celebration is to become a regional event that draws from the Dallas/Fort Worth, Austin, San Antonio, and Houston areas.

Kerrville's fireworks display is a significant local event that has traditionally been held on Independence Day. It typically draws 2,000 to 3,000 people through the course of the day and is also anticipated to be a signature component for Kerrville's 4th on the River Celebration. In its first year, the celebration drew an estimated 3,000 people to the concert and it is expected to draw significantly more as a weekend event.

Many city resources are required to support the celebration and the fireworks display. The Streets Division, Parks Department, Police Department, Fire Department, EMS Department, and Business Programs Department are all involved in planning and executing these events. Current staffing and funding levels for these departments are not adequate to support two major events held in such a short time period, especially with the recent reduction in Parks Department staff.

RECOMMENDED ACTION

The fireworks contractor has requested that the city confirm the date for the fireworks show by the end of this month. Staff requests that the City Council confirm scheduling the fireworks display for June 30, 2012.

Agenda Item:

4D. Provide direction to staff regarding way finding signs. (Councilmember Gross)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Wayfinding signage discussion

FOR AGENDA OF: February 28, 2012 **DATE SUBMITTED:** February 22, 2012

SUBMITTED BY: Mindy N. Wendele **CLEARANCES:** Todd Parton
Director of Business Programs City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Councilperson Scott Gross requested this item be placed on the agenda for discussion.

RECOMMENDED ACTION

For discussion.

Agenda Item:

5A. Report on the progress of the FY 2011 Comprehensive Annual Financial Report (CAFR) by the audit firm of BKD, LLP. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Discussion of the work to date on the FY 2011 City of Kerrville Comprehensive Annual Financial Report (CAFR)

FOR AGENDA OF: February 28, 2012

DATE SUBMITTED: February 17, 2012

SUBMITTED BY: Mike Erwin, 
Director of Finance

CLEARANCES: Todd Parton,
City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The results of work to date of the FY 2011 City of Kerrville Comprehensive Annual Financial Report (CAFR) will be presented at the meeting. The City engaged the audit firm of BKD, LLP to perform the annual audit and to prepare the financial report.

The Director of Finance, along with staff from BKD will provide a brief overview of the work on the City's audit and CAFR.

RECOMMENDED ACTION

No action is required. The Director of Finance will present the CAFR for acceptance at the March 13, 2012 meeting.

Agenda Item:

5B. Budget and economic update. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Kerrville Budget/Economic Update

FOR AGENDA OF: February 28, 2012 **DATE SUBMITTED:** February 17, 2012

SUBMITTED BY: Mike Erwin 
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Economic Update
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

The City of Kerrville staff will present and update Council on a biweekly basis as to the status of the City's budget and current economic trends affecting the City.

RECOMMENDED ACTION

No action required information purposes only.

CITY OF KERRVILLE
ECONOMIC UPDATE AS OF FEBRUARY 22, 2012

	Current Month	Previous Month	1 Year Ago	Trend	Current Month
National					
Unemployment	8.30%	8.50%	9.10%	↓	January
Consumer Confidence	61.1	64.8	64.8	↓	January
1 year T-Bills	0.16%	0.11%	0.26%	↑	2/22/12

State					
Monthly Unemployment	7.20%	7.50%	8.00%	↓	December
Monthly Sales Tax	\$2,000.9m	\$1,098.2m	\$1,828.1m	↑	January

Local					
Monthly Unemployment (Kerr Co.)	5.60%	5.90%	6.00%	↓	December
Median Listing Price	\$224,900	\$225,000	\$199,000	↑	2/1/12
Monthly Sales Tax	\$528,101	\$408,151	\$482,684	↑	February
Monthly EIC Tax	\$264,051	\$204,051	\$241,320	↑	February
Monthly HOT	\$44,683	\$60,629	\$41,863	↑	January

	FY12 Budget	FY12 as of 1/31/2012	FY12 % Received	FY11 as of 1/31/2011	FY11 % Received
General Fund					
Tax Revenue	\$14,501,600	\$9,735,174	67.13%	\$8,940,946	61.04%
Property Tax	\$7,900,000	\$7,643,624	96.75%	\$7,047,427	87.01%
Sales Tax	\$4,550,000	\$1,671,353	36.73%	\$1,512,457	33.61%
Permits & Fees	\$323,980	\$114,307	35.28%	\$129,650	32.22%
Intergovernmental	\$1,173,000	\$596,250	50.83%	\$317,892	44.96%
Service Revenues	\$2,571,246	\$780,472	30.35%	\$810,444	31.43%
Grant Revenue	\$26,500	\$17,359	65.51%	\$4,944	21.90%
Fines & Forfeitures	\$488,310	\$144,236	29.54%	\$193,228	40.45%
Interest & Misc.	\$317,770	\$56,201	17.69%	\$188,160	79.94%
Transfers In	\$1,250,000	\$416,667	33.33%	\$333,333	33.33%
Total General Fund	\$20,652,406	\$11,860,665	57.43%	\$10,918,598	54.40%
Total General Fund Expenditures	\$20,252,133	\$6,450,430	31.85%	\$6,616,979	32.97%
Water/Sewer Fund					
Water Sales	\$4,404,842	\$1,315,569	29.87%	\$1,590,183	36.14%
Sewer Sales	\$3,746,176	\$1,231,966	32.89%	\$1,166,082	31.01%
Other Revenue	\$735,226	\$254,317	34.59%	\$218,940	27.99%
Total Water & Sewer Fund	\$8,886,244	\$2,801,852	31.53%	\$2,975,205	33.27%
Total W&S Fund Expenditures	\$10,559,460	\$4,389,646	41.57%	\$2,831,743	31.26%

Expenditures less \$1,750,000 transfer \$2,639,646

Agenda Item:

5C. Report on Kerrville Economic Development Corporation activities. (Mayor Wampler)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Update on Kerrville Economic Development Corporation (KEDC) activities.

FOR AGENDA OF: February 28, 2012 **DATE SUBMITTED:** February 23, 2012

SUBMITTED BY: David Wampler
Mayor

CLEARANCES: Todd Parton
City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Mayor Wampler is the City Council representative to the Kerrville Economic Development Corporation (KEDC) Board of Directors. One of the functions of each board member is to provide an update on KEDC activities, programs and initiatives. In accordance with his board duties and responsibilities, Mayor Wampler will brief the City Council regarding KEDC matters.

RECOMMENDED ACTION

This is a routine report and no action will be required.

Agenda Item:

6A. Appointment to the Kerrville Public Utility Board. (staff)

**BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Appointment to the Kerrville Public Utility Board

FOR AGENDA OF: February 28, 2011 **DATE SUBMITTED:** February 21, 2011

SUBMITTED BY: Brenda Craig
City Secretary

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Board List
Letter and applications from KPUB (attached separately for executive session)

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Consider appointment to the following board:

Kerrville Public Utility Board: One term due to expire April 21, 2012: Blake W. Smith.

RECOMMENDED ACTION

Consider appointment.

KERRVILLE PUBLIC UTILITY BOARD

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
SMITH, BLAKE W. P.O. Box 139 Hunt, 78024	238-4621 (O) 238-4548 (H)	04-16-02	04-10-07	04-21-12
FINE, STEPHEN 1210 Virginia Dr.	257-6020 (O) 896-2934 (H)	03-28-06	04/22/11	04-21-16
GAMBLE, FRED 430 Crest Ridge	792-7355 (O) 257-5135 (H)	04-13-10		04-21-15
WAMPLER, DAVID Mayor 222 Sidney Baker South Suite 538	895-3600 (O) 896-7832 (H)	05-18-10		05-18-12
SAMPLE, JOHN P.O. Box 291341 355 W. Main	257-6625 (H)	03-10-09		04-21-14
McCUAN, TRACY General Manager P.O. Box 294999	257-3050 (O)			

Qualifications: Citizen of the United States of America who reside or conduct business on a full-time basis in Kerr County, Texas and who use the system for personal, residential, business and/or company use. No person who is related within the second degree of consanguinity or affinity to any member of the board of trustees shall be eligible for election as a member of the board.

Vacancies: All vacancies shall be filled by the city council from nominations of at least three persons for each position to be filled by the majority vote of the remaining members of the board of trustees. If the city council does not act upon such nominations within 30 days after submission in writing to the city council, the board of trustees by majority vote of the remaining members shall nominate three additional persons for each position to be filled. If the city council does not act upon such additional nominations within 30 days after submission of such additional nominations, the board shall be empowered to fill such vacancies by the majority vote of the remaining members of the board of trustees.

Powers: To take, have and exercise exclusive possession and control of the system, and all additions thereto, and to collect, and enforce the collection of all funds and revenues that may be or become owing or that may arise out of the operation of the system, and to disburse the same. To fix all rates for all services to be furnished by the system, with the power to alter the same at any time or times, subject to approval of the city council of the city of Kerrville. To employ and pay the compensation of a general manager of the system, and attorneys, engineers

and other professional or technical aids as may be necessary. To do any and all things necessary in reference to the installing and maintaining of a complete system of records and accounts pertaining to the system and to make monies available for the payment of revenue bonds.

Term of Office:

Five years; a person who has served as a member of the Board for an initial term shall be eligible to be re-appointed for one additional consecutive term of five years, and one only, but may serve for any number of non-consecutive terms so long as such member has not served as a member of the board for at least two years next preceding the term for which such member is appointed. A member who is appointed to the board to serve out an unexpired portion of a retired member's term shall not be considered to have served a "term" unless the unexpired portion of the term so served is two years or more. Permanent removal of residence from, or the failure to conduct business on a full-time basis in Kerr County by any member of the board shall vacate his office as a member of the board.

Quorum:

Three

Number of Members:

Five

Meeting Time & Place:

Third Monday, 8:30 a.m., 2250 Memorial Blvd.

Absences:

Any member of the board, other than the Mayor, who shall be continuously absent from all meetings held by the board for a period of four consecutive months shall, unless he shall have been granted leave of absence by the unanimous vote of the remaining members of the board, be considered to have vacated his office as a member of the board.

Established by:

Ordinance No. 1987-45 (purchase); Resolution 1987-106 (Board);

Revised:

May 19, 2011