

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

John H. Reagan Building
JHR 140
1400 Congress Avenue
Austin, Texas 78701

May 12, 2022
10:03 a.m.

MEMBERS:

LEO VASQUEZ, III, Chair
ANNA MARIA FARIAS, Member
BRANDON BATCH, Member
KENNY MARCHANT, Member
AJAY THOMAS, Member

BOBBY WILKINSON, Executive Director

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

None

The Board may go into Executive Session Pursuant to Tex. Gov't Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; Pursuant to Tex. Gov't Code §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer; Pursuant to Tex. Gov't Code §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't Code Chapter 551; including seeking legal advice in connection with a posted agenda item; Pursuant to Tex. Gov't Code §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or Pursuant to Tex. Gov't Code §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

OPEN SESSION

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ADJOURN

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P R O C E E D I N G S

1
2 MR. VASQUEZ: I'd like to call to order the
3 meeting of the Governing Board of the Texas Department of
4 Housing and Community Affairs. It is 10:03 in the morning
5 on May 12, 2022.

6 Before we begin, I regret to officially inform
7 everyone that the Board Member Paul Braden has submitted
8 his resignation from this Governing Board of TDHCA. With
9 that news, I'd like to take a moment of personal privilege
10 to make a short personal statement regarding Mr. Braden's
11 service. This is my personal opinion and not an official
12 statement made on behalf of TDHCA or Governor Abbott's
13 office.

14 That said, I will sincerely miss Mr. Braden's
15 participation on this Board. He is a gentleman of the
16 highest integrity, and his wisdom and knowledge were great
17 assets to this Board and our Department. I personally
18 valued and appreciated his input, analysis, and
19 perspectives. This Board, the Department, and the State of
20 Texas are better places due to Paul Braden's efforts and he
21 will be missed.

22 With that, we'll go into roll call.

23 Mr. Batch?

24 MR. BATCH: Here.

25 MR. VASQUEZ: Ms. Farias?

1 MS. FARIAS: Here.

2 MR. VASQUEZ: Mr. Marchant?

3 MR. MARCHANT: Here.

4 MR. VASQUEZ: Mr. Thomas?

5 MR. THOMAS: Present.

6 MR. VASQUEZ: And myself, so we do have a
7 quorum.

8 As usual, we'll start the meeting with Bobby
9 Wilkinson leading us in the Pledges of Allegiance.

10 (The Pledge of Allegiance and the Texas
11 Allegiance were recited.)

12 MR. VASQUEZ: We also have some resolutions that
13 Mr. Lyttle will read into the record, one recognizing May
14 as Community Action Month and a second recognizing May as
15 National Mobility Awareness Month.

16 MR. LYTTLE: Those were actually last meeting.

17 MR. VASQUEZ: You know, I thought that was
18 actually really --

19 MR. LYTTLE: Thank you, sir.

20 MR. VASQUEZ: Let the record reflect that Mr.
21 Eccles gave me an out-of-date resolution. I seriously
22 thought when I saw that -- okay, anyway. But Beau is never
23 wrong, so I went with it.

24 (General laughter.)

25 MR. VASQUEZ: We have the consent agenda up

1 next. Are there any items that a Board member or member of
2 the public would like us to remove from the consent and
3 move to action?

4 (No response.)

5 MR. VASQUEZ: Hearing none, I'll entertain a
6 motion regarding adoption of the consent agenda.

7 MR. BATCH: Mr. Chairman, I make a motion that
8 the Board adopt the consent agenda.

9 MR. VASQUEZ: Motion made by Mr. Batch. Is
10 there a second?

11 MS. FARIAS: I second.

12 MR. VASQUEZ: Seconded by Ms. Farias. All in
13 favor say aye.

14 (A chorus of ayes.)

15 MR. VASQUEZ: Any opposed?

16 (No response.)

17 MR. VASQUEZ: Hearing none, motion carries.

18 Now that we have everyone settled, before we get
19 going into the main body action of the agenda today, we are
20 going to have a short executive session.

21 So the Governing Board of the Texas Department
22 of Housing and Community Affairs will go into closed or
23 executive session at this time, pursuant to Texas
24 Government Code, Section 551.071, to seek and receive the
25 legal advice of its attorney or discuss pending or

1 contemplated litigation.

2 So with that, we will stand in recess. It's
3 10:07.

4 (Whereupon, at 10:07 a.m., the meeting was
5 recessed, to reconvene this same day, Thursday, May 12,
6 2022, following conclusion of the executive session.)

7 MR. VASQUEZ: The Board is now reconvened in
8 open session, it is 10:40. During the executive session
9 the Board did not adopt any policy, position, resolution,
10 rule, regulation, or take any formal action or vote on any
11 item.

12 We will continue on with the agenda, and I think
13 we've come to the executive director's report.

14 Mr. Wilkinson.

15 MR. WILKINSON: Thank you, Chairman.

16 The Homeowners Assistance Fund kind of remains
17 the new biggest thing we're doing as far as, you know, new
18 for us and high profile. It's gaining momentum. So far
19 we've disbursed around \$24.7 million in assistance, serving
20 over 3,500 households. There's another \$560,000 in
21 process, and there's \$11.3 million that's reserved for loan
22 modifications when a simple reinstatement isn't enough.
23 These loan mods require servicer participation, and they
24 take a little longer to achieve.

25 Just as a reminder, it's \$40,000 cap max to help

1 with the mortgage; either reinstatement, which is catch-up;
2 or towards a loan mod to lower their payment going forward;
3 \$25,000 max for what we call property charges which
4 includes property tax, HOA, insurance; and so that's a
5 \$65,000 max benefit per household.

6 They need to demonstrate that they can pay the
7 mortgage after reinstatement. Someone with zero income,
8 for instance, we wouldn't catch them up just so that they
9 fell behind again immediately. There's lots more details
10 to the program, of course, and you can read about it on our
11 website texashomeownersassistance.com.

12 Some interesting geographic information: Most
13 of the applications are from Hidalgo, Bexar, Harris, Dallas
14 and Tarrant counties, and the average age of an applicant
15 is 50 years old. Hidalgo being in that list because they
16 were a pilot program for us, it started before the main
17 program.

18 I'm excited to announce that we have Clear
19 Channel Communications have placed billboards advertising
20 the program along major roads and highways in Houston, San
21 Antonio, Dallas-Fort Worth, and El Paso.

22 As of recently we have a marketing vendor
23 onboard, the same one that we used for Texas Rent Relief,
24 so Christina and staff won't have to figure out Google ads
25 on the fly, like I made them do a few weeks ago.

1 As we were waiting for the RFP responses, we
2 decided we needed to do some stuff to get the money out,
3 thus the billboards, our own Google ads. That's all going
4 to go to the experts, and like Rent Relief, there will be
5 radio, direct mail, earned media, and we're having the same
6 vendor help with our statewide energy and water assistance.

7 We've gotten a lot more of that kind of money
8 from the various COVID packages, and we're going to do what
9 we can to push it out the door, not just relying on our
10 local partners but vendor-driven and making sure that we
11 don't give a dollar back to the feds.

12 I gave you the address:
13 Texashomeownersassistance.com. Also, if anyone is
14 listening: 833-651-3874. Unlike Rent Relief, so far the
15 phone gets picked up in a minute, everyone is helped within
16 ten minutes or so, Spanish speakers, et cetera, so customer
17 service we've been very pleased with the vendor and staff
18 on HAF.

19 There's a dashboard link at the top of that
20 page. You can see money paid, geographic, demographic
21 data. Just for the Board's benefit, HAF is going to move a
22 little slower than Rent Relief; you know, we're not going
23 to have \$20 million days like we did at the peak of Rent
24 Relief.

25 The ball is often in the mortgage servicer's

1 court, and so things take a little longer. Foreclosure is
2 a little slower process than eviction as well, so I think
3 we're in a good spot.

4 No payments go directly to the homeowner. Unlike
5 Rent Relief, where sometimes checks would be sent to the
6 renter, everything is paid to the tax collection entity,
7 the mortgage servicer, et cetera.

8 Going back to Rent Relief, which is not over
9 even though we closed the portal in November, we've
10 distributed over \$2 billion in rent and utility assistance
11 to over 310,000 households. This is 700,000 Texans, so a
12 significant chunk of our population, and we significantly
13 prevented evictions for over 21,000 households.

14 There's some reallocations happening federally
15 with some slower moving states, et cetera. Some states,
16 they had too few renters for their small state; there was
17 no way they were ever going to spend the money -- looking
18 at you, Wyoming.

19 In March we got another \$47.8 million in
20 reallocated funds. With the new funding, the program is
21 reviewing and processing applications that are already on
22 file until all remaining funds are allocated.

23 The Texas Supreme Court emergency order
24 establishing the eviction diversion program is currently
25 extended through July 1, 2022. We have a lot a more people

1 that had applied than we're going to be able to serve with
2 that \$47.8 million. We might get another allocation this
3 summer. Timing is unknown, but even then there will not be
4 a reopening of the portal; there's just so many people that
5 have already applied and that are in line.

6 Compliance Division fund, we have the annual
7 owners compliance report was due on April 30 for all our
8 multifamily properties. We only had about 200 properties
9 that did not report, which is good in a portfolio of
10 14,000. If any of you were late with your report in the
11 audience, please raise your hand.

12 (General laughter.)

13 MR. WILKINSON: HUD released the new income
14 limits several weeks ago for multifamily properties. We
15 took the new information and updated our project income and
16 rent tool for our housing partners to use. It's on the
17 TDHCA website under the Compliance area.

18 We still have several vacancies in the
19 Compliance area, and we're grateful to TAAHP for allowing
20 us to post those vacancies on their website, and we're
21 hoping to get some good candidates.

22 Under Single Family and Homelessness programs,
23 as you know from last month, we submitted our HOME ARP --
24 that was from the American Rescue Plan -- to HUD last
25 month, and HUD returned our plan and requested some

1 additional information in the needs assessment and gaps
2 analysis section and clarification on some items in the
3 activities section.

4 We've made those changes, we're sending them
5 back, shouldn't be an issue. No budget changes were made
6 in the resubmitted version, just some extra detail. So as
7 a reminder, this is money we can spend on actual sticks and
8 bricks for homeless activities, not just services, so we're
9 excited about that.

10 And that concludes my prepared remarks. I'm
11 willing to entertain any questions from the Board.

12 MR. VASQUEZ: Do any Board members have
13 questions on the executive director's report?

14 (No response.)

15 MR. VASQUEZ: Hearing none, let's move on.
16 Thank you for the report. Let's move on to item 4 of the
17 agenda, Presentation, discussion, and possible action on a
18 recommendation to the governor to select eligible entities
19 to administer the Community Services Block Grant in
20 Brazoria, Fort Bend, Galveston and Wharton counties.

21 Mr. De Young.

22 MR. DE YOUNG: Good morning. Michael De Young,
23 director of Community Affairs.

24 Item 4(a) is a recommendation from staff that
25 does not come before this Board very often. Community

1 Affairs staff is recommending to the Board that they concur
2 with our recommendation on providing two existing eligible
3 entities that they be awarded eligible entity status for
4 new counties that they serve. These are the counties that
5 were served by Galveston County Community Action.

6 To go back a little bit in history, about four
7 or five years ago we started working with Galveston County
8 Community Action, and ultimately back in late 2021 the
9 Board approved staff to go out for an RFA for new
10 providers, in anticipation of a decision from HHS on
11 whether or not Galveston County could continue.

12 We received in late April -- excuse me -- mid-
13 April of '22, this year, HHS concurred with our decision
14 and the State Office of Administrative Hearings that
15 Galveston County would no longer be an eligible entity.

16 We had already been approved by you all to go
17 out with an RFA and take applications. This is the result
18 of those applications.

19 We had two entities apply to serve the four
20 counties. The first entity is Combined Community Action,
21 and they're the agency located in Giddings, Texas, just
22 east of here. They applied for Fort Bend and Wharton
23 counties, and if you'll remember, they were the recipient
24 of the CEAP awards that you did back in December when we
25 reassigned the Galveston area.

1 The other entity that applied is Gulf Coast
2 Community Action out of Harris County. This is a huge
3 community action agency that serves all of Harris County.
4 They applied for Brazoria and Galveston counties.

5 So with your approval, we will ask Governor
6 Abbott's Office for authorization, and each entity will
7 receive the balance of the 2022 CSBG funds that remain from
8 the old Galveston contract, and then ultimately, this will
9 result in them being the permanent providers for those
10 counties in future years.

11 So as we get CSBG funds, they will now receive
12 that allocation of funds. Those funds are distributed
13 based on poverty, 98 percent poverty, so money follows the
14 poverty. And they will be deemed the permanent providers
15 for those counties.

16 With that, I can entertain questions. We have a
17 representative from one of those agencies here today, Ms.
18 Kelly Franke. She's the executive director of Combined
19 Community Action in Giddings, Texas, and is willing to get
20 up and introduce herself if y'all would like.

21 MR. VASQUEZ: Great. Thank you, Mr. De Young.

22 Ms. Franke, would you care to just briefly
23 introduce yourself and organization?

24 MS. FRANKE: I'm Kelly Franke, I'm the executive
25 director at Combined Community Action in Giddings. And

1 like Michael said, we have been administering the CEAP
2 program initially temporarily last summer, and then we were
3 awarded the contract.

4 We've opened an office in Rosenberg, Texas.
5 We've hired four new staff that hit the ground in March and
6 are currently assisting clients in Fort Bend County. We
7 will move into Wharton County doing outreach as soon as
8 these contracts are awarded to us, but we have definitely
9 hit the ground running and are excited to serve the
10 residents of Fort Bend County that have gone unserved for
11 so many years.

12 We thank you for your vote of confidence in us
13 and we hope to serve the public.

14 MR. VASQUEZ: Great. Thank you, Ms. Franke, and
15 welcome aboard.

16 MS. FRANKE: Thank you.

17 MR. VASQUEZ: Do any Board members have
18 questions for Mr. De Young on this item?

19 MR. BATCH: I just had one quick question. You
20 mentioned the balance of funds. Do we know exactly how
21 much money we're talking about that's going to be split
22 between these two entities?

23 MR. DE YOUNG: Would you take a rough
24 approximation?

25 MR. BATCH: Oh, yeah, absolutely. I just want

1 to get some idea.

2 MR. DE YOUNG: Boy.

3 MR. BATCH: I did not mean to put you on the
4 spot like that. I apologize.

5 MR. DE YOUNG: I'm going off of memory. I
6 believe for CSBG they received around \$900,000 for the four
7 counties. You have one small county, which is Wharton
8 County, that is very small, and then three counties that
9 are pretty sizable in population.

10 Galveston spent the first quarter of the funds,
11 so we have approximately three-quarters of that \$900,000
12 left to distribute to the two entities for the remainder of
13 this year. And that is all on my memory so I reserve the
14 right to revise those numbers.

15 (General laughter.)

16 MR. BATCH: Thank you.

17 MR. DE YOUNG: Did I say that right, Beau?

18 MR. ECCLES: Sure.

19 MR. DE YOUNG: Mr. Batch, if you'd like I can
20 give you the actual figures; when we get back to the
21 office, we can get you those figures.

22 MR. BATCH: Sure, that would be great. Thank
23 you so much.

24 MR. VASQUEZ: Okay, great. So at the end of
25 this long journey, I will entertain a motion on item 4(a)

1 of the agenda.

2 MR. THOMAS: Mr. Chairman, I move the Board
3 grant the authority to staff to request the governor
4 designate the expansion of the CSBG eligible entity status
5 of the Gulf Coast Community Services Association and
6 Combined Community Action to include henceforth serving
7 Brazoria, Fort Bend, Galveston, and Wharton counties, and
8 to award the remaining 2022 CSBG for the respective
9 counties to these entities, all as described in the Board
10 action request on this item.

11 MR. VASQUEZ: Thank you.

12 Motion made by Mr. Thomas. Is there a second?

13 MR. BATCH: Second, Mr. Chairman.

14 MR. VASQUEZ: Seconded by Mr. Batch. All those
15 in favor say aye.

16 (A chorus of ayes.)

17 MR. VASQUEZ: Any opposed?

18 (No response.)

19 MR. VASQUEZ: Hearing none, motion carries.

20 Moving on to item 4(b), Presentation,
21 discussion, and possible action on the programming of
22 Department of Energy Weatherization funds available to
23 Texas through the Bipartisan Infrastructure Law, including
24 the authorization to take necessary steps to develop and
25 submit to the Department of Energy Bipartisan

1 Infrastructure Law state plan and award such funds.

2 Mr. De Young again.

3 MR. DE YOUNG: Thank you, Mr. Chairman.

4 This item is a preliminary view of the new
5 weatherization funding appropriated in -- I'm going to say
6 the bill, the Bipartisan Infrastructure Law. Texas
7 received approximately \$173 million, and that's about a 25-
8 times increase from our regular DOE funding, so this is a
9 significant investment in this program.

10 This represents approximately 50 percent of what
11 we got during ARA back in 2009; the state got \$327 million.

12 The difference between the two is back then we had 37
13 Weatherization subrecipients, we gave money to 40
14 additional communities for a total of 77 different
15 weatherization services across the state of Texas.
16 Needless to say, that was a significant effort to try and
17 train and keep track of 77 different contracts.

18 This program is a longstanding program, and it's
19 U.S. Department of Energy, it is annually funded about \$8
20 million. We also take some LIHEAP money, usually we add
21 about \$15 million more from LIHEAP, so we have about \$23
22 million annually that goes to weatherization, and all of a
23 sudden now \$173 million. The program primarily does
24 weatherization measures. It's designed to increase the
25 energy efficiency of low income households.

1 So this item basically starts the process of us
2 developing the plan and submittal to DOE. Now, I will tell
3 you that with all the money that went through the
4 Bipartisan Infrastructure Law, many of the federal
5 agencies, but especially DOE, is very slow right now in
6 getting out guidance, so it's trickling out.

7 We will be developing the plan as they give us
8 more and more guidance. I suspect you'll see this back
9 later in the summer when we have much more detail from DOE
10 about what they want to see.

11 This item also discusses a statewide provider of
12 weatherization services to help us supplement those 21
13 agencies that now do it. Again, 2009 we had 37; that has
14 dwindled to 21, so we have much larger service areas, so
15 we're going to look into getting a statewide provider for
16 services to help supplement those 21 agencies, and you will
17 see more about this as we get that guidance. I can't tell
18 you when that is.

19 I will tell you all the deadlines that they put
20 out just a month and a half ago have been bumped back by
21 two to three months already, so I anticipate that this
22 process will be slow and by September-October, these
23 contracts will come into play, so we'll come back to you
24 with that plan and with those contract recommendations when
25 the time comes.

1 MR. VASQUEZ: Great. That sounds fantastic.
2 We'll look forward to detailed reporting on this increased
3 volume.

4 MR. DE YOUNG: I believe there is one public
5 comment from the Sierra Club.

6 MR. VASQUEZ: Okay. And we'll impose the Eccles
7 rule. We'll entertain a motion to have public comment on
8 this item.

9 MR. MARCHANT: So moved.

10 MR. BATCH: Second.

11 MR. VASQUEZ: Moved by Mr. Marchant, second by
12 Mr. Batch. All those in favor aye.

13 (A chorus of ayes.)

14 MR. VASQUEZ: Any opposed, none.

15 And anyone that's going to speak in the future
16 here on an item that comes up on the agenda, please come up
17 to the first two rows so we'll kind of get that prepared,
18 and when you come up, please sign in and identify which
19 organization you're with, and you'll get three minutes to
20 talk.

21 MR. REED: Thank you. I can do it in less than
22 three minutes, I think. Cyrus Reed, C-Y-R-U-S, R-E-E-D,
23 I'm the conservation director of the Lone Star Sierra Club.
24 I am not a frequent participant at TDHCA, but this is a
25 really important issue.

1 Why is it important? Because we lived through
2 Winter Storm Uri, we saw the impacts particularly on low
3 and moderate income people who live in housing that may not
4 be insulated correctly or have other features that make
5 their homes more energy efficient.

6 Unfortunately, we haven't seen a lot of action
7 at the Public Utility Commission to increase the utility
8 energy efficient programs, which would be an obvious thing
9 to do, so this is somewhat of a godsend for \$173 million,
10 but we learned from the last time we got a big chunk of
11 money that we need to do this carefully and smartly; we
12 shouldn't try to spend all the money in one year, we should
13 spend it wisely.

14 And we very much support the approach of not
15 only giving money to the traditional community action
16 networks, agency agencies -- which do a great job -- but
17 also looking at either a statewide program or perhaps
18 regional programs, and in particular to focus on
19 multifamily housing.

20 We've got a lot of experience on homes,
21 weatherizing homes, we don't have as many programs in the
22 state for multifamily housing. That's a way to stretch
23 those dollars and meet a lot of need.

24 I happen to sit on the Electric Utility
25 Commission for the City of Austin. Austin Energy recently,

1 a couple, three or four years, ago began to expand their
2 weatherization programs to take on multifamily housing.
3 It's been a huge success, and it's been less costly. We've
4 reached more people with the same amount of money.

5 So very much support the resolution, look
6 forward to the detailed plan, but I'm here in support, and
7 with that, I'm happy to answer any questions or be quiet.

8 MR. VASQUEZ: Any questions for Mr. Reed?

9 (No response.)

10 MR. VASQUEZ: We appreciate your coming here and
11 sharing your thoughts, and look forward to the Sierra
12 Club's continued input.

13 Is there anything else, Mr. De Young?

14 MR. DE YOUNG: No.

15 MR. VASQUEZ: Okay. So Mr. Marchant, without
16 his microphone, has a motion. He hates the microphone.

17 MR. MARCHANT: When we get these big inputs of
18 money, do you expand the infrastructure or do you do all of
19 the extra spending through subcontractors or through
20 contracts so that when the money doesn't continue or it
21 goes back to a normal process, you don't have to fire a
22 bunch of people, you just pull your contracts back?

23 MR. DE YOUNG: The way we're proposing dealing
24 with the \$173 million is that a chunk will go to the
25 community action agencies. They actually subcontract in

1 most instances with just subcontractors to do the work.

2 They actually do the energy audit in-house, and
3 there's a DOE-mandated energy audit. They hire a
4 contractor to do the work, they go back in and do
5 inspections and test out on the house to make sure that it
6 truly did receive all the benefit it should have received,
7 a lot of data measurements on how much the house leaks air
8 and how much we sealed it up.

9 So there is expansion at the community action
10 agency level on some level. The real expansion is the
11 number of contractors they'll hire to do all this work.
12 That's where most of the expansion is.

13 We'll hire a few people to deal with this over
14 the next few years. We've already begun that process of
15 hiring, and we have in multiple programs, the CEAP funds,
16 we expand a little bit here staff-wise, but it's not just
17 because we went up 55 times. We're going to hire four,
18 five people maybe to help us with this influx of money.

19 MR. MARCHANT: Okay. So you treat it as it's a
20 special funding.

21 MR. DE YOUNG: Yes, sir.

22 MR. MARCHANT: Okay. Thank you.

23 MR. DE YOUNG: And anyone that's hired is told
24 that this is based on a one-time grant funded program, and
25 the position will continue as long as there are grant

1 funds, so if we spend this money in three years, those
2 positions expire at the end of three years. If it takes us
3 five years, they stay on five years.

4 A lot of times it happens after, like ARA, some
5 of those people moved into permanent positions here at
6 TDHCA and some of them are still here.

7 MR. VASQUEZ: Great.

8 Ms. Farias, do you have anything?

9 MS. FARIAS: No.

10 MR. VASQUEZ: Okay.

11 MS. FARIAS: Yes, I do.

12 My experience after 25 years in the federal
13 government -- of which 18 years were spent working for six
14 different cabinet secretaries -- is that whenever billions
15 and billions of money descend, the first one having been
16 Katrina, then the pandemic, the states don't know what to
17 do, because the feds don't know what to do, because
18 Congress, they're not always clear about what they want,
19 and the feds who are supposed to write the regs and tell
20 you how to compete, they go what does Congress want, and
21 that's always the bottleneck.

22 And all this money that you're talking about,
23 it's wonderful, it is extremely needed, and I want to echo
24 what Board Member Marchant said. I just hope that we don't
25 read about a lot of scandals. Those monies must go to the

1 people that need it the most because that is the intention.
2 Congress can tell you that much, that is the intention,
3 but how do we get it from point A to point B, because we
4 will be looking at it. You know, we don't want to be
5 reading scandal stories. Thank you.

6 MR. DE YOUNG: Absolutely. During ARA we
7 learned quickly that having a lot of contracts is very
8 difficult to manage, and that's kind of why we're taking
9 the approach we are. We have these 21 providers, they do
10 it, they've been doing it for years, let's continue to
11 work.

12 Ms. Franke has weatherization for how many
13 counties -- nine counties, she has a staff that has already
14 done this. We're going to up her contract. We're going to
15 push them. She's going to probably hire more contractors.

16 And we'd like to get the funds out as quickly as
17 possible because we want to benefit low income households
18 quickly, but we also want to be measured, as Cyrus was
19 talking about, and not just dumping it out there.

20 I think we learned some lessons during ARA, and
21 those will come to bear on how this plan develops, and
22 we'll come back to you with that detail.

23 MS. FARIAS: Thank you.

24 MR. VASQUEZ: Great. Thank you, Mr. De Young.

25 Okay. We are prepared for a motion on item 4(b)

1 of the agenda.

2 MS. FARIAS: Mr. Chairman, I move the Board
3 grant the executive director and his designees the
4 authority to effectuate plans, amendments, guidance and
5 utilize flexibilities to make and manage the awards of
6 Department of Energy Weatherization funds, all as described
7 and expressed in the Board action request and proposed
8 resolution on this item.

9 MR. VASQUEZ: Thank you.

10 Motion made by Ms. Farias. Is there a second?

11 MR. MARCHANT: Second.

12 MR. VASQUEZ: Seconded by Mr. Marchant. All
13 those in favor say aye.

14 (A chorus of ayes.)

15 MR. VASQUEZ: Any opposed?

16 (No response.)

17 MR. VASQUEZ: Hearing none, motion carries.

18 Continuing to 5(a), Presentation, discussion,
19 and possible action regarding a material amendment to the
20 housing tax credit application for project 20190 in El
21 Paso.

22 And Mr. Banuelos is going to be on for a while.

23 MR. BANUELOS: Good morning, members of the
24 Board. Rosalio Banuelos, director of Asset Management for
25 the Department.

1 You are correct, I'm here to present the next
2 three items, and the first one is for an application
3 amendment for Nuestra Senora Apartments, which received a 9
4 percent housing tax credit award in 2020 to construct 80
5 units in El Paso.

6 At initial application the development was
7 anticipated to be on a .72 acre site and would consist of a
8 single building that had two stories of podium parking and
9 five floors of residential units above.

10 However, in order to reduce construction costs,
11 the development owner is requesting approval for several
12 changes to the design, which include increasing the
13 development site to 1.55 acres, eliminating the podium
14 parking, and reducing the building height from five stories
15 to four stories.

16 The proposed changes result in the elimination
17 of 63 of the 130 parking spaces that were proposed at
18 application, but the owner provided ordinances adopted by
19 the City of El Paso granting variances and also provided a
20 parking analysis conducted for the site in support of the
21 proposed parking reduction.

22 It's indicated that the street parking around
23 the site would be sufficient for the resident needs, in
24 addition to the 67 parking spaces onsite. These changes do
25 not modify the number of units, the bedroom mix, or change

1 the square footage of the units significantly.

2 As part of the amendment analysis, the
3 development was re-underwritten, including an increase to
4 the tax credit amount due to supplemental tax credits.
5 That request was previously approved, and the analysis
6 indicates cost increase of approximately \$6 million or 38
7 percent, and the credit increase is 15 percent, or \$184,917
8 in annual credits.

9 With those changes the development is still
10 feasible, and staff recommends approval of the amendment.

11 MR. VASQUEZ: Do any Board members have
12 questions? I have a couple, and I'm sure we'll have some
13 folks speaking on it.

14 So we significantly increased the square footage
15 of the whole development -- I mean the land mass.

16 MR. BANUELOS: It's approximately doubled.

17 MR. VASQUEZ: Okay. But we cut the parking in
18 half.

19 MR. BANUELOS: Yes. So the reason for that is
20 that they had two stories of parking in the initial design,
21 so it was a smaller tract of land with two stories.

22 With this new design, that parking garage is
23 being eliminated, and they're providing parking on the
24 excess land, but it's not enough land to accommodate the
25 130 parking spaces that they had initially proposed.

1 MR. VASQUEZ: And it is fewer than one parking
2 space per unit?

3 MR. BANUELOS: Yes, that is correct. It is 67
4 parking spaces for 80 units.

5 MR. VASQUEZ: And El Paso agreed to this?

6 MR. BANUELOS: The city approved ordinances
7 approving that reduction.

8 MR. VASQUEZ: That just seems like an extreme
9 drop, not even having one per -- is this a senior facility?

10 MR. BANUELOS: It's not a senior facility. We
11 did discuss this with the development owner, and it was
12 brought to our attention that where this site is located
13 it's close to the downtown area and they have other
14 developments with a similar -- well, it has a parking
15 garage and the needs for that other development have not
16 been as significant as initially proposed at application,
17 so by using that as a comparison, they feel that the
18 resident population for these developments would be served
19 with the proposed parking.

20 MR. VASQUEZ: I'd like to hear some explanation
21 of this from staff or from the developers.

22 MR. MARCHANT: If you want to hear from them
23 first, that would be fine.

24 MR. VASQUEZ: Okay. Do you want to make a
25 motion that we hear from them?

1 MR. MARCHANT: Yeah, I make a motion.

2 MR. BATCH: I second.

3 MR. VASQUEZ: Motion made by Mr. Marchant,
4 seconded by Mr. Batch. All those in favor say aye.

5 (A chorus of ayes.)

6 MR. VASQUEZ: Motion carries, let's speak.

7 Come up and identify yourself and sign in,
8 please, and explain where are we going to park.

9 MR. WILSON: Excuse me, Board. Let me sign in
10 real quick. I'm Ryan Wilson with Franklin Companies, and I
11 will sign in.

12 So Chairman, thanks for the question. Yeah, I
13 can see from your chair where changes like this might need
14 an explanation, but what you're seeing before you guys is a
15 culmination of a year's worth of effort to balance what's
16 going on with feasibility as well as what we need to
17 provide for our residents.

18 I think what Rosalio was referring to earlier is
19 this is a Housing Authority of El Paso project. They're
20 the owners; I'm just the developer.

21 One of their projects downtown is the Blue Flame
22 Building, which I think you guys are probably familiar
23 with, and there was 120 units there, and we segregated 120
24 parking spaces in a nearby adjacent garage, and so far
25 about 56 spaces are being used by residents.

1 So in the El Paso Housing portfolio of units,
2 they're not requiring the normal amount of parking I think
3 you would see in a suburban plan or suburban San Antonio
4 development. The amount of cars required are actually much
5 less.

6 So the result of this culmination was engagement
7 with the City of El Paso, which you heard before. They're
8 routinely granting 100 percent parking reductions, 50
9 percent parking reductions in the downtown core, because
10 they are trying to facilitate both pedestrian traffic, bus
11 traffic, et cetera, so they're quite amenable to having
12 parking reductions.

13 And I think Rosalio also mentioned the most
14 important part of that analysis that we did middle part of
15 last year was conduct a parking study around there, because
16 there are surface parking areas available adjacent to the
17 site that are free for public, and we identified about 93
18 spaces in the adjacent area, according to the parking
19 study.

20 So in our estimation the tradeoff between the
21 podium, which was no longer feasible in terms of cost,
22 going seven stories up essentially, that's why the site
23 increased, because now we needed to get rid of that podium
24 to save on cost, make it a four-story building, and put the
25 surface parking next to it.

1 So the housing authority agreed to put the
2 entire block as part of the land, which is why the land
3 increased, and the surface parking ended up being about 67
4 spaces which is about 80 percent, 85 percent ratio, it's
5 not quite one-to-one.

6 The Blue Flame that I mentioned earlier, that's
7 about a 35 or 40 percent ratio in terms of cars that are
8 actually parking at that project versus units total that
9 are at that project.

10 So the combination of those two, including,
11 again as we discussed earlier, meeting with the City of El
12 Paso, we are meeting their code, we do have that zoning in
13 place now that is fully supported by the stakeholders and
14 the City of El Paso, so that was sort of the genesis of why
15 we're here today.

16 MR. VASQUEZ: Would you characterize this
17 location as a downtown location?

18 MR. WILSON: Yes. It's adjacent to downtown.
19 There's actual zoning districts called Downtown El Paso,
20 but it's very, very small. But this is part of the
21 downtown core, this is literally two and a half, three,
22 four blocks away from city hall, essentially. But yeah, it
23 is the downtown corridor.

24 MR. VASQUEZ: And there's plenty of access to
25 public transportation?

1 MR. WILSON: In fact, yeah, El Paso's famous
2 streetcar is literally adjacent to it, so there's an El
3 Paso north-south, which is really to the north of is where
4 sort of the shopping is, and we're adjacent to that
5 streetcar that goes from north -- if you're familiar with
6 El Paso, sort of the top of the hill -- down towards
7 downtown, there's a streetcar adjacent one street over
8 access to public transportation.

9 MR. VASQUEZ: Is there a stop nearby?

10 MR. WILSON: That thing stops every block.

11 MR. VASQUEZ: Okay.

12 MS. FARIAS: Mr. Chair, I just have a question.

13 MR. VASQUEZ: Yes.

14 MS. FARIAS: I spent seven years running a
15 housing authority in Crystal City, and I can tell you
16 that -- maybe this is the exception, and I hope this is the
17 exception because you have a big downtown; I have been to
18 El Paso many times -- every executive director that runs a
19 housing authority has three major headaches on a daily
20 basis. Lack of parking is one of them.

21 So if you're telling us that this is an
22 exception, that this is not happening with the rest of El
23 Paso Housing Authority, I might consider it, but you know,
24 to come back to us and say we're cutting parking by almost
25 50 percent, that's a lot. So talk to me some more.

1 MR. WILSON: Ms. Farias, we have the El Paso
2 Housing Authority with us today.

3 MS. FARIAS: Good. Are you the executive
4 director?

5 MR. CICHON: I am.

6 MS. FARIAS: Thank you. I like executive
7 directors.

8 MR. CICHON: Good afternoon, Board members,
9 Chairman, Mr. Wilkinson. Ms. Farias, it's great to see you
10 again, and congratulations on your appointment.

11 MS. FARIAS: Absolutely. Thank you, and
12 congratulations to you.

13 MR. CICHON: Thank you very much. I'm Gerry
14 Cichon, CEO of the Housing Authority of the City of El
15 Paso, now called HOME.

16 So as you know, we've done a massive
17 redevelopment, over 6,000 plus units that were public
18 housing into multifamily, and we've been trying to look for
19 great sites that have great opportunity.

20 El Paso has a major revitalization going in the
21 downtown, which the housing authority piloted with the Blue
22 Flame. We house almost 3,000 families of elderly, and we
23 have quite a few sites across the city that are elderly
24 only. We have mixed sites like Blue Flame, and we've been
25 able to take a look at what we need for parking.

1 You are absolutely correct; parking is one of
2 the critical things that we look at. Unfortunately, with
3 some of our sites we're trapped, but this isn't one of
4 them. Because we acquired the site, we looked at it, there
5 was an old Ford dealership that was there that had a
6 parking garage that only had one way up, one way down, with
7 a really steep slope that we were trying to save to
8 maximize parking in the area if we could make it happen.
9 Unfortunately, it was impossible.

10 The area just in the uptown, which is about five
11 blocks from the Blue Flame Building, about three blocks
12 from city hall, has had a lot of investment in the
13 infrastructure, and the street parking that's out there
14 doesn't even have meters, so the demand for the street
15 parking isn't even there.

16 The city, upon having conversations not only
17 with the local community leaders, with ourselves, with a
18 deep examination of what our needs were, we still think
19 even the 67 parking stalls that we'll have onsite are still
20 in excess of what will be utilized. And so we are,
21 unfortunately, needing to cut down the parking garage, but
22 we do believe that this is something that is good for El
23 Paso and will more than satisfy the needs of the residents.

24 MS. FARIAS: Thank you.

25 MR. VASQUEZ: Thank you.

1 MR. PALMER: Hi. Barry Palmer with Coats Rose,
2 represent the housing authority on this.

3 Just a couple of points in addition on this is
4 although this isn't an elderly facility, half the tenants
5 or more will be elderly. This is a 100 percent
6 project-based voucher project, and the tenants are
7 primarily at 30 percent AMI or under.

8 Many of them, a large number of them do not have
9 cars, a large number of them are elderly, and based on the
10 experience that the housing authority has had at the Blue
11 Flame Building downtown, which is just six blocks away,
12 they've seen that the number of parking spaces that they
13 have there are twice as many as what are being utilized, so
14 they believe that this will be adequate parking for the
15 tenants.

16 MR. VASQUEZ: Thank you, Mr. Palmer.

17 Mr. Marchant, you have a question?

18 MR. MARCHANT: I do, sir. Thank you.

19 I don't know who to ask this question to, but
20 what was the cost savings in going to surface parking
21 versus that parking structure?

22 MR. WILSON: That's an excellent question. When
23 we first started this analysis back basically sometime
24 right after award sometime in August of 2020, the parking
25 garage at that time was shooting us about 4- or \$5 million

1 over budget.

2 When we're doing apples-to-apples comparison the
3 only way to sort of keep this feasibility in the ballpark
4 was to get rid of that structured parking, which was very,
5 very expensive, and including El Paso is extremely
6 expensive concrete-wise.

7 So going to basically a slab on grade and then
8 surface parking was approximately a 4- to \$6 million, if I
9 remember correctly -- please don't quote me, but something
10 around that order -- that allowed us to move forward in the
11 feasibility.

12 At the same time we were having those questions
13 with the housing authority, with the city about the
14 parking: do we have enough, what's our plan for parking.
15 So we think we've addressed that, and we feel very
16 comfortable and confident we've addressed that issue and
17 still trying to maintain feasibility and keep these units
18 on the ground.

19 MR. MARCHANT: Okay. So you took that savings,
20 plugged it back in over here to make the whole project
21 work, but that was not what drove the decision? The
22 decision was driven by the fact that the city said you
23 could go to surface and you could go to the reduced number,
24 and then that enabled you to do away with the parking
25 structure. Which logic drove the conclusion?

1 MR. WILSON: I think it all started first with
2 costs, so when there's a huge cost overrun like we
3 experienced during the COVID years -- which we're still
4 experiencing; you're probably going to hear other folks say
5 in the past 90 days it's going through the roof again --
6 but the point is that first started the conversation.

7 So we went back to the drawing board as a team,
8 the city, our stakeholders, the housing authority, how do
9 we attempt to keep this in a feasible realm. And we went
10 through, as Mr. Cichon said, there was an existing parking
11 garage onsite that we were hoping to be able to rehab and
12 maintain that and then somehow fit these buildings around
13 that somehow.

14 And after three or four months of analysis on
15 that, it was more expensive to rehab that parking garage
16 because it was so old and falling down, and repairs on that
17 were almost as much as the podium.

18 So you know, we wasted a few months with that
19 analysis, so finally when we came to this particular
20 solution, it was starting to check the boxes of not only
21 our city but the requirements the housing authority has.

22 MR. MARCHANT: Did you keep the same number of
23 units?

24 MR. WILSON: Same number of units, same square
25 foot. We actually added a few amenities, we added a couple

1 of amenities we were able to put in, like a playground. We
2 added some covered balconies that were not available before
3 because of the design of the site. So we added a couple
4 amenities, but no amenities were taken away, and the square
5 footage in each unit remains exactly the same from initial
6 application way back when.

7 MR. MARCHANT: Thank you, Mr. Chairman.

8 MR. VASQUEZ: Thank you. Thank you, Mr. Wilson.

9 So Mr. Banuelos, just to recap, the staff is
10 comfortable with this amendment and is recommending
11 adoption, acceptance?

12 MR. BANUELOS: Yes, staff is recommending
13 approval of this amendment to the application.

14 MR. LYTTLE: Mr. Chairman, I have two letters
15 that need to be read into the record on this item.

16 MR. VASQUEZ: Please. Mr. Lyttle, please.

17 MR. LYTTLE: Thank you. These were submitted to
18 us by state elected officials.

19 The first letter reads:

20 "I am writing to reaffirm my support for the
21 Housing Authority of the City of El Paso's application to
22 allocate 9 percent Low Income Housing Tax Credits to the
23 Nuestra Senora project in El Paso.

24 "As you are aware, the Housing Authority of the
25 City of El Paso, which now goes by HOME, is an active and

1 innovative developer of affordable housing in my district,
2 Texas State Senate District 29.

3 "HOME and its development partners have
4 explained to me that they are asking TDHCA for permission
5 to amend their application for the Nuestra Senora project,
6 which is proposed to be an 80-unit apartment in the uptown
7 area of El Paso.

8 "The site to be developed is a longtime blighted
9 urban city block which this project will revitalize. This
10 project will be for residents who want to live near
11 downtown and its amenities to have safe, new, and decent
12 apartments.

13 "As I understand it, the proposed amendment
14 deals with site density and parking and it does not affect
15 the application's competitiveness at issue versus any other
16 applicants.

17 "One of the main issues with the amendment deals
18 with reallocating the vehicle parking at the site. My
19 office understands that the issue of parking for the
20 proposed complex has been carefully vetted and discussed
21 with local stakeholders, including the nearby large
22 churches, a nonprofit, and other members of the
23 neighborhood.

24 "This discussion occurred before the number of
25 parking spaces for the proposed project was presented to

1 and approved by the City of El Paso through an open and
2 public review process. This process resulted in a waiver
3 passed by El Paso City Council in November 2021, granting a
4 50 percent reduction in parking per city parking ordinance.

5 "In summary, the local community is generally in
6 consensus and the City of El Paso is supportive of the
7 proposal of 67 onsite parking spots to be utilized, with
8 the availability of street parking for the proposed project
9 once it is completed. Accordingly, I continue to support
10 HOME's application for 9 percent Low Income Housing Tax
11 Credits for the Nuestra Senora project.

12 "I respectfully request that you accept this
13 letter as part of the record when your Board reviews and
14 takes appropriate action on this proposed amendment when it
15 comes before you.

16 "Sincerely, Cesar J. Blanco, Texas State
17 Senator, District 29."

18 The second letter is from State Representative
19 Lina Ortega. It reads as follows:

20 "I am writing as the Texas State Representative
21 for District 77, where the Housing Authority of the City of
22 El Paso's planned 80-unit affordable housing apartments
23 called Nuestra Senora is located.

24 "The project is proposed to be built near
25 downtown El Paso in an area that has seen little recent

1 investment in quality new apartments for our local
2 community. The Housing Authority of the City of El Paso,
3 doing business now as HOME, and its development team are
4 asking for permission to include a reduced number of
5 parking spaces for the planned Nuestra Senora site, a
6 request that requires your Board's review and permission.

7 "HOME shared information with me that projects
8 the population of residents at the Nuestra Senora project
9 will be similar to the demographics of the residents of
10 other affordable housing projects developed and operated by
11 HOME, which primarily attract and house elderly residents.

12 "As these other properties show, the utilization
13 of parking is far less than other types of multifamily
14 housing. The other affordable housing complexes with
15 majority elderly populations operate without any
16 significant parking issues with about one-third the number
17 of vehicles as compared to a typical market rate apartment
18 complex of the same size.

19 "Based on the utilization of parking spaces
20 anticipated for the future residents of Nuestra Senora,
21 HOME and its development partners anticipate that the
22 proposed 67 onsite parking spots, along with the 90-plus
23 units of street parking, will be sufficient for the
24 residents and surrounding churches, schools, nonprofits,
25 and businesses. The specific issue of parking at the

1 project has been discussed and debated locally among the
2 neighbors of the site, and it was approved, after a public
3 process, by the City of El Paso.

4 "For this reason, I support the application for
5 an allocation of 9 percent Low Income Housing Tax Credits
6 for the Nuestra Senora project and respectfully request
7 that the Board take my comments under consideration for the
8 request seeking an amendment to the application for the
9 project.

10 "Thank you, Lina Ortega."

11 MR. VASQUEZ: Thank you, Mr. Lyttle.

12 The comments and letters from the state
13 representative and state senator will be noted.

14 MS. FARIAS: Mr. Chairman, I'm ready to make a
15 motion.

16 MR. VASQUEZ: I'm ready to accept a motion.

17 MS. FARIAS: Very well. I move the Board
18 approve the material amendment to the application number
19 20190 Nuestra Senora in El Paso, all as described and
20 expressed in the Board action request on this item.

21 MR. VASQUEZ: Motion made by Ms. Farias. Is
22 there a second?

23 MR. THOMAS: Second, Mr. Chairman.

24 MR. VASQUEZ: Seconded by Mr. Thomas. All those
25 in favor say aye.

1 (A chorus of ayes.)

2 MR. VASQUEZ: Any opposed?

3 (No response.)

4 MR. VASQUEZ: Hearing none, motion carries.

5 Moving right along to item 5(b), Presentation,
6 discussion, and possible action regarding a material
7 amendment to the Housing Tax Credit application and land
8 use restriction agreement for project 98008, Reed Parque
9 Townhomes.

10 MR. BANUELOS: Yes, thank you.

11 So Reed Parque Townhomes received an award of 9
12 percent housing tax credits in 1998 for the new
13 construction of 192 units in Houston. The owner is now
14 requesting approval to change the supportive services
15 required under the LURA, and to point out, the requirement
16 under the LURA for supportive services goes until December
17 31, 2024, so they have two years and a half left of that
18 requirement.

19 The LURA, as previously amended, currently
20 requires an onsite daycare center, educational and job
21 training services, and an onsite Boy Scout troop. The
22 development owner stated that in recent years, due to
23 personnel issues within the Boy Scouts and the lack of
24 interest in urban scouting, the development has terminated
25 the service.

1 The onsite daycare and the educational and job
2 training services will continue to be provided, but the job
3 training services will be provided through Workforce
4 Solutions.

5 In addition, the owner proposes to replace the
6 Boy Scout troop with a mobile library facilitated through
7 the Harris County Public Library. This is an after-school
8 program and will make weekly visits using the development's
9 community room to provide materials and instruction to
10 promote early reading for resident children.

11 The owner indicated that the mobile early
12 reading program has already started as of March '22, and
13 the program already has had more participation than the Boy
14 Scout troop had in the time that it was there.

15 Staff recommends approval of the requested
16 material amendment to the application and the LURA for this
17 development.

18 MR. VASQUEZ: So in summary, they want to
19 replace the Boy Scout troop that was not getting
20 participation, and they'll instead kind of substitute the
21 mobile library facility.

22 MR. BANUELOS: Yes, that is correct.

23 MR. VASQUEZ: Periodically comes in.

24 MR. BANUELOS: Weekly.

25 MR. VASQUEZ: Doesn't necessarily sound

1 one-to-one for me, but I guess it is something.

2 Do any Board members have questions on this
3 item?

4 (No response.)

5 MR. VASQUEZ: We'll discuss with our executive
6 director the lack of scouting, our Eagle Scout executive
7 director.

8 MR. WILKINSON: Beau is also.

9 MR. VASQUEZ: Beau is an Eagle Scout also?

10 MR. WILKINSON: Beau was also an Eagle Scout,
11 yeah. I'll show you some knots later.

12 (General laughter.)

13 MR. VASQUEZ: We need to do something about
14 improving interest in Scouting.

15 Are there any questions or commenters on this
16 item?

17 MS. FARIAS: Quick question, just a very quick
18 question. On the weekly library, do they have any
19 experience on how many attend, even if in other libraries?

20 MR. BANUELOS: I don't know about other
21 libraries, but that was a question that we asked for this
22 particular site. As I indicated, the program started in
23 March, and according to the owner, participation has been
24 averaging about seven children per session.

25 MS. FARIAS: Well, Mr. Chairman, considering

1 that nowadays children, a lot of them don't even read
2 because they always have a tablet or whatever it is that
3 they do, the fact that somebody wants to have a library,
4 that's good, that's very good.

5 MR. VASQUEZ: Out of curiosity, so is this
6 asking for permission or asking for forgiveness.

7 MR. BANUELOS: More forgiveness.

8 MR. VASQUEZ: That's what I thought. Sounds
9 like a fine opportunity to me.

10 (General laughter.)

11 MR. VASQUEZ: All right. I'll entertain a
12 motion on item 5(b) of the agenda.

13 MR. BATCH: Mr. Chairman, I move that the Board
14 approve the material amendment to the application 98008,
15 Reed Parque Town homes in Houston, all as described and
16 expressed in the Board action request on this item.

17 MS. FARIAS: I second.

18 MR. VASQUEZ: Motion made by Mr. Batch, seconded
19 by Ms. Farias. All those in favor say aye.

20 (A chorus of ayes.)

21 MR. VASQUEZ: Any opposed?

22 (No response.)

23 MR. VASQUEZ: Hearing none, motion carries.

24 Moving on to item 5(c), Presentation,
25 discussion, and possible action regarding an increase to

1 the Housing Tax Credit amount on project 16414, Father
2 Carlos Pinto Memorial Apartments, with El Paso again.

3 MR. BANUELOS: This development received a 4
4 percent Housing Tax Credit award in 2016 to acquire and
5 rehabilitate 113 units in El Paso. The development
6 consists of one single building of eight stories that was
7 originally built in 1975.

8 Rehabilitation of the building has been
9 completed, and the development is going through the cost
10 certification process at this time. As part of this
11 process, and due to increased costs that were incurred
12 during construction, the owner has requested an annual tax
13 credit amount of \$665,031, which due to staff's review was
14 adjusted down to \$657,918, and this adjusted amount
15 represents an increase of \$236,533, or 56.13 percent, from
16 the amount reflected in the determination notice.

17 The comparison of the development costs from the
18 time of application to cost certification indicates that
19 development the costs increased almost \$7.6 million, or 70
20 percent, from approximately \$10.6 million to \$18.2 million.

21 Out of that increase, \$4.4 million was due to
22 direct construction costs, and the owner explained that
23 this increase in the direct construction costs was
24 primarily due to unforeseen preconstruction conditions
25 which resulted in a change in the scope of work.

1 Those items included asbestos abatement in
2 interior walls, ceilings and drywall, complete electrical
3 rewiring, ventilation replacement of waste and vent piping,
4 water copper piping, demolition replacement of windows, and
5 an extension of the contract time for construction,
6 architectural design costs increased, and there was an
7 increase to the construction interest expense and title and
8 recording fees.

9 Due to the increased costs, the developer fee
10 and contractor fee increased. Under the Tax Credit
11 Program, those costs are driven for contractor fees by hard
12 costs, a percentage of the hard costs, and developer fee is
13 a percentage of overall eligible costs, not including
14 developer fee.

15 Contractor fees increased \$783,000, or 102
16 percent, from the estimate at application, but were
17 adjusted in staff's analysis due to limitations, and
18 developer fee increased \$600,743, or 44 percent, from the
19 estimate at application.

20 Staff's analysis of this transaction at cost
21 certification has concluded the development supports an
22 annual tax credit allocation of \$657,918, which exceeds the
23 20 percent threshold for administrative approval.

24 Board approval is required for that increase,
25 and staff recommends approval.

1 MR. VASQUEZ: Could you recap the timeline
2 again? When did we first start the 4 percent process with
3 them?

4 MR. BANUELOS: The application is a 2016
5 development. They went through construction I believe
6 through 2018. Then in 2020 they submitted the cost
7 certification package, which has been under review by
8 staff.

9 We have gone back and forth with the owner
10 clearing up questions. We are now at the point where we
11 have finalized our review, but we have not issued 8609s,
12 which is the form that allows them to claim credits.

13 MR. VASQUEZ: So this certification process took
14 two years?

15 MR. BANUELOS: Yes.

16 MR. VASQUEZ: I mean, they started the process
17 and then once they finished the construction then they
18 submitted. So this wasn't pandemic related or anything
19 like that.

20 MR. BANUELOS: No. This was prior to the
21 pandemic. It's all a change in the scope of work, as I
22 understand it.

23 MR. VASQUEZ: Okay. You said the cost increase
24 went up about \$7.5 million?

25 MR. BANUELOS: 7.6- overall.

1 MR. VASQUEZ: Were there increases in the bonds,
2 the private activity bonds, or how does the financing get
3 in the request?

4 MR. BANUELOS: So this is a housing authority
5 development, and they provided their own debt for this
6 development. The tax credit amount will result in
7 additional equity as well, so that's how this increase is
8 being financed.

9 MR. WILKINSON: I think he means did they still
10 meet their 50 percent test. How close was it?

11 MR. VASQUEZ: Yeah, that too.

12 MR. BANUELOS: They did meet that. The cost
13 certification indicates that they're at 50.95 percent.

14 MR. VASQUEZ: It meets it. All right.

15 Do Board members have questions on this item?

16 Mr. Marchant?

17 MR. MARCHANT: Help me understand giving this
18 additional tax credits comes from what pool?

19 MR. BANUELOS: So this is a 4 percent
20 transaction. As opposed to 9 percent developments, the 4
21 percent credits are not limited, so it's really what the
22 project can support and still meeting the program
23 requirements, so it's just money that's available under
24 that program.

25 MR. MARCHANT: And is that money that's

1 available -- I mean, this was awarded back in '16, did you
2 say?

3 MR. BANUELOS: Correct.

4 MR. MARCHANT: So if it's not used it goes back,
5 it just never was used?

6 MR. BANUELOS: Correct.

7 MR. MARCHANT: And it can't benefit anybody
8 else?

9 MR. BANUELOS: No, no. This is not like the 9
10 percent program where there's a limited supply; it's just
11 money that they can get in the form of credits, but if it's
12 not used, it doesn't go away, or if it's increased it
13 doesn't --

14 MR. MARCHANT: So if the concrete was \$3 million
15 and then the developer fee that was associated with a \$3
16 million concrete bill, and then all of a sudden the
17 concrete bill went to \$4 million, the developer fee goes up
18 because the prices went up?

19 MR. BANUELOS: They have the ability to claim a
20 higher developer fee because of higher costs.

21 MR. MARCHANT: And when you say they have the
22 ability to, there's no extra effort that goes into that
23 except writing a larger amount on the check.

24 MR. BANUELOS: Correct.

25 MR. MARCHANT: Okay. Thank you.

1 MR. VASQUEZ: But just to clarify, that
2 developer fee is the same percentage; it's just that what
3 it's being based off of -- I mean, whatever that cost is
4 increased, so it's just the ratio. The number gets bigger
5 but the ratio stays the same.

6 MR. BANUELOS: Yes.

7 MR. THOMAS: Question, Mr. Chairman.

8 MR. VASQUEZ: Mr. Thomas.

9 MR. THOMAS: In situations like this where you
10 have such substantial cost overruns or claims for the
11 reason the scope of work expanded -- which some of the
12 items, clearly like asbestos removal is quite expensive --
13 what are the agency's obligations to verify or have a
14 direct submit, like for the developer to submit and say
15 these were the actual cost overruns; we've gone through and
16 verified the copper piping has been put in and all these
17 things have been done so that you can justify the developer
18 fee increase and the cost adjustments?

19 MR. BANUELOS: As part of the cost certification
20 review we obtain a third-party CPA's statement to the
21 validity of the costs, so the CPA has reviewed the costs.
22 As far as verifying the construction, we do send out and do
23 a final inspection, but obviously that's limited based on
24 what's visible for the site. We don't typically go beyond
25 that.

1 We review the construction documents, so we look
2 at the contractor's final draw to determine that that is
3 the amount that they drew, and that's the extent of our
4 review.

5 MR. THOMAS: Thank you.

6 MR. VASQUEZ: And I just have one more
7 clarification. Well, in the face of this missing by so
8 much, it just seems outrageous, but if at the very
9 beginning in 2016 they had come to us with a \$17.5 million
10 total cost, here are all the numbers, odds are likely we
11 would have just approved it as a matter of course.

12 MR. BANUELOS: Correct. At the time they had
13 submitted a scope and cost review or just the property
14 condition report. Typically that's what we use as the
15 basis for the credit recommendation up front for rehab
16 developments.

17 I can't speak as to what happened there in terms
18 of that not being covered. It might be just a function of
19 once the work started they realized that there were bigger
20 issues at the building than they had realized. But if
21 everything that was provided at application supported that
22 larger construction cost amount, we would have moved
23 forward with the development at that time.

24 MR. VASQUEZ: Okay. We'll accept a motion.
25 Before we take that vote on that motion, if you want to

1 talk, we can still talk.

2 So on 5(c), does anyone have a motion on 5(c)?

3 MR. MARCHANT: Mr. Chairman, I move the Board
4 approve the material -- I move that I turn my mic on -- I
5 move the Board amendment to the application --

6 MR. VASQUEZ: No, next one, 5(c).

7 MR. MARCHANT: 5(c). I move that the Board
8 approve the increase in 4 percent tax credits for
9 application number 16141 Father Carlos Pinto Memorial
10 Apartments in El Paso, all as described and subject to the
11 conditions expressed in the Board action request on this
12 item.

13 MS. FARIAS: I second.

14 MR. VASQUEZ: Motion made by Mr. Marchant,
15 seconded by Ms. Farias.

16 Does anyone need to make another comment on this
17 before we vote?

18 (No response.)

19 MR. VASQUEZ: All right. All those in favor say
20 aye.

21 (A chorus of ayes.)

22 MR. VASQUEZ: Any opposed?

23 (No response.)

24 MR. VASQUEZ: Hearing none, motion carries.

25 Thank you.

1 Thank you, Mr. Banuelos.

2 Moving on to item 6(a), Presentation,
3 discussion, and possible action regarding the issuance of
4 Multifamily Housing Mortgage Revenue Bonds Series 2022,
5 Resolution No. 22-023, and a determination notice of
6 housing tax credits.

7 Ms. Morales.

8 MS. MORALES: Good morning. Teresa Morales,
9 director of Multifamily Bonds.

10 Item 6(a) involves the multifamily bond issuance
11 for the new construction of 250 units in Balch Springs,
12 located in Dallas County.

13 A little background on how the Multifamily Bond
14 Program works, for the benefit of some of our newer Board
15 members. The Department has a set-aside of private
16 activity bond authority beginning in January and runs
17 through August every year.

18 Our set-aside is a percentage that is prescribed
19 in state statute. The bond financing allows an applicant
20 to access the 4 percent Housing Tax Credit, which helps to
21 offset the debt that the bonds carry on the project.

22 An applicant puts the deal together, determines
23 who will be the lender and equity investor and what
24 financing platform provides for the best execution. Once
25 that has been determined, it is submitted to the Department

1 for review and then ultimately to the Board for
2 consideration in the form of a bond resolution.

3 The Torrington Arcadia transaction involves the
4 issuance of \$31 million in tax-exempt bonds that will be
5 privately placed with Community Bank of Texas, who will
6 serve as the construction and permanent lender. The terms
7 are referenced under Section 1.2 of the bond resolution
8 that's included in your packet. Specifically, the bonds
9 will carry a 3.75 percent interest rate and have a maturity
10 date of June 1, 2040.

11 There will be several more bond transactions
12 coming before you over the next few months, and the
13 resolutions that you'll adopt authorizing the bond issuance
14 will differ slightly based on the financing structure used.

15 To provide some context for this, in the case of
16 publicly offered bonds, which are rated debt obligations,
17 because the issuance meets the requirements of another
18 statute, we can use the delegation authority found in that
19 statute.

20 The resolution for these transactions is
21 considered a parameters resolution that provides just that,
22 parameters around the principal amount, interest rate and
23 maturity date that cannot be exceeded at the time of
24 closing.

25 The Board is approving the terms but in the

1 approval is the delegation to staff to close a transaction
2 that may have different terms so long as those terms do not
3 exceed the parameters adopted and the transaction remains
4 financially feasible.

5 In the case of Torrington Arcadia, which is a
6 private placement, meaning the bonds are unrated and will
7 be placed with Community Bank of Texas at closing, we
8 cannot use the delegation authority from another statute.
9 These types of transactions require the Board to approve
10 the specific amount to be issued, the specific interest
11 rate, or a formula by which that interest rate will be
12 determined, and the specific maturity date. What is
13 approved by the Board is the only deal that we can close.

14 The recent volatility in the market creates
15 pressure for lenders to solidify business points before
16 they're ready or before they have all of the due diligence
17 required to do so. If there are changes that need to be
18 made to what the Board previously approved, it would
19 necessitate a new resolution be adopted.

20 Considering the statutory six-month closing
21 deadline, getting to another Board meeting isn't always an
22 option. Despite the challenge that this creates, we've
23 been collaboratively working with lenders and their
24 counsels navigating this limitation that other state FHAs
25 across the country and even local issuers do not have.

1 I think I've shared more about our process and
2 the program than the actual deal, but I do believe it is
3 important to share with the Board some of the constraints
4 that our multifamily bond transactions have when there's
5 market volatility or increase in rates.

6 With respect to Torrington Arcadia, staff
7 recommends approval of Bond Resolution No. 22-023 for \$31
8 million and a determination notice of 4 percent Housing Tax
9 Credits in the amount of \$2,726,740.

10 MR. VASQUEZ: Great. Thank you, Ms. Morales,
11 and you preempted my question about the changing interest
12 rate environment and how that might impact.

13 MS. MORALES: Excellent.

14 MR. VASQUEZ: But this one is going to be locked
15 in.

16 MS. MORALES: Correct. This particular private
17 placement is a little bit different from some of the
18 others, primarily with respect to the lender that's
19 involved, Community Bank of Texas. Because they carry the
20 bonds on their own balance sheet and don't securitize them
21 with other agency executions, they're able to hold to a
22 specific interest rate. So given the increase that we've
23 seen over the last few weeks, this particular transaction,
24 as well as the next, will not be affected.

25 MR. VASQUEZ: Great. Good for them.

1 Any Board members have questions on this item?

2 MR. MARCHANT: I do, Mr. Chairman.

3 MR. VASQUEZ: Mr. Marchant, please.

4 MR. MARCHANT: If the project had overruns in
5 costs, do they have the ability to come back here and
6 adjust those costs with this Board.

7 MS. MORALES: Yes, they do. They would follow
8 the same process as the prior Board item did.

9 MR. VASQUEZ: There will still be a cost
10 certification after it's all said and done.

11 Any other questions?

12 MS. MORALES: If I could elaborate just a little
13 bit further. The constraint would be, and probably one
14 part the prior transaction had is that bond amount, that 50
15 percent test. While it is true that on a 4 percent
16 transaction those credits are to some degree unlimited,
17 they can come back and if there are increased costs then
18 they can absorb those and have a higher credit allocation,
19 but the constant is that bond amount, so at some point we
20 can reach a point where the cost overruns are so great that
21 now are you in jeopardy of failing the 50 percent test, and
22 if you do that, those credits are not able to be claimed.

23 MR. MARCHANT: Can the developer absorb those
24 costs and not make application so that he would exceed?

25 MS. MORALES: If the project can absorb those

1 costs and still remain above 50 percent, then, yes.

2 MR. MARCHANT: So they would have the option of
3 absorbing the costs to stay under that.

4 MS. MORALES: Yes.

5 MR. VASQUEZ: Okay. We will entertain a motion
6 on item 6(a) of the agenda.

7 MR. THOMAS: Mr. Chairman, I move the Board
8 approve the issuance of Multifamily Housing Revenue Bonds
9 Series 2022 by approving Resolution No. 22-023, and
10 approving a determination notice for 4 percent Housing Tax
11 Credits for Torrington Arcadia Trails, all as described and
12 subject to the conditions expressed in the Board action
13 request on this item.

14 MR. VASQUEZ: Thank you.

15 Motion made by Mr. Thomas. Is there a second?

16 MR. BATCH: Second.

17 MR. VASQUEZ: Seconded by Mr. Batch. All those
18 in favor say aye.

19 (A chorus of ayes.)

20 MR. VASQUEZ: Any opposed?

21 (No response.)

22 MR. VASQUEZ: Hearing none, motion carries.

23 Moving on to item 6(b) of the agenda,
24 Presentation, discussion, and possible action regarding the
25 issuance of Multifamily Housing Mortgage Revenue Bonds

1 Series 2022, Resolution No. 22-024, and a determination
2 notice of Housing Tax Credits.

3 Ms. Morales.

4 MS. MORALES: Item 6(b) involves the multifamily
5 bond issuance for the acquisition and rehab of 100 units in
6 Center, located in Shelby County.

7 This transaction proposes a \$10.1 million
8 issuance of tax-exempt bonds, and similar to the prior
9 transaction, the bonds will be privately placed with
10 Community Bank of Texas. The specific terms to be approved
11 are identified under Section 1.2 of the bond resolution.

12 The Department held a public hearing, which is
13 required for all of our bond issuances, and there was only
14 comment provided by the developer himself. There were
15 letters of support received from the mayor of Center and
16 State Representative Chris Paddie, who represents the
17 district containing Union Acres, and these letters are
18 included in your packet.

19 The scope of work planned for the property
20 includes, but is not limited to, energy efficient fixtures,
21 new HVAC, new plumbing, roofing, interior doors and
22 hardware, painting, appliances, lighting fixtures, and
23 asbestos removal.

24 Minimal displacement of the residents is
25 anticipated. Our underwriting report breaks down the

1 improvements relative to interior and exterior and a little
2 over half, or 60 percent, of the improvements will be to
3 the interior of the units, which provides for a more direct
4 benefit to the residents.

5 Staff recommends approval of Bond Resolution No.
6 22-024 for \$10,100,000 and a determination notice of 4
7 percent Housing Tax Credits in the amount of \$679,520.

8 MR. VASQUEZ: Thank you.

9 Any Board members have questions on this item?

10 (No response.)

11 MR. VASQUEZ: Hearing none, I'll entertain a
12 motion on item 6(b).

13 MR. BATCH: Mr. Chairman, I move that the Board
14 approve the issuance of Multifamily Housing Mortgage
15 Revenue Bonds Series 2022 by approving Resolution No.
16 22-024 and approving a determination notice for 4 percent
17 Housing Tax Credits for Union Acres project, all as
18 described and subject to the conditions expressed in the
19 Board action request on this item.

20 MR. VASQUEZ: Thank you.

21 Motion made by Mr. Batch. Do I have a second?

22 MS. FARIAS: Second.

23 MR. VASQUEZ: Seconded by Ms. Farias. All those
24 in favor say aye.

25 (A chorus of ayes.)

1 MR. VASQUEZ: Any opposed?

2 (No response.)

3 MR. VASQUEZ: Hearing none, motion carries.

4 Item 6(c), Presentation, discussion, and
5 possible action regarding eligibility under 10 TAC Section
6 11.101(a)(3)(B)(ii) related to undesirable neighborhood
7 characteristics for Sunset Gardens, project 22445.

8 And it looks like we have lots of interest in
9 this one.

10 Ms. Morales, please continue.

11 MS. MORALES: Item 6(c) relates to an item of
12 eligibility for a current 4 percent tax credit application.

13 For context, the Qualified Allocation Plan, or
14 QAP, identifies eligibility requirements that all
15 multifamily applications must meet. Among those are what
16 we call neighborhood risk factors, and there are four of
17 them: the poverty rate of the census tract, the
18 performance of the schools in the attendance zone of the
19 development, blight in the neighborhood, and the Part 1
20 violent crime rate.

21 If any of these neighborhood risk factors are
22 present, the applicant must disclose them in the
23 application and provide specific mitigation as outlined in
24 the QAP. Upon staff review, if the mitigation is
25 considered sufficient, the application can be allowed to

1 move through the process. If the mitigation is not
2 considered sufficient, then the matter comes before the
3 Board for a decision regarding eligibility.

4 The application for Sunset Gardens disclosed all
5 four neighborhood risk factors. The poverty rate for this
6 census tract is 62.8 percent, which exceeds the 40 percent
7 allowed in the QAP; however, sufficient mitigation was
8 provided.

9 The middle school for the attendance zone
10 received an F rating for 2019, but given the disruption in
11 the TEA accountability ratings caused by the pandemic, the
12 QAP waives this neighborhood risk factor for this year.

13 There were a few single-family residences in
14 proximity to the development that can be considered blight;
15 however, sufficient mitigation was provided.

16 The information provided to mitigate the Part 1
17 violent crime rate was not sufficient based on staff's
18 review, so the matter is before the Board, asking that you
19 affirm staff's recommendation that the site be ineligible.

20 The benchmark used to identify the Part 1
21 violent crime rate that exceeds the threshold is
22 Neighborhood Scout. Neighborhood Scout is really the only
23 universal reporting system that can be applied statewide.
24 If the Neighborhood Scout report reflects a Part 1 violent
25 crime rate of greater than 18 per 1,000 persons annually,

1 the applicant is required to disclose.

2 Recognizing that Neighborhood Scout data may be
3 outdated, or to the extent that it does not present an
4 accurate picture of what is going on in any given
5 neighborhood in Texas, an applicant is allowed to submit
6 police beat data for the previous two years and provide
7 their own calculation based on the population of that beat
8 or census tract as applicable.

9 A little bit about the development itself.
10 Sunset Gardens is located in the Sunnyside neighborhood in
11 Houston, which is south of downtown, kind of inside the
12 beltway and 610.

13 Sunset Gardens proposes to merge two existing
14 developments located adjacent to one another: King's Row,
15 which was built in 1970, and Scott Plaza, built in 1965.
16 King's Row has a Section 8 HAP contract that covers all of
17 the units, while Scott Plaza has a HAP contract covering
18 all but 44 of the 149 units there.

19 The King's Row property is in our portfolio. It
20 was rehabbed in 2002 and has a land use restriction
21 agreement, or LURA, that will run through 2059. It has a
22 55-year extended use period. So the property is currently
23 52 years old, and when the current LURA expires, the
24 property will be 89 years old.

25 Aside from these two properties, this particular

1 census tract also has five other affordable properties that
2 are also in the Department's portfolio.

3 I previously mentioned that the threshold for
4 the Part 1 violent crime rate is 18 per 1,000 persons.
5 Neighborhood Scout reflects a crime rate for this
6 neighborhood of 41 per 1,000 persons.

7 The applicant provided historical crime data
8 based on the police beat containing the development for the
9 past five years. These rates are identified in a table in
10 your Board writeup and start with a crime rate of 36 in
11 2017, down to 28 in 2019, but then an increase up to 35 in
12 2020, which the applicant believed to be pandemic related.

13 The most recent crime rate for 2021 was 30.

14 To provide some historical context for this
15 tract and neighborhood, on the opposite of this census
16 tract is Anna Dupree Terrace, which was approved by the
17 Board despite the high crime in 2018.

18 The crime rate at that time was 34 according to
19 Neighborhood Scout. As previously mentioned, it is now at
20 41, representing an increase over the past four years. One
21 of the adjacent tracts has a crime rate of 40 which in 2018
22 was only 21.

23 Another adjacent tract has a crime rate of 35,
24 which was only 22 in 2018. This latter tract is important
25 because it contains Villa Americana, which is an existing

1 development also approved by the Board despite the high
2 crime in 2017, so there's another significant increase in
3 the past five years.

4 Exhibit A in this agenda item contains
5 information provided by the applicant for you to consider.

6 This information and what you may hear in testimony today
7 includes a City of Houston investment with the development
8 being located in a TIRZ and plans for housing and
9 infrastructure improvements.

10 The information provided speaks to planned
11 appropriations through fiscal year 2025 and include
12 beautification projects to improve the visual appearance of
13 the area, median improvements, landscape and sidewalk
14 improvements to allow for more walkability, and a
15 destination space that would provide a jogging trail,
16 benches and a space for art festivals and local vendors.

17 The question becomes whether it would be
18 worthwhile to see the effect that these improvements have
19 on the area before investing funds. It's also worth noting
20 that this same TIRZ was identified at the time the Anna
21 Dupree Terrace development was found eligible.

22 At that time staff was unable to ascertain
23 whether those improvements to date, which were convenience
24 stores, a carwash, a few restaurants and some
25 infrastructure improvements, had had a positive effect on

1 the neighborhood. The high poverty rate and high crime
2 rate are both still seen today.

3 Exhibit B contains information provided by
4 staff. I would like to draw your attention to page 354 of
5 your Board materials to a map that was compiled by staff
6 which outlines the boundaries of the police beat, plots all
7 of the instances of violent crime over the past three
8 years, with the subject development noted in tract 3314.

9 Note the degree of crime concentration based on
10 the size of the dot. The Ann Dupree Terrace development
11 that I referenced is on the opposite end of this census
12 tract, while Villa Americana is located in tract 3317 which
13 is to the southeast of Sunset Gardens.

14 Additionally to note is an excerpt of the
15 Neighborhood Scout report, which reflects some of the
16 characteristics of this neighborhood. Worth noting on page
17 363 of your Board materials is the projected trend relating
18 to violent crime rates through 2027, which is nowhere near
19 the national median or our threshold of 18.

20 The standard to which we arrive at eligibility
21 pursuant to the QAP states that eligibility could only
22 occur if there is a determination that the risk factor is
23 not of a nature or severity that should render the
24 development site ineligible based on the assessment and
25 mitigation provided.

1 Additionally, the QAP requires the demonstration
2 that actions being taken would lead staff to conclude that
3 there is a high probability and a reasonable expectation
4 that the risk factor will be sufficiently mitigated or
5 significant improved prior to placement in service, and
6 that the risk factor demonstrates a positive trend and
7 continued improvement.

8 The reasonable expectation part of that is
9 important because the placement-in-service timeline is
10 shorter for an acquisition rehab, which is generally 12 to
11 18 months, compared to new construction, which is 24 to 36
12 months.

13 When it comes to this particular neighborhood
14 and recognizing the prior approvals, there's the question
15 as to whether the passage of time has demonstrated the
16 downward, the continued improvement, and the reasonable
17 expectation relative to the violent crime rate. The
18 neighborhood risk factors represent eligibility as it
19 relates to today, so it's not a determination of not ever
20 but more of not now.

21 My last point is that you may hear testimony
22 that speaks to crime prevention efforts at the property
23 itself and how those efforts can be successful at reducing
24 crime. The expectation is that the properties we fund
25 should be safe, and it is incumbent upon the owner to

1 ensure that that is the case.

2 Our governing statute 2306.002 identifies the
3 Department's policies as providing a decent, safe, and
4 affordable living environment. While owners should be
5 responsible for reducing and possibly eliminating instances
6 of crime on their property, what owners may not be able to
7 control is what happens to a resident when they leave their
8 home and walk down the street.

9 It is also important to keep in mind that we
10 aren't talking about property crime, although that's a
11 problem too. We are talking about violent crime. Maybe
12 part of the discussion is the extent to which the safe
13 environment noted in our governing statute extends to the
14 neighborhood in which a resident lives.

15 Staff recommends the site for Sunset Gardens be
16 ineligible based on the rate of the Part 1 violent crime.

17 MR. VASQUEZ: Okay. So to clarify, the schools
18 and blight and poverty rates, we're setting those aside.

19 MS. MORALES: Correct.

20 MR. VASQUEZ: We're really focusing here on the
21 crime rate.

22 MS. MORALES: Correct.

23 MR. VASQUEZ: And before we continue, Mr. Lyttle
24 has another letter to be read into the record. Please.

25 MR. LYTTLE: Thank you, Mr. Chairman.

1 Regarding this issue, we received a letter from
2 the Harris County District Attorney's Office that reads as
3 follows:

4 "The Harris County District Attorney's Office is
5 dedicated to evidence-based prosecution. This means
6 guaranteeing a fair process with the goal of obtaining a
7 just result for the victim, the accused and the community
8 in every case.

9 "However, our justice system is dependent upon
10 the participation of regular citizens from the community to
11 serve as witnesses and jurors. Additionally, part of the
12 crime prevention, suspect identification, and apprehension
13 process relies upon neighborhood residents and public
14 safety personnel working together.

15 "Rainbow Housing Assistance Corporation's
16 tenant-based service model and crime prevention efforts
17 provide an opportunity to build community, police, and
18 business owners relationships that can work to fight back
19 against the criminal elements in most vulnerable
20 communities.

21 "Houston's Sunnyside area King's Row, located at
22 4141 Barberry Drive, and Scott Plaza, located at 9703 Scott
23 Street, Houston Texas, 77051, has been identified by the
24 Houston Police Department as having a high degree of crime
25 in the community. Specialized team efforts are needed to

1 address the types of crime most problematic in the
2 community.

3 "The District Attorney's Office will support
4 local law enforcement and Rainbow's efforts to mitigate
5 crime in and around the community, while working with
6 community stakeholders as a part of our ongoing commitment
7 to make Houston and Harris County safer.

8 "Sincerely, Kim Ogg, Harris County District
9 Attorney."

10 MR. VASQUEZ: Thank you, Mr. Lyttle.

11 Obviously we have some public input. Is there a
12 motion to accept public comment on this?

13 MR. MARCHANT: I'll make that motion.

14 MR. BATCH: Second.

15 MR. VASQUEZ: Motion made by Mr. Marchant,
16 seconded by Mr. Batch. All those in favor say aye.

17 (A chorus of ayes.)

18 MR. VASQUEZ: Any opposed?

19 (No response.)

20 MR. VASQUEZ: Hearing none.

21 Before we get started, let me just plead with
22 y'all if you are about to say the same thing as a speaker
23 before you; please make your remarks extra brief and just
24 reiterate what he said/what she said.

25 Are any of you going to be speaking against

1 the -- well, I assume you all are speaking for the project?

2 Okay. Just I was trying to alternate if we needed to do
3 that.

4 Please say hello and introduce yourself and sign
5 in.

6 MS. ANDRE: Hi. Thank you. Sarah Andre,
7 consultant to the project. Good afternoon, and my comments
8 are going to be somewhat extemporaneous, so thank you for
9 your patience today.

10 You know, Teresa gave an excellent overview that
11 was all information we provided in our application. We are
12 not here today to try to pretend that crime does not exist
13 in the area. I do want to address two things, though.

14 Poverty, you heard that this is a high-poverty
15 area. You also heard that there are five assisted
16 developments in this area. The poverty is a function of
17 that, so when you have large developments that have these
18 HAP contracts on them, in order to qualify to live there,
19 you have to make less than 30 percent of the area median
20 income; therefore, you are, quote, the poverty that is in
21 the area. And that is a beef I have with that particular
22 indicator when you're talking about rehab, because you're
23 basically saying, well, we don't want to go back to this
24 place we've already created.

25 Today when you hear about crime, you're going to

1 hear from the developer, the management, our community
2 supporters, and most importantly, the management and our
3 community partner, Rainbow Housing, which has been very
4 effective in the past in similar developments and is
5 working to provide services.

6 At a QAP hearing, I recently likened rehab
7 developments to a plastic bottle that someone has thrown on
8 the ground: It will stay there forever. The question is
9 today whether or not we're going to pick that bottle up and
10 recycle it or dispose of it properly or if we're just going
11 to let it continue to roll down the street in the wind, and
12 I think it's clear what I believe the right answer is.

13 Thank you for your time, and Jacob Levy, with
14 the developer, will be up next.

15 MR. VASQUEZ: Thank you, Ms. Andre.

16 MR. LEVY: Ladies and gentlemen of the Board, my
17 name is Jacob Levy, and I represent the developer of Sunset
18 Gardens. I have the pleasure of stewardship over 15 TDHCA
19 properties throughout Texas, and I've successfully used the
20 LIHTC Program to rehabilitate over 2,000 apartment units in
21 the last five years.

22 Sunset Gardens is an existing apartment
23 community in the Sunnyside neighborhood of Houston, an area
24 that is rapidly transforming and receiving hundreds of
25 millions of dollars of public and private investment.

1 The city itself is building 480 single-family
2 homes in Sunnyside and is investing in the area with
3 expanded pedestrian and bicycle networks. The city
4 selected Sunnyside as a priority area in its Complete
5 Communities Program, and it was one of ten neighborhoods
6 selected for Houston's tax increment reinvestment zones,
7 which has set aside millions of dollars in public funds for
8 Sunnyside.

9 Seventy million dollars is being invested in the
10 nation's largest urban solar installation, located just one
11 mile from our project, and for what it's worth, D.R.
12 Horton, the nation's largest homebuilder, is planning to
13 redevelop hundreds of acres in Sunnyside, demonstrating
14 that corporate America recognizes this neighborhood is in
15 the path of growth, development and progress.

16 The project itself has tremendous local support.

17 We will read into the record letters provided by the
18 offices of Council Member Evans-Shabazz, Houston Housing
19 and Community Development, and you've already heard the
20 letter from Harris County's highest ranking law enforcement
21 official, District Attorney Kim Ogg. All pledge support
22 for the project and that our efforts to rehabilitate the
23 property are integral to public safety and crime reduction
24 in the area.

25 The historic crime statistics in this census

1 tract pointed in the right direction. According to Houston
2 PD beat data, violent crime has reduced 30 percent in the
3 last five years. With our comprehensive renovation and
4 security plan and all the public and private investment in
5 the area, the crime score will continue to fall, and we
6 fully expect it will comply with TDHCA's guidelines prior
7 to placement in service.

8 While the crime score parameter may exist to de-
9 incentivize building affordable housing in high crime
10 areas, this building and its residents already exist, and
11 more than half of these units are already in TDHCA's
12 portfolio.

13 A vote to approve the project is consistent with
14 public safety and public investment and development goals.

15 We're asking for your help today to make a transformative
16 change in this community for the hundreds of families
17 living at Sunset Gardens.

18 Thank you very much for your time.

19 MR. VASQUEZ: Thank you, Mr. Levy.

20 Who do we have up next?

21 MS. FONTENOT: Good afternoon. My name is
22 Terren Fontenot. I am the property manager.

23 I just wanted to be really brief and just state
24 that I myself grew up in subsidized housing. I just
25 remember going to school and wanting the resources that my

1 peers had and not being able to get those.

2 Being in property management, specifically with
3 this property, I hold it dear to my heart because I can
4 relate. I do have a close relationship with the Houston
5 Police Department. Anything that I need, they're there.

6 In fact, this summer they're actually having a
7 program for our children. They'll be there once a week,
8 there will be art projects, it will be an educational
9 series, and also they're going to do some sporting events,
10 and this is from June to August.

11 We do have security to make sure that all of our
12 tenants are feeling secure and also that they can sleep at
13 night. I am tightening up and I have tightened up on our
14 application process; I do not allow any felons in our
15 facilities, and also, we do offer meals for the kids.

16 So this is coming from my heart; I would love to
17 give back to my tenants. They deserve better. In the area
18 they're developing and I just want my property as well to
19 be intact with what's going on around us.

20 So that's what I have to say for Sunset Gardens.

21 Thank you.

22 MR. VASQUEZ: Thank you, Ms. Fontenot.

23 Appreciate your input.

24 MR. CROWDER: Good afternoon. My name is James
25 Crowder. I'm the chief operating officer of the developer.

1 I have the opportunity to read into the record a letter
2 that received from Dr. Carolyn Evans-Shabazz in support of
3 the project.

4 "Dear Mr. Wilkinson:

5 "I am Dr. Carolyn Evans-Shabazz, the city
6 council member of District D in Houston, where the Sunset
7 Gardens rehabilitation development is located. I have
8 communicated with the Houston Police Department on matters
9 regarding crime statistics and crime mitigation within
10 Sunnyside.

11 "The Houston Police Department analyzes crime
12 data by police districts and police beats which is an
13 important method to ensure we can address crime
14 appropriately in individual areas throughout the City of
15 Houston.

16 "For the Sunnyside neighborhood we analyze
17 police beat 14H-20 to best understand crime that could
18 affect the Sunset Gardens development site. Moreover, the
19 Houston Police Department, City Council and the City of
20 Houston are committed to mitigating crime in the entire
21 Sunnyside area. Sunnyside is also one of the City of
22 Houston's ten selected priority neighborhoods as one of
23 Houston's Complete Communities.

24 "The Houston Police Department is actively
25 involved in a variety of focused crime-stopping efforts.

1 Specifically, our specialized teams are working to address
2 the types of crimes most problematic in the community. The
3 Houston Police Department also has crime suppression teams
4 active in the community to address the violent crimes.
5 This approach allows the department to use their best
6 efforts and resources on the issues closest to home. This
7 has proven to lead to better policing that serves the
8 community more effectively.

9 "We have also simply increased the police
10 presence in the community and created more intimate
11 relationships with community members like ourselves and
12 business owners to ensure the community knows we are
13 partners.

14 "With an approach that has increasing quality
15 and quantity, we wholly expect the crime rate to trend
16 downwards. The efforts that have been engaged in will
17 continue as our commitment to a safer, more secure
18 community is ongoing.

19 "Respectfully, Dr. Carolyn Evans-Shabazz."

20 In addition, I have had the pleasure to do close
21 to 2,100 units here in the state of Texas through my career
22 in affordable housing. As this is an existing project with
23 existing families, the rehabilitation and the increased
24 security cameras and security patrol will mitigate the
25 crime at our property and in the neighboring community.

1 I've seen that successful in other projects around the
2 country and in Texas. With the partnership with the city
3 and the police department, we can actively mitigate crime
4 at our project and in the neighboring areas.

5 Thank you for your time today.

6 MR. VASQUEZ: Thanks, James.

7 MR. DZIDO: Good morning. My name is Marcin
8 Dzido, and I work for the developer and I'd like to read a
9 letter from --

10 MR. MARCHANT: Mr. Chairman, they keep saying
11 they work for the developer. I don't know who that is.

12 MR. VASQUEZ: Could you tell us who the
13 developer's name officially is? I know it's in here
14 somewhere.

15 MR. DZIDO: Yes. It's the Sunset Gardens
16 Preservation, LP.

17 MR. MARCHANT: But who owns Sunset?

18 MR. DZIDO: Mr. Jacob Levy is the owner, or the
19 proposed owner.

20 MR. MARCHANT: Thank you.

21 MR. DZIDO: Yes. I would like to read the
22 letter from the director of HCD into the record.

23 "Dear TDHCA Governing Board:

24 "On behalf of the Sunset Gardens Preservation,
25 formerly known as King's Row and Scott Plaza, please accept

1 this letter as confirmation of support of their request to
2 rehabilitate the properties at 4141 Barberry Drive and 9703
3 Scott Street in Houston, Texas.

4 "As director of the City of Houston Housing and
5 Community Development Department, I recognize the critical
6 importance of ensuring that every citizen has access to
7 safe and affordable housing in communities where they can
8 thrive. Unfortunately, the rising costs of rent, coupled
9 with severe lack of attainable housing for extremely low
10 income households in Houston, has left many residents
11 concerned about where they will live and the quality of
12 their home.

13 "Sunset Gardens preservation is located within
14 boundaries of Sunnyside Complete Community. Complete
15 Communities are part of a citywide initiative to improve
16 the overall neighborhood quality, reduce poverty
17 concentration, and preserve affordable housing in Houston.

18 Other efforts in this neighborhood include homebuyer down
19 payment assistance and financing single family home
20 construction.

21 "As Houston continues to grow, the demand for
22 attainable housing will increase. HCD believes
23 redevelopment of existing multifamily facilities with
24 diligent property management is an effective strategy for
25 neighborhood revitalization. Ensuring these homes are

1 affordable and safe will assure more Houston families have
2 a place they can proudly call home.

3 "Your favorable consideration is greatly
4 appreciated.

5 "Respectfully, Keith W. Bynum, Director of
6 Housing and Community Development Department, City of
7 Houston."

8 Thank you.

9 MR. BURKLEY: Good morning, everyone. Hi. I'm
10 David Burkley. I'm the associate director of Rainbow
11 Housing, and I'm also a homeowner in Sunnyside and a pastor
12 in the community.

13 Rainbow Housing, we're a national nonprofit that
14 provides supportive services to families in affordable
15 housing communities across the country. We currently
16 operate in 19 different states and have 160 communities
17 that we work with, many of which are in the State of Texas
18 and are a part of TDHCA's portfolio.

19 For the last 20 years, Rainbow Housing has
20 provided tenant-based services to families with a specific
21 focus on community stabilization with the advancement of
22 socioeconomic opportunities for the families and
23 individuals who live in these communities.

24 We understand that change comes with challenges.
25 Right? We understand that whenever there's development,

1 whenever there's things that are progressing that there's
2 going to be some hurdles that you have to come over, and
3 crime is one of those.

4 In communities that we serve that are also part
5 of TDHCA's portfolio, we've been able to make this change.

6 One example is Haverstock Hill, which is a community that
7 was ready to be written off by the city, but with the
8 partnership of Rainbow Housing, local law enforcement and
9 even the DA's Office, we were able to have 67 percent in
10 crime reduction in the very first year, providing
11 meaningful programs and services, and this is not just
12 random after-school programs but these are economic
13 opportunities, GED programs, scholarships, workforce
14 programs that will help families change the financial
15 narratives of their lives

16 And we know, and the FBI has proven, that crime
17 and poverty go together, and where we can give economic
18 hope to the families who live there, we believe and we've
19 seen that we can reduce the poverty outcomes in this
20 community if we're given the opportunity, and I hope that
21 you guys give us that chance.

22 You all know Sunnyside is one of the oldest
23 African American communities in the City of Houston,
24 established in 1912. My family moved there in the 1940s. I
25 still own a home there. There's a Starbuck's down the

1 street, there's a stadium around the corner for rugby.
2 There's Houston Community College that's really around the
3 corner, there's a new gated community that's being built.
4 Sunnyside is changing, but this project and this
5 development ensures that the people who have called
6 Sunnyside home for generations can be a part of that
7 progress and can be a part of that change.

8 So on behalf of those individuals, I ask that
9 you guys support this project so that we can move this
10 community forward and really begin to lift some lives in
11 Sunnyside. Thank you.

12 MR. VASQUEZ: Thank you, Mr. Burkley.

13 I have a question that I assume Ms. Fontenot
14 would probably be the best one to answer. Do we have any
15 statistics on the number of HPD calls, police calls at this
16 site and trends? Whoever can answer.

17 MS. FONTENOT: I don't have a specific
18 percentage.

19 MR. VASQUEZ: I mean just the number of calls.
20 In the last year were there 365 calls to HPD or were there
21 36?

22 MS. FONTENOT: So I've been with the property
23 since August of last year, and I've had to call HPD about
24 six times, six or seven times.

25 MR. VASQUEZ: But do you have any statistics on

1 your tenants, on how often are they calling?

2 MR. FONTENOT: I don't have any statistics for
3 you for that one, for the tenants calling.

4 MR. VASQUEZ: Okay. All right. I was just
5 trying to get a sense of where that stood.

6 MS. FONTENOT: Okay.

7 MR. VASQUEZ: Mr. Marchant.

8 MR. MARCHANT: Maybe the staff can answer these
9 questions. How many units is this exactly? There's a lot
10 of information on this computer. I've just been trying to
11 sift through it to see if I can find that one kernel of
12 corn that mattered to me.

13 MS. MORALES: There are in total 330.

14 MR. MARCHANT: And they're currently occupied?

15 MS. MORALES: It's currently occupied. It's
16 basically two existing properties adjacent to one another
17 that are going to be merged together under this development
18 plan, so there's, I think, 180 units over at King's Row and
19 then 149 over at Scott Plaza.

20 MR. MARCHANT: And what's the occupancy level?

21 MR. VASQUEZ: Ballpark.

22 MS. FONTENOT: So the occupancy together for the
23 330 units, we're at 90 percent.

24 MR. MARCHANT: Okay. Thank you.

25 So this is 4 percent money or 9 percent money?

1 MS. MORALES: Four percent money.

2 MR. MARCHANT: Are we creating any new units out
3 of this application?

4 MS. MORALES: No new units that are not already
5 affordable, probably with the exception of the Scott Plaza
6 property, so that one has 149 units and the HAP contract
7 covers all but 44. We haven't done underwriting or
8 anything on this application, so I don't know the extent to
9 which those 44 --

10 MR. MARCHANT: Thirty-nine deficiencies in the
11 application.

12 MR. VASQUEZ: That's a different question.

13 MR. MARCHANT: Okay. So this 4 percent money is
14 going to rehab. Is the rehab such that all the units will
15 be emptied? So they're going to rehab them while they're
16 living in them?

17 SPEAKER FROM AUDIENCE: They will be in place.

18 MR. MARCHANT: Okay. Thank you.

19 MR. VASQUEZ: Mr. Batch, please.

20 MR. BATCH: So if I may, I'm just trying to wrap
21 my head around exactly what we're dealing with. So this is
22 a project, a facility that already exists that they're
23 trying to rehab -- I mean, I'm kind of confused, actually,
24 as to why -- so the violent crime, is that the only reason
25 that staff made the recommendation that it did?

1 MS. MORALES: Yes.

2 MR. BATCH: But it sounds like the argument is
3 also about the residents and their safety?

4 MS. MORALES: Correct.

5 MR. BATCH: So then I guess my question would be
6 if part of the rehab is putting in place cameras,
7 additional security measures, I mean, would that not also
8 kind of be addressing staff's concern about the well-being
9 and the safety of the residents?

10 MS. MORALES: So I guess the question needs to
11 be asked whether we're concerned with the actual property
12 itself and the safety of the residents itself, or are we
13 talking about the neighborhood.

14 So the Part 1 violent crime rate doesn't focus
15 on what are the instances of violent crime at this
16 particular property and what are you going to do to change
17 that. It's sort of the neighborhood as a whole, what's
18 going on around this property.

19 So to the extent that cameras are going to be
20 put in, there's a lot of talk of supportive services, and I
21 guess to that point, supportive services are a requirement
22 of the Tax Credit Program anyway, and the King's Row
23 property having a LURA currently on the property is
24 required to do those services, so those are things that
25 should be happening regardless of what happens today.

1 MR. VASQUEZ: And probably to answer the
2 question I think you're asking, it's in our rules -- our
3 rules or HUD rules that the crime rate has to be less than
4 18 per 1,000.

5 MR. WILKINSON: It's our rules, sir.

6 MR. VASQUEZ: So it's our rules.

7 MR. WILKINSON: It's something that could be
8 adjusted by the Board.

9 MR. VASQUEZ: So the staff, if it's over that,
10 it needs to start going through an appeal process. They
11 can't just -- Teresa can't just say 30, that's fine, go
12 ahead, and it has to come to the executive director next.

13 MS. MORALES: What I have seen, because I've
14 looked at a number of these over the years, is that
15 Neighborhood Scout is the benchmark, it's the trigger, but
16 then if that's over 18, I've seen a number of applications
17 where the applicant would provide the actual police beat
18 data, and again, it kind of goes to what is actually
19 happening to the extent that Neighborhood Scout is
20 outdated, whatever.

21 And there have been plenty of situations where
22 that police beat data comes back at a threshold below 18,
23 and so in those situations, because that mitigation is
24 considered sufficient, those eligibility issues do not come
25 before the Board, but because actual police beat data

1 yields a threshold that's below 18, staff is comfortable
2 with the mitigation provided and the application moves
3 forward.

4 In instances where the 18 is triggered and then
5 you provide the police beat data and that's still over
6 18 -- in this case it's 30 -- then it requires
7 consideration before the Board.

8 MS. FARIAS: Mr. Chairman.

9 MR. VASQUEZ: Ms. Farias, if we can let Mr.
10 Batch continue.

11 MR. BATCH: I'll be brief. So I don't know; it
12 kind of seems -- I understand the fact with this crime data
13 with the violent crime rate, I don't think anybody would be
14 necessarily comfortable being in that position, but if what
15 we're seeing -- does staff agree that up until the pandemic
16 started occurring there was a downward trend in violence
17 within --

18 MR. CROWDER: This first quarter of 2022.
19 because the beat data we're getting it constantly on the
20 project, so for the first quarter of 2022 we're looking at
21 an annual rate of 26, so that would be a substantial drop
22 from the, I think, 35 that was 2021, so we're already
23 starting to see the trending heading in the right
24 direction.

25 As people have highlighted here, there's a lot

1 of development going on in the area, it has a very large
2 focus by the Houston Police Department and the local
3 community for crime, so I think we're on that right
4 direction.

5 In addition, I had a project in Florida that was
6 a really tough site, really bad crime, and the security
7 systems that you can put on the projects don't only protect
8 the site but they also protect the neighborhood around,
9 because the cameras aren't just looking in, they look out,
10 and those can be direct-connected to the police department.

11 And on that project specifically we actually had
12 crime diminish so much in the neighborhood that the police
13 department was very grateful for all the camera systems we
14 put in, because they could solve crime by connecting to our
15 system. So that's something that we intend to do here at
16 this project as well so that we can be a resource to HPD.

17 MR. BATCH: And I think my sympathy is in the
18 fact that, you know, if we're seeing a decrease in crime
19 and if the goal is to improve the lives of the people that
20 are living within this community, then you know, I can't
21 see why we wouldn't want to be supportive of something that
22 would increase police presence in the area, increase
23 accountability amongst the residents to protect their
24 community.

25 I mean, in a lot of these communities the big

1 issue with crime rates is that, you know, nobody wants to
2 talk about the crime taking place and they don't want to
3 communicate with the police and they don't want to share
4 this information.

5 And so if there is something in place, if
6 there's something that I think can serve as kind of a
7 carrot, if you will, I think that that is a good thing.
8 You know, I certainly agree that the crime is a big
9 problem, not just for the residents but also for the people
10 that are going to be building this development, but I
11 personally hope that we would consider or at least continue
12 to talk about supporting this or not supporting it.

13 MR. THOMAS: Mr. Chairman, just to echo what my
14 fellow colleague on the Board is saying, I mean, my concern
15 would be if we don't support something like this and they
16 are trending and making an effort and doing the things,
17 what is the consequence of not supporting it for the people
18 in this community?

19 I'm familiar with the community, I grew up in
20 Houston, know of it, and to me it seems like this is
21 exactly the type of situation the Board and the State would
22 want to support because the consequence of not supporting
23 it could be much more dire than taking a chance here and
24 giving them a chance to continue the trend line that you
25 want them to hopefully achieve.

1 And I would urge Ms. Fontenot here, you know, if
2 there's a way to incorporate within the development an
3 effort to do a neighborhood watch or property watch and
4 have physical security resources as well in addition to
5 those cameras that would be internal and external, I think
6 that certainly helps.

7 And having worked with HPD before when I had the
8 privilege of working at City Council in Houston, and so
9 I've said that that certainly helps with the community
10 policing effort and getting community buy-in and property
11 buy-in in those situations.

12 And the redevelopment is definitely going on in
13 that area, so I mean, to me I think the challenging charge
14 for us as a Board and an agency is to take risks and get
15 behind efforts like this where they're asking for help and
16 a helping hand to get them to the right trend line and
17 benchmarks that we're supposed to do.

18 MR. VASQUEZ: Ms. Farias.

19 MS. FARIAS: I want to get back to reality. The
20 governing statutes are very clear: safe, decent and
21 affordable housing, safety, safe.

22 Now, I'm not speaking because I read a book or a
23 chapter or went to live someplace that I could write the
24 book; I grew up in the housing projects because of poverty.
25 It happens to people and so be it, get over it. My mom

1 made \$20 a week being a maid, and for us, Crystal City
2 Public Housing was a refuge, so there. There are a lot of
3 us that were there, and we turned out to be okay.

4 But when I was growing up, safety was good and I
5 left Crystal City and I told myself: I am never coming
6 back to this little town. I became a lawyer, went and
7 worked for presidents and cabinet secretaries, and then one
8 day when I'm talking to my mom, she starts crying.

9 And I'm like the women in my household do not
10 cry. I'm like what's going on, que pasa? She said, Mija,
11 the crime rate, the thugs have just taken over. 1992, this
12 was the beginning of truck trade at the Mexican-American
13 border. That's where it all started, 1992.

14 So I went, took my mom, I said, Okay, now I can
15 move you to San Antonio. It's big, you can go to the
16 doctors there. I showed her around, and she starts crying
17 again. And I'm like two cries in less than one week,
18 what's going on? And I will never, never forget, defining
19 moments for my mom and myself that taught me never say
20 never, never. My mom, she said, Mija, why do I have to
21 move? I am not the criminal.

22 So I went back home and ran the housing
23 authority, and I didn't just run it, I was the first or
24 second executive director in the country that lived in the
25 housing projects. I don't get up there and talk -- with

1 all due respect, talk about developing and talk about how
2 wonderful it's going to be. At the end of the day I still
3 had to go back to the housing projects. And when the crime
4 was rampant and something was wrong, they would call me or
5 they would come knocking at the door: Mija, Mija, help us.

6 What the law enforcement told me, don't ever
7 expect them to be witnesses. They're scared to death
8 because there's a price to be paid when you want to be
9 living in safe, decent, and affordable housing.

10 One of the biggest things that they will do to
11 the elderly and even to moms, single moms -- they always
12 picked on the single moms that they knew that they had
13 jobs, not the ones that were home all the time -- they go
14 and cut the telephone lines and the cable, and for the
15 elderly that's their oxygen, that's their life.

16 And in my 25 years in the federal government,
17 where we read thousands of proposals -- and no insult to
18 you, so don't take it personally -- when proposals are
19 written they promise you the stars and the moon, and the
20 question is after all these decades of public housing, why
21 do we still have the same problems?

22 All the things that you are proposing, I read
23 them, I read them three times. I go, Wow, that sounds
24 good, all the city councilmen approve it, they're going to
25 do this, they're going to do that, they're going to do

1 this. Why hasn't any of it been done before?

2 And yes, I know we want to help, of course, and
3 my question to you -- because I want to go on the record,
4 this is just my second meeting, so hopefully I'm going to
5 be here a long time, so just get used to it.

6 My question to you is if this gets approved and
7 the aggravated robbery and aggravated assaults continue to
8 go up, do we go back to you? So therefore, who do the
9 tenants, the poor tenants -- and I came from there -- where
10 do they go to for help if things don't work?

11 So I know -- you weren't here at the last
12 meeting sir -- for us, for this Board, these kind of
13 issues, these kind of amendments and proposals that we have
14 to vote on, these are the hardest ones to vote on because
15 it's 50-50, but the buck stops with us, and that's why
16 let's not lose sight of the governing statute: safe,
17 decent and affordable.

18 And I think it's a sad commentary if you're
19 coming to us to tell us we're going to make this rehab the
20 first safe rehab. Public housing has been around since the
21 late 1940s, so where was the interest in the past? That's
22 reality.

23 MR. VASQUEZ: Thank you for your comments, Ms.
24 Farias.

25 I guess Mr. Marchant.

1 MR. MARCHANT: I don't have a comment; it's a
2 question.

3 Are the units currently under a federal program?

4 MS. MORALES: Of the 330, all but 44 are
5 restricted. So the King's Row property is under a HAP
6 contract at the federal level with a restriction, and then
7 layered upon that is a tax credit LURA that we placed on
8 the property in 2002 when it was rehabbed.

9 MR. MARCHANT: Okay. So how much longer are
10 they under the current restrictions?

11 MS. MORALES: Under the current restriction for
12 King's Row, speaking only for the tax credit LURA that we
13 put on that property in 2002, it will remain affordable
14 until 2059.

15 MR. MARCHANT: 2059.

16 MS. MORALES: Correct.

17 MR. WILKINSON: Apparently we had a crazy long
18 LURA on that.

19 MR. MARCHANT: So it's currently it's under --
20 affordable housing is under this incentivized funding
21 currently, and yet it's been described as just not safe.
22 Correct?

23 MS. MORALES: Correct.

24 MR. MARCHANT: Okay. And I completely concur
25 with if it makes it safer, this is better. How long will

1 these units be locked into a scheme -- I mean --

2 MS. MORALES: Thirty years.

3 MR. MARCHANT: Thirty years from now.

4 MS. MORALES: Correct.

5 MR. MARCHANT: So 52, so will the 59 go away?

6 MS. MORALES: No.

7 MR. MARCHANT: Okay. So if it doesn't work,
8 these units, can they be torn down at some point and
9 redeveloped?

10 MS. MORALES: Yes. However, given the HAP
11 contract being on the property -- so the HAP contracts are
12 generally renewed for a 20-year term -- it would be up to
13 HUD if they wanted to place or move that.

14 MR. MARCHANT: Yeah, the real question. And I
15 very sincerely would like to vote for it for all of the
16 improvement reasons. Does it make the committee -- does it
17 set a precedent in the committee that if we approve
18 something that's at 30 and it exceeds it by 18, and a later
19 project comes in and they're having the same situation and
20 we still would have to vote on that one? Does it set a
21 precedent that we voted to do this one?

22 MR. WILKINSON: Beau has a short speech about
23 precedents.

24 (General laughter.)

25 MR. MARCHANT: Not president, precedent.

1 MR. ECCLES: Understood. Unlike court cases,
2 the actions of this Board do not lay the ground for like
3 stare decisis, they can't be cited. Years hence, though,
4 many will try to. But the issue is more consistency of
5 application. The Board will certainly want to be
6 consistent with its decisions, given the same statutory or
7 rules basis; however, it is not legally constrained by any
8 particular court-like concept of precedent.

9 MR. MARCHANT: And it doesn't send a signal to
10 staff that we are somewhat lenient on this issue and that
11 maybe we should start bringing more of these issues.
12 Because I like the policy that we have, frankly.

13 MR. ECCLES: I think it's also pretty safe to
14 say that everything this Board does sends a signal to staff
15 and to the community at large.

16 MR. MARCHANT: Thank you very much.

17 MR. BURKLEY: (Speaking from audience.)

18 MR. VASQUEZ: Actually, I don't think you need
19 to.

20 I'd like to try to get us to come to a
21 conclusion on this. A signal point of data or a change in
22 data does not a trend make, and I do not believe that the
23 trend of the violent crime or just crime rate is materially
24 moving in the right direction.

25 However, with that said, I'm the only resident

1 here of Harris County, and I will note that this just
2 illustrates so greatly why every one of you and everyone
3 you know should be just screaming at the current criminal
4 judiciary in Harris County who are letting out, releasing
5 convicted folks and people who are charged with violent
6 crimes and turning them around and letting them back out on
7 the street. That's what's a big chunk of what's
8 contributing to the crime in your area not appearing to get
9 better.

10 So I encourage you go back and tell the judges
11 to stop. I agree the HPD and Sheriff's Office and
12 constables and the DA are all trying to enforce the laws,
13 but it does them no good when it's just a revolving door
14 and people are in in the morning and out in the afternoon.

15 I encourage you all to follow up with that in addition to
16 all the projects you're doing.

17 When we talk about a precedent, if this was a
18 brand new development proposed, I would vote no.

19 MR. BATCH: Mr. Chairman, I would as well.

20 MR. VASQUEZ: But since this is already there
21 and we have people willing to put more money in, the city
22 is putting more money in, I don't see why we can't make the
23 exception without it being a full precedent.

24 But given all the other factors and all the
25 other investment and attention going in with the city and

1 the housing department and focusing on this Complete
2 Communities and such, I see no problem in this particular
3 case under these particular circumstances in us waiving the
4 crime rate issue that the staff did correctly and
5 legitimately deny based on it's way over 18 and it's been
6 way over 18 per 1,000.

7 MR. BATCH: Sorry. I'd like to make one general
8 comment.

9 MR. VASQUEZ: Let's make one more comment, and
10 then I sense a consensus. Mr. Batch.

11 MR. BATCH: Well, for the record I just want to
12 again echo what you just said. If this were a new project
13 and this wasn't something where we're taking people who are
14 already living in this area and trying to improve their
15 lives, I would not support it because I think the safety is
16 a big factor.

17 But if we're talking about safety and improving
18 the lives of the people that are already in this condition,
19 you know, I don't know why that would be something we
20 should not support.

21 So with that, Mr. Chairman --

22 MR. VASQUEZ: Would you care to make a motion?

23 MR. BATCH: -- I would like to make a motion. I
24 would like to move -- let me see here -- regarding the site
25 for the 4 percent Housing Tax Credit application number

1 22445, Sunset Gardens, I'd move that the Board support --

2 MR. VASQUEZ: Find the site eligible.

3 MR. BATCH: -- find the site eligible for the
4 reasons that I think the Board has expressed.

5 MR. THOMAS: Mr. Chairman, I wholeheartedly
6 second that motion.

7 MR. VASQUEZ: Motion made by Mr. Batch and
8 seconded by Mr. Thomas. Does Mr. Eccles approve of the
9 form of the motion?

10 MR. ECCLES: That is a for sure.

11 MR. VASQUEZ: It's wholeheartedly supported by
12 our counsel, so all those in favor of finding this site
13 eligible say aye.

14 (Ayes: Board Members Batch, Marchant, Thomas,
15 and Vasquez.)

16 MR. VASQUEZ: Any opposed?

17 MS. FARIAS: Opposed.

18 MR. VASQUEZ: Note for the record Ms. Farias
19 voted opposed. The motion carries with one nay vote.

20 So thank you all.

21 Okay. I know people are hungry, but we're going
22 to forge ahead on this last section, item 7 of the agenda,
23 and Cody we all know is very brief and concise, so we're
24 going to plow ahead through this.

25 Moving on to item 7(a), Presentation,

1 discussion, and possible action regarding a waiver of 10
2 TAC Section 13.2(14) and awards from the Multifamily Direct
3 Loan 2021 NOFA.

4 Mr. Campbell.

5 MR. CAMPBELL: Thank you, Mr. Vasquez.

6 My notes start with good morning, but that's no
7 longer applicable, so good afternoon. My name is Cody
8 Campbell. I am the director of Multifamily Programs for
9 the Department.

10 This item concerns two recommended awards for
11 developments here in Austin. The first of these is
12 application number 21513 Balcones Terrace. Now, this is a
13 pretty large award from the National Housing Trust Fund.
14 The applicant has requested \$6 million for the adaptive
15 reuse of two buildings in north Austin which previously
16 functioned as a hotel.

17 The application proposes the creation of 123
18 efficiency units serving a supportive housing population,
19 and includes a number of set-asides resulting from the
20 various funding sources for the development.

21 These set-asides are outlined on page 2 of the
22 Board item and include -- and some of these sound
23 repetitive but there are subtle nuances between them --
24 preferences for those meeting HUD's definition of
25 chronically homeless, those experiencing homelessness,

1 veteran households experiencing homelessness, those
2 transitioning out of or who are at risk of homelessness, as
3 well as persons with physical, intellectual or
4 developmental disabilities, youth aging out of foster care,
5 persons transitioning out of institutionalized care, and/or
6 persons with special housing needs. In other words, this
7 development is really going to reach a lot of people who
8 generally have a lot of trouble securing housing.

9 Of the 123 units, 113 will be restricted at the
10 30 percent income limit by the Department's Housing Trust
11 Fund award. The remaining 10 units will be restricted at
12 the 50 percent income limit by other funding sources,
13 including three HOME match units.

14 The site will include robust tenant services,
15 including a secure single point of entry, tenant laundry,
16 food pantry, exercise room, community kitchen, TV room, and
17 a secure landscaped courtyard. Offices will also be
18 provided onsite for property management and supportive
19 services.

20 The \$6 million Housing Trust Fund loan will be
21 in first lien position with a 30-year term at zero percent
22 interest. The loan will be structured as deferred
23 forgivable. Other funding sources for the project include
24 a sizable loan from the City of Austin for about \$15.5
25 million, and a sponsor loan of just over \$2 million. The

1 affordability period for this project will be 30 years.

2 Approval of this award necessitates a waiver of
3 10 TAC 13.2(14) of the MFDL rule, and MFDL stands for
4 Multifamily Direct Loan. That's our money that we loan to
5 Multifamily Direct Loan developments rather than providing
6 as grants or equity investments into the development.

7 So for most affordable housing programs,
8 including the Housing Trust Fund and project-based
9 vouchers, owners are required to calculate what's called a
10 utility allowance. Utility allowance is an estimate of a
11 tenant's monthly utility obligations, which then must be
12 accounted for when calculating the tenant's rent.

13 So for example, if the utility allowance
14 calculation determines that estimated monthly utility bills
15 for a one-bedroom unit at a development -- and this isn't
16 specific to this development; this is just an example --
17 but if the estimated utility bills are \$100 a month and the
18 rent limit is \$1,000 a month for that unit, then the owner
19 would only be able to charge \$900 for that unit.

20 Utility allowances generally must be updated
21 once per year, and different programs require different
22 methodologies for calculating utility allowance, and some
23 of these methodologies are, unfortunately, incompatible
24 with one another.

25 This project is proposed to be all bills paid,

1 meaning that tenants are not responsible for paying their
2 utilities. At the time of the last rulemaking process for
3 the MFDL rule, guidance from HUD indicated that NHTF and
4 project-based vouchers were incompatible due to separate
5 irreconcilable utility allowance requirements.

6 HUD has recently provided guidance that this
7 conflict does not exist for all-bills-paid developments,
8 which allows the applicant to layer these two funding
9 sources in units.

10 The current definition of qualifying unit in the
11 MFDL rule prohibits this layering and will be revised to
12 reflect the updated guidance from HUD the next time it goes
13 through the rulemaking process. In the meantime, the
14 definition prohibiting this layering is still on the books
15 and must be waived in order for this application to move
16 forward.

17 The second recommendation in this item concerns
18 application 21514 Parker Apartments. This development was
19 awarded 9 percent Housing Tax Credits in July of 2021. You
20 may remember this is one of the forward commitments that
21 was made during the last tax credit cycle.

22 Since this time, the development has experienced
23 sharp construction increases with a total development cost
24 having increased just over \$8 million. To help cover this
25 gap, the Department is recommending an award of National

1 Housing Trust Fund in the amount of \$2,025,974.

2 This gap is additionally offset by other funding
3 sources, namely an increase to the deferred developer fee,
4 a \$750,000 from Federal Home Loan Bank, and the developer
5 is also pinging up quite a bit of money. They have
6 increased their sponsor loan to the project by \$4.4
7 million.

8 Parker proposes the new construction of 135
9 units that will serve a general population in Austin, with
10 income levels ranging from 30 percent to 60 percent of the
11 area median income. As a result of the NHTF award, 10 of
12 the units will be restricted at the 30 percent income level
13 for that program.

14 The NHTF loan will be in second position,
15 structured as soft repayable with a 40-year term. The
16 affordability period will also be 40 years, so we're
17 getting four decades of affordability out of this award.

18 Staff recommends approval of the previous
19 mentioned waiver and both awards on this item, and I'm
20 happy to take any questions that you have.

21 MR. VASQUEZ: Okay. So really to summarize, our
22 current rules lag behind the new guidance from HUD that
23 allows this to happen. Our rules as written haven't been
24 updated in the cycle to reflect that.

25 MR. CAMPBELL: That is exactly correct, yes,

1 sir.

2 MR. VASQUEZ: So odds are likely that we will
3 amend our rules to match, just like we do in everything
4 else, and this would go forward.

5 MR. CAMPBELL: Yes, sir.

6 MR. VASQUEZ: Do any Board members have
7 questions on this item?

8 (No response.)

9 MR. VASQUEZ: The staff's recommendation is to
10 accept the waiver of the rule at this point.

11 MR. CAMPBELL: The waiver, yes, sir, and then
12 approve both of the awards. Yes, sir.

13 MR. VASQUEZ: Are you speaking against this or
14 for this?

15 MR. FISHER: (Speaking from audience.) It's
16 another component of the matter.

17 MR. VASQUEZ: Okay. So you would like to chime
18 in on the matter?

19 MR. FISHER: Two minutes tops.

20 MR. VASQUEZ: Okay. So Mr. Marchant --

21 MR. MARCHANT: Move.

22 MR. BATCH: Second.

23 MR. VASQUEZ: -- moves to hear comment, Mr.
24 Batch seconds it. All those in favor aye.

25 (A chorus of ayes.)

1 MR. VASQUEZ: Any opposed?

2 (No response.)

3 MR. VASQUEZ: I might be opposed, but I'll let
4 you go. Please sign in.

5 MR. FISHER: Bill Fisher, Sonoma Housing.

6 Multifamily Direct Loans have quite a bit of
7 lead time, they require engineering feasibility studies and
8 a great deal of other investment by the applicants. I
9 believe a component of this matter is to close the
10 applications for HOME funds tomorrow.

11 So I work with several nonprofits that have been
12 working on applications, I know there's some indication in
13 the Board book that we may or may not be oversubscribed,
14 these would be CHDO HOME applications. So if that's a
15 component of this item, all I'm asking is that the Board
16 move the deadline date for the application cutoff from the
17 13th to the end of the month and we don't reprogram funds,
18 which I think is also a component of this item, unless I
19 read it incorrectly.

20 MR. CAMPBELL: I believe that's the next item.

21 MR. FISHER: Okay.

22 MR. VASQUEZ: Okay. We'll entertain a motion on
23 item 7(a) of the agenda.

24 MR. BATCH: Mr. Chairman, I move that the Board
25 approve the 2021 Multifamily Direct Loan NOFA applications

1 for application number 21513 Balcones Terrace, and
2 application 21514 Parker Apartments, subject to the
3 conditions, limitations, and providing the limited waiver,
4 all as expressed in the Board action request on this item.

5 MR. VASQUEZ: Thank you.

6 Motion made by Mr. Batch. Is there a second?

7 MS. FARIAS: Second.

8 MR. VASQUEZ: Seconded by Ms. Farias. All those
9 in favor say aye.

10 (A chorus of ayes.)

11 MR. VASQUEZ: Any opposed?

12 (No response.)

13 MR. VASQUEZ: Hearing none, motion carries.

14 And let's be sure to sync up the rules with HUD,
15 of course.

16 MR. CAMPBELL: Certainly.

17 MR. VASQUEZ: Item 7(b), Presentation,
18 discussion, and possible action on permitting the executive
19 director to make necessary amendments to the 2022-1
20 Multifamily Direct Loan notice of funding availability.

21 Mr. Campbell.

22 MR. CAMPBELL: Great. Thank you.

23 This item requests that the executive director,
24 Bobby, be given certain permissions with regards to the
25 2022 MFDL notice of funding availability to help staff

1 effectively and efficiently administer the HOME and Housing
2 Trust Fund programs.

3 The Department began accepting applications
4 under the current NOFA on February 7 of 2022. Due to the
5 increased need for funding resulting from rising costs in
6 the industry, the number of applications submitted has
7 increased substantially from previous years, and as a
8 result, all available set-asides in the NOFA are currently
9 significantly oversubscribed.

10 I believe in total we have received 42
11 applications thus far, and to give you an idea, the NOFA
12 initially made available about \$41 million and the current
13 log reflects about \$100 million in requests.

14 This item requests a few permissions with
15 regards to administering this NOFA. First, staff requests
16 that the executive director have the authority to suspend
17 the acceptance of new applications under the NOFA and then
18 to begin the acceptance of new applications as additional
19 funding becomes available.

20 Staff recognizes that there are likely
21 additional applicants wishing to apply under this NOFA;
22 however, it is in the best interest of sensible
23 administration to not assign those applications an
24 acceptance date until additional funding becomes available.

25 As we are all aware, construction prices are

1 extremely volatile right now, and an application accepted
2 today could be totally outdated if and when sufficient
3 funding becomes available to necessitate its review.

4 Staff is also requesting that the executive
5 director be given flexibility when programming additional
6 funding that becomes available. The Department anticipates
7 a large award of National Housing Trust Fund coming our way
8 in the coming months and would like to be able to program
9 the non-administrative funds from that award into the NOFA
10 as soon as possible when that happens.

11 The funds will first be required to go through a
12 regional allocation period of 30 days, after which staff
13 requests the ability to program those funds into the set-
14 asides in a manner that is most responsive to the needs of
15 the applicant pool at that time, which may include
16 programming National Housing Trust Fund into the COVID
17 impact set-aside.

18 Lastly, staff is requesting that the director be
19 permitted to add unprogrammed 2021 or prior year MFDL funds
20 into the NOFA. So for example, if a current 2021 NOFA
21 application were no longer to be able to move forward,
22 approval of this item would allow those funds to be
23 programmed directly into the current NOFA.

24 If this item is approved, staff anticipates
25 suspending the acceptance of new applications as soon as

1 tomorrow at 5:00 p.m. The Department's MFDL programs are
2 bigger and in more demand than ever before.

3 Just a couple of years ago, I believe, we were
4 doing five, maybe ten deals a year, and depending on how
5 much money we get, we might actually be able to fund all 42
6 of these -- not a promise, nothing is final till it's
7 final, but it has grown exorbitantly in the last couple of
8 years.

9 And so approving this item will allow staff to
10 more nimbly administer those funds and to respond more
11 quickly to the needs of the applicant pool.

12 Staff recommends approval of this item.

13 MR. VASQUEZ: Do any Board members have
14 questions on this?

15 MS. FARIAS: No. I'm ready to make a motion.

16 MR. VASQUEZ: Just to clarify, will this allow
17 the executive director to increase loans that were
18 approved, approval amounts on loans?

19 MR. CAMPBELL: No, sir, it does not. So the
20 maximum request amount of the NOFA would not be changed,
21 and there is no request for approval to change that amount
22 in this item.

23 MR. VASQUEZ: So it would just allow us to
24 re-utilize the fund.

25 MR. CAMPBELL: Correct. It would give us

1 flexibility in moving this money around. Yes, sir.

2 MR. VASQUEZ: All right. Ms. Farias, would you
3 care to make a motion?

4 MS. FARIAS: Yes. I move the Board grant the
5 executive director the identified additional authority and
6 flexibility to efficiently administer the 2022-1 MFDL NOFA,
7 all as outlined in the Board action request on this item.

8 MR. VASQUEZ: Great. Thank you.

9 Motion made by Ms. Farias. Is there a second?

10 MR. BATCH: Second.

11 MR. VASQUEZ: Seconded by Mr. Batch.

12 Your comment already applies, right?

13 Okay. All those in favor say aye.

14 (A chorus of ayes.)

15 MR. VASQUEZ: Any opposed?

16 (No response.)

17 MR. VASQUEZ: Hearing none, motion carries.

18 Moving on to item 7(c) and possibly 7(d),
19 depending on 7(c), Presentation, discussion, and possible
20 action on timely appealed termination of Housing Tax Credit
21 application number 22062, Country Villa, under the
22 Department's Multifamily Program rules.

23 MR. CAMPBELL: Thank you.

24 This item concerns an appeal related to the
25 termination of application 22062, Country Villa in Freer.

1 This application is competing in the USDA set-aside of the
2 2022 9 percent competitive tax credit round and proposes
3 the acquisition and rehabilitation of 32 units. The
4 application was timely filed.

5 On April 11, staff sent the applicant a notice
6 of administrative deficiency. Administrative deficiencies
7 are information requested by Department staff required to
8 explain or clarify inconsistencies to provide non-material
9 missing information, or to assist staff in evaluating the
10 application.

11 The administrative deficiency sent out for this
12 application included 39 separate items which required a
13 response including: the development owner's certificate
14 was omitted from the application; the incorrect survey for
15 the development site was submitted with the application;
16 inconsistencies were identified throughout the application
17 regarding the number of units receiving rental assistance,
18 various exhibits and supporting documents identified the
19 number of units receiving rental assistance as 11, 15, 17
20 and then 115; required documentation concerning the
21 existing USDA loan and the sponsor characteristics were not
22 submitted; points were claimed regarding the opportunity
23 index and underserved area provisions of the Qualified
24 Allocation Plan for which the site does not appear to be
25 eligible; along with 34 other items requiring

1 clarification.

2 Now, applicants are not automatically
3 disqualified for containing administrative deficiencies,
4 and I would say that they're actually a pretty common part
5 of the application review.

6 These applications are very complex, so having a
7 few points of clarification that are necessary is certainly
8 not an uncommon thing. However, applications which contain
9 material deficiencies are not eligible for consideration.

10 A material deficiency is any deficiency which
11 exceeds the scope of an administrative deficiency. The QAP
12 also includes the important caveat that it is possible that
13 multiple deficiencies that could individually be
14 characterized as administrative deficiencies when taken as
15 a whole would create a need for substantial re-review of
16 the application and, as such, would be characterized as a
17 material deficiency.

18 The 39 deficiencies issued for this application
19 would require that staff re-review information related to
20 the application's finances, threshold, eligibility and
21 scoring matters.

22 As a result of the QAP's substantial re-review
23 criteria for a material deficiency, staff determined that
24 the application is not eligible for consideration and
25 issued a termination letter to the applicant on April 22.

1 The applicant appealed on April 28, requesting that the
2 application be given the opportunity to continue competing
3 in the round. This appeal was denied by the executive
4 director and is now being presented to the Board for
5 consideration.

6 If the Board denies this appeal and upholds the
7 termination, then the application will no longer be
8 competing in the 9 percent round; if the Board grants the
9 appeal, then the application will continue to compete.
10 Staff recommends that the Board deny the appeal.

11 And just as a final note, as Mr. Vasquez alluded
12 to just a few minutes ago, the next item on the agenda also
13 concerns this application. If the Board upholds this
14 termination, then the next item will not be necessary for
15 presentation.

16 I'm happy to answer any questions that you have.

17 MR. VASQUEZ: I'm just curious. Did the
18 applicant make a statement that, oh, we accidentally sent
19 in our first draft?

20 MR. CAMPBELL: They did respond to the
21 deficiency notice. There was a timing issue with their
22 response which the next item concerns. Most of the
23 response that they provided to us in their appeal suggested
24 or was in response to the potential scoring loss that we're
25 going to be discussing next. In terms of the number of

1 deficiencies in the application, there wasn't really a
2 great response to that.

3 MR. VASQUEZ: I don't see anyone that came up to
4 the front two rows. Are there members --

5 SPEAKER FROM AUDIENCE: We're here on the next
6 one, on (e).

7 MR. VASQUEZ: But you don't wish to make
8 comments on (e) or (d)? Okay, all right.

9 So do any other Board members have questions on
10 this deficient application?

11 (No response.)

12 MS. FARIAS: I'm ready to make a motion.

13 MR. VASQUEZ: I will entertain a motion on item
14 7(c) with the staff's recommendation to terminate this
15 based on material deficiencies.

16 MS. FARIAS: I move the Board deny the appeal of
17 County Villa, application number 22062, for the reasons
18 described in the Board action request on this item.

19 MR. MARCHANT: Second.

20 MR. VASQUEZ: Motion made by Ms. Farias. I
21 think I heard a second by Mr. Marchant. All those in favor
22 say aye.

23 (A chorus of ayes.)

24 MR. VASQUEZ: Any opposed?

25 (No response.)

1 MR. VASQUEZ: Hearing none, motion carries;
2 therefore, 7(d) is a moot point and we don't have to
3 discuss it.

4 MR. ECCLES: Precisely, 7(d) is moot.

5 MR. VASQUEZ: Okay. So we will now move on to
6 7(e), Presentation, discussion, and possible action on
7 timely appeal of termination of Multifamily Direct Loan
8 application 22500, Freedom's Path at Waco, under the
9 Department's Multifamily rules.

10 MR. CAMPBELL: Thank you.

11 As Mr. Vasquez just said, this item concerns a
12 timely filed appeal of the termination of MFDL application
13 22500, Freedom's Path at Waco.

14 Freedom's Path is a 2021 9 percent tax credit
15 award which proposes the adaptive reuse of 34 units in
16 Waco. The applicant applied for \$1.2 million in additional
17 MFDL funding on February 7 of this year to help fill the
18 gap caused by construction cost increases which have been
19 incurred since the original award.

20 The application proposes the layering of
21 historic tax credits with the Department's MFDL funds.
22 This financing combination is explicitly prohibited by 10
23 TAC 13.3(d)(2)(A) -- and I'm sorry for all the citations in
24 this sentence -- but that particular portion of the rule
25 states that direct loans may not be used for adaptive reuse

1 developments subject to the requirements of 36 CFR 67
2 implementing Section 47 of the Internal Revenue Code.
3 These citations directly relate to historic tax credits.

4 This rule is in place because the complex
5 requirements of historic tax credits are not easily
6 compatible with the very strict timing deadlines of MFDL
7 funds.

8 Some of you may recall an item being presented
9 earlier this year concerning which windows should be
10 allowed to be installed in an adaptive reuse development in
11 Amarillo. That deal had a similar funding combination, and
12 those are the kinds of issues that the Department has
13 experienced in the past when these funding sources are
14 combined.

15 Because the Department must always be mindful of
16 our deadlines related to committing and expending MFDL
17 funds, applications which could present significant timing
18 issues do present some level of risk. That being said, the
19 rule in question prohibiting the combination of these funds
20 is a state rules and is not a federal requirement.

21 Because the application is ineligible for
22 consideration under the rules and did not include a waiver
23 request or otherwise address how it can meet requirements,
24 a termination notice was issued on April 22. The applicant
25 appealed, which was subsequently denied by the executive

1 director and is therefore being presented to the Board for
2 consideration.

3 If the Board denies the appeal, then the
4 application will be terminated; if the Board grants the
5 appeal and reinstates the application, then staff
6 anticipates that a waiver request of the rule in question
7 will be presented at the June meeting. Because this waiver
8 will affect threshold criteria for our MFDL funds, then an
9 amendment to the Department's one-year action plan with HUD
10 will be necessary.

11 In accordance with the MFDL rule, if a waiver is
12 necessary and is approved by the Board, then the
13 application acceptance date for an MFDL application will
14 then be the date that the Department completes the
15 amendment process for the one-year action plan.

16 Because this particular caveat of the rule is
17 part of the Department's HUD-approved methods of
18 distribution for these funds, there really isn't much
19 available flexibility regarding the requirement of the new
20 application acceptance date.

21 As discussed earlier, the Department anticipates
22 suspending the NOFA for new application acceptance dates
23 shortly, which would present an issue for this application
24 if it is able to move forward.

25 Now, sometimes you just have to say the quiet

1 part out loud and lay it out on the table.

2 MR. VASQUEZ: Please do.

3 MR. CAMPBELL: Sure. So how we got here today
4 is a very straightforward administrative process. We
5 received an application that does not comport with the
6 rules. There was no waiver request provided, there was no
7 explanation of how the application could be made to comport
8 with the rules, and therefore, the termination of the
9 application and the denial of the appeal is pretty
10 straightforward by-the-book stuff.

11 That being said, staff is aware that this is
12 probably not the most compelling termination that has ever
13 been presented to the Board for consideration before, and
14 so as a suggestion, if the applicant does end up moving
15 forward and requests a waiver at the June meeting, then
16 what staff can do is present a NOFA amendment for approval
17 at the same meeting, which would allow this application to
18 be accepted upon approval of the waiver and completion of
19 the one-year action plan amendment even if the NOFA is
20 otherwise suspended. This would allow the application to
21 proceed without being delayed by the suspension.

22 So strictly on the basis of the rules, staff
23 does recommend that the Board deny the appeal; however, we
24 are prepared to look for solutions if the application is
25 reinstated, and I am happy to answer any questions that you

1 have.

2 MR. VASQUEZ: On the one-year plan that we would
3 have to amend, would that impact any of our other processes
4 or applications unrelated to this project?

5 MR. CAMPBELL: No, sir. In fact, I believe this
6 is the only application that we have that is in this
7 particular situation, so amending that portion of the
8 action plan would not present an issue.

9 MR. VASQUEZ: Okay. So it doesn't stop any
10 other clocks or delay us in other ways.

11 MR. CAMPBELL: Correct. The timing of the
12 amendment could present issues. Sometimes HUD is just
13 Johnny-on-the-spot with getting them back to us, and
14 sometimes they do take a little bit of time.

15 We would not be able to move forward with the
16 application until HUD approved the amendment to the one-
17 year action plan, but we are certainly prepared to submit
18 that amendment if the Board directs us to do so.

19 MR. VASQUEZ: And if HUD responds slowly, what
20 does that do with other timelines and dates and such?

21 MR. CAMPBELL: HUD has been responding
22 uncharacteristically quickly recently. The last one-year
23 action plan submission that we submitted to them was
24 approved, I believe, within two days, so staff is
25 optimistic.

1 MR. VASQUEZ: And they could still not approve
2 the amendment.

3 MR. CAMPBELL: They could. Again, this is a
4 state rule, so I'm not sure what their basis for not
5 approving the amendment would be. Staff does not have any
6 great concerns about being able to get the one-year action
7 plan amendment through.

8 MR. WILKINSON: Worst case scenario, this
9 \$1.2 million would be hung up until we got HUD's approval.

10 MR. CAMPBELL: That is correct.

11 MR. VASQUEZ: Anyone have any question on this?

12 MR. MARCHANT: The quickest way to help these
13 folks is to deny this?

14 MR. VASQUEZ: No. Well, the recommendation by
15 staff is to terminate the application.

16 MR. CAMPBELL: Right. So the quickest way to
17 help these folks is to disagree with staff's recommendation
18 and --

19 MR. MARCHANT: To grant?

20 MR. CAMPBELL: -- and to grant the appeal.
21 That is correct, yes, sir.

22 MR. MARCHANT: I'm ready to make that motion.

23 MR. VASQUEZ: Counsel, if we were to grant this
24 appeal based on the solution that was presented by Mr.
25 Campbell, would that cause us any other unintended

1 consequences?

2 MR. ECCLES: Well, the granting of the appeal
3 doesn't really have a basis. The application violates this
4 rule, and our federal compliance counsel has raised a
5 finger, and I believe would also like to chime in on this
6 matter, with the Chair's indulgence.

7 MR. VASQUEZ: Please.

8 MS. SYLVESTER: So another option would be to
9 deny the appeal but reopen the agenda item for the
10 amendment, because the amendment was properly posted and we
11 were going to be talking about things in the amendment, and
12 direct staff to amend the NOFA to allow a subset,
13 qualifying project like this.

14 However, that still does not give them an
15 application acceptance date, and I want to be really clear
16 about that because right now we are oversubscribed in the
17 COVID set-aside. And so let's say, you know, we did that
18 NOFA amendment, we posted it. We have to give people a
19 reasonable time who would be in a similarly situated
20 position, and we can't actually do that until we get the
21 approval from HUD.

22 They're still going to receive an application
23 acceptance date of, let's say, best case scenario, end of
24 June, and so likely we would not be able to process the
25 application until we get the new monies from HUD. So I

1 just wanted to kind of put that out there.

2 The other path is the waiver path, which means
3 they have to come back in June and then we still have to do
4 the substantial amendment -- I'm sorry; it's not a
5 substantial amendment -- an amendment to the action plan.

6 So either way it's not that they're getting an
7 application acceptance date. So when you said, oh, we're
8 just going to hold up that \$1.2 million, we're not actually
9 holding up the \$1.2 million because of their application
10 acceptance date, so the review in which they will be
11 recommended for an award is going to go to the next person
12 that's eligible on the list.

13 And there's a good way to do that because of how
14 we put in our application to HUD what is an eligible
15 project and what is not an eligible project. You have to
16 identify threshold items, and this is specifically
17 identified as an ineligible applicant.

18 And we have done projects like this before, but
19 the application acceptance date in those prior projects, it
20 wasn't really a relevant factor because we were in a non-
21 competitive environment. So it didn't matter if the
22 application acceptance date got moved back, from a
23 practical standpoint; we were undersubscribed in that
24 particular set-aside or that particular fund so it didn't
25 matter.

1 It does matter in this case, so I wanted to just
2 more fully explain the Byzantine world of how HUD and the
3 Texas Administrative Code sort of interact in this area.
4 Thank you.

5 MR. VASQUEZ: Could someone clarify for the
6 Board that the way the structures of this financing are
7 done -- or the reason why we're specifically not allowed
8 under the current rules? Because it's very difficult to
9 layer these on and match up the requirements? Could
10 someone explain? So even if we said okay, the
11 implementation of this, how does that work?

12 MR. CAMPBELL: Sure. So it's not impossible to
13 make it work. The review process for the historic tax
14 credits can draw on, I think is a fair way to say it.
15 Sometimes you have to, you know, get a public board
16 together and discuss window standards just to move the
17 project along an inch when it's got that funding stack.

18 So it's not impossible to make happen. We've
19 done it, I believe, three times in the past. We have had
20 difficulties with all three of those applications related
21 to this combination of the funding. However, if the Board
22 directs staff to, we will figure it out; we always do.

23 MR. ECCLES: I think if it was to form Member
24 Marchant's question to just say granting the appeal doesn't
25 really fix these problems that Megan laid out, most

1 specifically because the plan that's submitted the HUD,
2 kind of the rules of the board game, include this type of
3 project with this funding stack being excluded, so we have
4 to change the rules of the game.

5 So granting or denying the appeal doesn't really
6 change the fact that we have to get the plan amendment and
7 then get a waiver of that rule, but if we reopened -- I
8 think if we could get kind of the middle ground for
9 reopening, that would at least shorten it a little bit.

10 MS. SYLVESTER: There's two ways to do this.
11 Right? So they can have an individual waiver for their
12 project, or we can amend the NOFA, and before we do that,
13 we take the plan amendment to HUD.

14 So for example, the COVID set-aside has many
15 waivers that are published in the NOFA of our regular
16 rules, and we said these are the rules for this particular
17 set-aside, and we are waiving certain provisions of these
18 rules for the COVID set-aside, and we published those
19 waivers in our action plan with HUD.

20 So that is a path you could do. You could say,
21 for example, the applications that apply in the COVID
22 set-aside that have received a Step 2 review from the
23 National Park Service are eligible under this NOFA, under
24 the set-aside, or that have submitted the application.

25 In answer to -- I'm not sure who asked the

1 question, so typically we have the expectation from a
2 committing-our-funding perspective that within a year of
3 the Board awards you're going to be able to sign a contract
4 with us, and none of the historic rehab deals has directed
5 us to do have ever met that deadline.

6 We have one right now where we had an almost
7 two-year time frame between the time of award, and we're
8 still not to the point where we can sign a contract because
9 of the extensive negotiations that goes on with the
10 National Park Service and historic rehab standards.

11 So that's why the rule is what it is; it just
12 doesn't play well with our commitment deadline. Having
13 said that, I think I gave you the actions which we do.

14 Beau, do you have another?

15 MR. ECCLES: Well, I was just going to -- from a
16 practical standpoint, I think that the question for the
17 Legal Division was if it still begins with denying the
18 appeal, the second part of a motion that could be made that
19 would give the shortest option for having this matter still
20 be considered despite the fact that there is this
21 application acceptance issue that is going to linger,
22 regardless of what happens.

23 MS. SYLVESTER: Correct.

24 MR. ECCLES: What would you suggest?

25 MS. SYLVESTER: To direct staff to have a NOFA

1 amendment that applicants are eligible in the COVID
2 set-aside that have submitted their Step 2 to HUD.

3 Now, we can't effectuate that until we get the
4 approval from HUD, but we could -- that's probably the
5 quickest path, though it's still not going to result in a
6 review of this application tomorrow.

7 MR. MARCHANT: Chairman, if they'd write that
8 up, I'd be willing to do it.

9 (General laughter.)

10 MR. VASQUEZ: So can Beau state a motion to that
11 effect that Mr. Marchant will --

12 MR. ECCLES: Well, Megan, why don't you come
13 back up to the dais, and we'll do this like an annoying
14 two-person message on your home answering machine.

15 So I'll start --

16 MS. SYLVESTER: Okay. Hold on just a second. I
17 think we need to hear from the applicant have they
18 submitted their Step 2. That's the key part.

19 MR. ECCLES: Okay.

20 MR. VASQUEZ: So Mr. Marchant makes a motion.

21 MR. MARCHANT: To accept public comment.

22 MR. VASQUEZ: Mr. Batch seconds. All those in
23 favor?

24 (A chorus of ayes.)

25 MS. MEYER: They've not only submitted it, but

1 they were approved this morning.

2 MR. VASQUEZ: Can you identify yourself?

3 MS. MEYER: Robbye Meyer. Thank you for
4 allowing us to speak.

5 They've not only submitted it, but it was
6 approved this morning, so it's done. They're ready,
7 they've got final approval for both their federal and state
8 credits.

9 MS. SYLVESTER: Is it the SHPO or is it the
10 National Park Service approval?

11 MS. MEYER: They've got the Part 2.

12 MS. SYLVESTER: Okay. But there's a Part 2
13 approval by the SHPO, and then it goes to the national.

14 MS. MEYER: They've got their final approval, so
15 that's all I can tell you.

16 THE REPORTER: I can't hear anybody.

17 MS. SYLVESTER: I'm sorry. The question is
18 here, the reason partly why this process takes so long is
19 there's a state process; it's called the State Historic --
20 I forgotten the acronym -- State Historic Preservation
21 Office, and the applications go to them for a
22 recommendation, and then the SHPO sends the information to
23 the National Park Service and they do their own review, and
24 that process is the process that takes really a long time.

25 The state office, in our experience, is pretty

1 responsive; it's when it gets sent to the National Park
2 Service that it used to take six months and now we have
3 some projects taking two years.

4 MR. TAYLOR: May I speak, Mr. Chairman?

5 MR. VASQUEZ: Please come up, identify yourself,
6 sign in, and all that.

7 MR. TAYLOR: Craig Taylor, executive director of
8 Solutions for Veterans, which is the managing general
9 partner and developer of this project. I was showing the
10 counsel the email I got today.

11 So just a little bit of background. When you do
12 a historic tax credit project, you first of all have to be
13 designated as an eligible project, which is called Part 1,
14 and she's right, that goes to the state and then it goes to
15 the federal government, so we received our Part 1
16 certification some months ago.

17 Once that's done, then the application process
18 opens up to submit the Part 2, and what the Part 2
19 represents is what you plan to do when you renovate these
20 historic structures in order for the structure to comply
21 with the historic preservation rules.

22 And so our architects worked on that, and we
23 submitted our Part 2 certification to the Texas State
24 Historic Preservation Office. They reviewed it, a very
25 iterative process between our historic consultants, us as

1 the developer and the SHPO, and we finally got to a place
2 where we felt like we had an approvable project.

3 That project was then submitted to the National
4 Park Service for their approval, and this what I was
5 showing is the email from David Trayte, who is Technical
6 Preservation Services, National Park Service, Washington,
7 D.C., and it is a signed -- you won't be able to see it,
8 but it's the signed Part 2 approval of the project, which
9 means that our plans have been approved.

10 There are conditions, and we'll have to comply
11 with those conditions, but our plans have been approved,
12 and we can now move forward with the development of the
13 project.

14 Our issues has been, just like everybody else on
15 the planet, from when we submitted our application to now,
16 we've got a cost increase, and so we asked the agency how
17 should we address this, because we're a '21 project and
18 there wasn't an opening at the time for a supplemental
19 credit request which was only 2019 and 2020.

20 The suggestion was that we would put in a 2021
21 application, and then we got caught up -- our fault, not
22 reading the rule as closely as we should.

23 And let me just say, we've got 10 of these
24 projects around the country, we're a small volunteer-run
25 nonprofit corporation. We've got 10 of these around the

1 country for homeless veterans, four of which, previous to
2 this, have been done with a blending of HOME dollars and
3 historic credits.

4 The most recent one, a 28-unit development in
5 Hines, Illinois at the Hines VA Hospital, using IHDA,
6 Illinois Housing Development Authority, \$3.5 million HOME
7 funds and Illinois state and federal historic credits,
8 which is very similar to Texas's program, and they've all
9 been very successful and they've all been timely done.

10 But our problem on this project is a cost
11 problem and your \$1.2 million would go almost all the way
12 in solving our problem.

13 So thank you for your consideration. I
14 appreciate the opportunity to speak with you.

15 MR. VASQUEZ: Great. Thank you, Mr. Taylor.

16 MS. SYLVESTER: So one of the options, Beau,
17 would be for the NOFA to be amended -- the second part of a
18 motion for the NOFA to be amended to allow -- subsequent to
19 approval from HUD, to allow the adaptive reuse development
20 subject to the requirements of 36 CFR 67, implementing
21 Section 47 of the Internal Revenue Code that apply in the
22 COVID set-aside and at the time of the application
23 acceptance date have completed the Part 2 review process.

24 MR. LYTTLE: Mr. Chairman, I can't tweet that.

25 (General laughter.)

1 MR. ECCLES: Okay. We're still going to do this
2 as the annoying two person.

3 MR. VASQUEZ: Could we simply make a motion --
4 form the motion to approve the appeal and direct the staff
5 to take whatever actions necessary to proceed?

6 MS. SYLVESTER: Well, I would say that the
7 motion is to deny the appeal, because if you approve the
8 appeal, then they have to go the waiver route, which is
9 going to take longer.

10 MR. VASQUEZ: Deny the appeal and to direct
11 staff to take whatever actions necessary to allow a
12 continuation of the --

13 MS. SYLVESTER: Allow projects in the COVID set-
14 aside that at the time of the application acceptance date
15 have completed the Part 2 review process.

16 MR. ECCLES: That's the one. Who would like to
17 make that motion?

18 MR. MARCHANT: I'd read that motion if it was
19 written down.

20 MR. VASQUEZ: I think it's simple to say I move
21 that motion as stated.

22 MR. MARCHANT: I would like to make that motion
23 as previously stated, to deny this and --

24 MR. VASQUEZ: You've got to turn on your mic
25 again.

1 MR. MARCHANT: I'd like to make a motion that we
2 deny 7(e) that we direct staff to make appropriate
3 documentation so that the applicant can conform to whatever
4 staff needs to get the deal done.

5 MR. ECCLES: As indicated by staff counsel Megan
6 Sylvester.

7 MR. MARCHANT: I love that language. I would
8 like for that language to be recorded as part of my motion.

9 MR. VASQUEZ: Motion made by Mr. Marchant.

10 MS. FARIAS: Second.

11 MR. VASQUEZ: Seconded by Ms. Farias.

12 One more comment by Ms. Meyer.

13 MS. MEYER: Robbye Meyer.

14 I mean, the application is terminated, so how do
15 you continue with the application if you've terminated it?

16 So before you vote on that and say no, you can't move
17 forward, I mean, if you go and deny our appeal, the
18 application is terminated and how do you get around that?

19 MR. MARCHANT: The intent of my motion is to --

20 MR. VASQUEZ: Let's let staff clarify that.

21 MR. CAMPBELL: So in that situation, the
22 applicant would be required to resubmit the application
23 just as soon as it become an application that comports with
24 the rules, and they would get a new application acceptance
25 date at that time.

1 MR. MARCHANT: Yeah. I understand the answer.
2 Do you understand the answer?

3 MR. VASQUEZ: Robbye, are you okay with that?

4 MS. MEYER: Not really, because we would lose
5 our place in line.

6 MR. ECCLES: I believe you're going to lose your
7 position anyway because you submitted an application that
8 was plainly in violation of the rule.

9 MS. MEYER: Well, okay. So could I make my
10 remarks then, if we're going to go down this path, before
11 you vote?

12 MR. VASQUEZ: Please. Go ahead, please, if you
13 have a better solution.

14 MS. MEYER: My name is Robbye Meyer. Thank you,
15 Chairman, for letting me speak.

16 My client contacted the Department in January
17 because he has a 2021 development, and he inquired about
18 the possibility of having supplemental credits. At that
19 time he was told there wasn't a consideration, and he
20 talked to Mr. Campbell.

21 Mr. Campbell encouraged him to apply for Direct
22 Loan funds. That's exactly what he did. And now he's been
23 terminated for doing exactly what he was advised to do.

24 Last year the rule was changed in 2022 to make
25 this historic credit developments ineligible activity, and

1 the presentation to the Board was said that these
2 developments would be ineligible going forward, but they
3 would be considered on a case-by-case basis either through
4 a NOFA or by waiver. However, staff did not explain to the
5 Board that that waiver was going to take an act of Congress
6 in order to do it.

7 In the executive director's response to our
8 appeal, he explains that it's going to take change of the
9 one-year action plan and approval by HUD, that we would
10 lose our place in line, and all of this in accordance with
11 10 TAC 13.1(c)(2).

12 That rule siting applies to non-layered
13 developments. If you're going to treat this as a non-
14 layered development, then a termination is invalid and this
15 waiver is not needed.

16 On a previous agenda item on this agenda item
17 today, staff recommended to you a waiver that they
18 recognized in another application. I don't understand why
19 this application did not get that same consideration before
20 it was terminated.

21 Now we're sitting here under a termination and
22 getting kicked out of line having to wait for a waiver
23 approval because you have to change the one-year action
24 plan and get HUD approval and such.

25 I just want the same consideration that other

1 applicants have received. They've got their final
2 approvals for their historic credits, they're ready to move
3 forward, they're not going to clog up the pipeline, and
4 they'll probably be ahead of most 2021 deals.

5 So that's my comments. I hope you will
6 reconsider that decision and allow this development to move
7 forward without losing their place in line.

8 MR. VASQUEZ: We haven't voted on anything yet.
9 Cody, Beau, who's got the response or
10 explanation?

11 MR. CAMPBELL: So if I may address the comments
12 about the applicability of the waiver section that was just
13 mentioned -- I don't have the exact citation right in front
14 of me.

15 Ms. Meyer is correct, that section does apply to
16 non-layered developments. What the NOFA says, however, is
17 that for applications in the COVID impact set-aside, those
18 will be treated in accordance with that provision of the
19 rule. It's very clearly stated in the NOFA -- I don't have
20 it right here in front of me, but I've read it 15 times
21 preparing for this Board item -- it's very clear in there.

22 Regarding the other application that received a
23 staff-initiated waiver earlier today, from memory, those
24 project-based vouchers were awarded to the project after
25 the application was already in TDHCA's ecosphere.

1 So that was not an application that was
2 submitted that didn't comport; it was an application that
3 was submitted and throughout the process additional
4 information became available and additional funding sources
5 entered the project that then necessitated a waiver. Not
6 quite the same as an application being presented that from
7 the get-go flatly does not comport with the rules.

8 MR. ECCLES: And do we have a waiver request? I
9 mean, it's not on this agenda.

10 MR. CAMPBELL: There is no waiver request for
11 this on the agenda.

12 MS. MEYER: It was in the presentation in the
13 appeal.

14 MS. SYLVESTER: Megan Sylvester, federal
15 compliance counsel.

16 So there are certain things in our rules that
17 are threshold items, and there are certain things in our
18 rules that speak to how we calculate subsidy, and you also
19 have to sort of consider that in the past sometimes when
20 we've done waivers this application acceptance date doesn't
21 come into play, and it does come into play here.

22 The waiver that staff initiated earlier today is
23 not a threshold item for HUD's action plan; it is not a
24 description of an eligible applicant. So ineligible
25 applicants are specifically described in Chapter 13.3, and

1 that's why this one needs an amendment, whereas the other
2 one does not.

3 MR. VASQUEZ: Does getting at the end of the
4 line under this scenario that we were about to put forth,
5 does that mean the applicant will be waiting for additional
6 funds?

7 MR. CAMPBELL: Most likely, yes. As I said
8 earlier, we do anticipate receiving quite a bit more
9 funding in the coming months. It's not something that we
10 can guarantee right now, but yes, they will lose their
11 current place in line and get a new application acceptance
12 date.

13 MR. VASQUEZ: So we're expecting funding,
14 additional funding in the coming months.

15 MR. CAMPBELL: Yes, sir.

16 MR. VASQUEZ: And won't it take some months for
17 this process to get approved by HUD?

18 MR. CAMPBELL: Potentially, yes, sir. On the
19 staff level we knock out the draft amendment and get it to
20 HUD pretty quickly. At that point it is kind of in HUD's
21 court. Like I said, they responded to the last one in two
22 days; maybe that will happen again.

23 MR. VASQUEZ: Although then we still have to
24 wait for additional funding at that point.

25 MR. CAMPBELL: Correct.

1 MR. VASQUEZ: So the option to the applicant is
2 either that we deny the appeal, as originally presented in
3 the Board action request and it's done, it's over -- I
4 guess it could be reapplied at some point but it's over --
5 or we can deny the appeal and instruct staff to do what we
6 said to get it reprocessed and get the NOFA amended, and
7 then there's still life in the application.

8 MR. CAMPBELL: Sure. Or you could grant the
9 appeal and we could go with the waiver route, and the
10 waiver route, I would assume, would come to June.

11 MR. MARCHANT: Mr. Chairman, let me withdraw my
12 amendment so we clear the decks. Are we discussing the
13 motion?

14 MR. VASQUEZ: Yes. We're discussing the motion.

15 MR. MARCHANT: Okay. Then I do not withdraw if
16 we are discussing the motion.

17 MR. VASQUEZ: We need direction from staff on
18 which is the most viable way.

19 MR. WILKINSON: Of the two options, the motion
20 on the table is the faster one, according to counsel.

21 MR. VASQUEZ: Ms. Sylvester on that too. Megan.

22 MS. SYLVESTER: I believe it will be faster with
23 the motion on the table.

24 MR. VASQUEZ: Do we have one more applicant
25 representative?

1 MR. PARKER: Thank you for your time. My name
2 is Stan Parker.

3 City of Waco wants this, everybody from the
4 Neighborhood Watch to the Capitol over here signed off in
5 favor of it. Time will kill us. We don't need to spend a
6 lot of time getting the rest of our money.

7 The VA needs it. These buildings were built in
8 '36 and haven't been used since the '70s. This will
9 provide maintenance on them and bring them back to viable
10 use and, more importantly, the veterans' need, because we
11 need a safety net for our vets.

12 Thank you.

13 MR. VASQUEZ: Okay, great. Thank you, Stan.

14 Again, I think it's the consensus of the Board
15 that we're trying to make this work.

16 MR. TAYLOR: Can I make one more comment?

17 MR. VASQUEZ: Actually, unless it's an actual
18 solution that you're proposing to this. We agree we want
19 to do the project, but at this point we need to come up
20 with a solution.

21 MR. TAYLOR: (Speaking from audience.) I need
22 an implication of what you're talking about.

23 MR. VASQUEZ: Please, Mr. Taylor, come up.

24 MR. TAYLOR: Thank you very much.

25 We do have a 9 percent allocation, and I do have

1 a signed carryover. I have to do a 10 percent test and I
2 have to, in accordance with the carryover, place this
3 project in service by December 31, 2023, and so much more
4 delays in an allocation of the funding will have a
5 significant deleterious effect on my ability to perfect the
6 9 percent tax credits that were already awarded to the
7 project.

8 MR. WILKINSON: Sir, I think you'll notice if
9 you look down the agenda you'll see many force majeure
10 requests pushing people to 2024, and if the Board is
11 willing to move mountains and change federal plans to help
12 you out now, I imagine they would grant a force majeure
13 request.

14 MR. TAYLOR: That's my other concern apart from
15 just the immediacy of needing to house veterans as quickly
16 as possible, and we'll fairly ready to go, but y'all get
17 that, I understand. I appreciate all the help. I just
18 wanted to make sure that we weren't shooting ourselves in
19 the head over losing our 9 percent credits. Thank you very
20 much.

21 MR. VASQUEZ: With that, we have a motion that's
22 been made by Mr. Marchant, seconded by Ms. Farias, I
23 believe, if I recall.

24 MS. FARIAS: Right.

25 MR. VASQUEZ: I usually get it, writing it down.

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I understand there's concerns and more hoops to jump through, but this was against our rules as we had put it out there when it was submitted.

So I'll call for a vote on the motion that we've detailed that I'm sure is in the record here. So we all understand? All those in favor of Mr. Marchant's motion, as augmented by Ms. Sylvester, say aye.

(A chorus of ayes.)

MR. VASQUEZ: Any opposed?

(No response.)

MR. VASQUEZ: None. Y'all are still alive; it's still going forward.

And again, obviously staff understands we're going to do everything we can to help move this along.

MR. CAMPBELL: Certainly.

MR. VASQUEZ: Thank you.

When going over the agenda with Mr. Wilkinson, I thought we'd be done much earlier than this, so thank y'all for your indulgence that you're still here.

We are getting closer to the end with item 7(f) on the agenda. Am I correct, we're on (f), yes? Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC Section 11.65 related to credit returns resulting from

1 force majeure events for Boulevard 61, project 21131.

2 MR. CAMPBELL: Yes, sir. It's time for our
3 monthly discussion about force majeure. I believe we've
4 got four of them on the agenda today.

5 As a brief refresher, Internal Revenue Code
6 Section 42 establishes that tax credit developments must be
7 placed in service no later than the end of the second
8 calendar year following the year of the award.

9 Placing in service means that the building is
10 ready for its intended use and it's generally evidenced by
11 a certificate of occupancy. So for example, developments
12 awarded funding this year in July of 2022 will have until
13 the end of 2024 to complete construction and receive their
14 certificates of occupancy.

15 Because this is a federal requirement, the
16 Department has no authority to waive or extend this
17 deadline. The IRS does occasionally allow for states to
18 extend the deadline in response to specific situations;
19 however, no such relief is currently available for any of
20 the developments on the agenda today.

21 As a means of providing relief when necessary,
22 the Department's QAP includes a force majeure or unforeseen
23 circumstances provision. This section of the rule allows
24 for developments to return their previously awarded credits
25 and be allocated them in the current year which effectively

1 resets the clock for their deadline to place in service.

2 Treatment under this provision of the rule
3 requires Board approval. This isn't something that we can
4 approve at the staff level, and the Board may impose a
5 shorter deadline to place in service if it so chooses.

6 The QAP has a kind of lengthy definition of
7 force majeure events, but it includes events such as acts
8 of God, fire, tornado, flooding, significant and unusual
9 rainfall or subfreezing temperatures, loss of access to
10 necessary water, utilities as a direct result of
11 significant weather events, explosion, vandalism, orders or
12 acts of military authority, unrelated party litigation,
13 changes in law, rules or regulations, national emergency or
14 insurrection, riot, acts of terrorism, supplier failures or
15 materials and labor shortages, which seems to be the one
16 that most of our requests have fallen back on here
17 recently.

18 MR. VASQUEZ: In the future you can just tell us
19 the one that applies to this.

20 MR. CAMPBELL: Certainly. Will do.

21 Boulevard 61 is a 2021 tax credit award which
22 initially had a placed-in-service deadline of December 31,
23 2023. On April 18 the Department received a request from
24 the applicant to extend the placed-in-service deadline
25 under the force majeure rule. The request cites conditions

1 typical of those seen in recent requests: rising
2 construction costs, labor shortages, and supply chain
3 issues. The request also cites substantial funding issues
4 related to a canceled City of Houston NOFA, as well as the
5 time required to apply for National Housing Trust Funds
6 under the Department's 2022 NOFA as causes for delay.

7 With an estimated 18-month construction
8 schedule, the applicant anticipates placing in service
9 sometime in 2024, which is after their current 2023
10 deadline.

11 If the Board approves this request, staff will
12 execute a 2022 carryover allocation, which will set a
13 placed-in-service deadline of the end of 2024, unless a
14 shorter deadline is imposed by the Board.

15 If the Board denies this request, then the
16 deadline will remain 2023, and because the development
17 owner does not anticipate meeting this deadline, the
18 credits are expected to be returned.

19 If the development owner returns the credits,
20 they would first be made available in the subregion from
21 which they were originally awarded pursuant to 10 TAC 11.62
22 related to returned credits. If there are pending
23 applications on the applicable waiting list from the
24 relevant subregion, the next application would be awarded,
25 assuming that there are enough credits to make the award.

1 If there are not enough credits in the subregion to make an
2 award, then the credits would go to the statewide collapse
3 and contribute to the next award.

4 Staff has reviewed this request and believes
5 that it does meet the requirements of the force majeure
6 rule and therefore recommends approval. I'm happy to
7 answer any questions that you have.

8 MR. VASQUEZ: So 18-month construction period,
9 when does that start?

10 MR. CAMPBELL: I believe that they are needing
11 to close on all of their other funding sources. Like I
12 said, they have a 2022 NHTF application in right now that's
13 currently under review by the Department. It's hard to
14 give a firm date.

15 MR. VASQUEZ: So 18 months would be early 2024,
16 we're not expecting it's going to truly wait a whole other
17 year.

18 MR. CAMPBELL: That is my understanding, having
19 read the request. Yes, sir.

20 MR. VASQUEZ: Do any Board members have
21 questions on this item?

22 (No response.)

23 MR. VASQUEZ: Hearing none, I would entertain a
24 motion on item 7(f) of the agenda.

25 MR. THOMAS: Mr. Chairman, I move the Board

1 approve the request for treatment of Boulevard 61 under the
2 force majeure rule, including the return and reissuance of
3 tax credits, subject to the conditions expressed in the
4 Board action request and proposed resolution on this item.

5 MR. VASQUEZ: Thank you.

6 Motion made by Mr. Thomas. Is there a second?

7 MS. FARIAS: Second.

8 MR. VASQUEZ: Seconded by Ms. Farias. All those
9 in favor say aye.

10 (A chorus of ayes.)

11 MR. VASQUEZ: Any opposed?

12 (No response.)

13 MR. VASQUEZ: Hearing none, motion carries.

14 7(g) Presentation, discussion, and possible
15 action on a request for return and reallocation of tax
16 credits under 10 TAC Section 11.65 related to the credit
17 returns resulting from force majeure events for Longview
18 Square, project number 21220.

19 MR. CAMPBELL: Thank you. I believe these last
20 three should be pretty quick.

21 This is for Longview Square, which is a 2021 9
22 percent award located in Longview. The request cites
23 material and labor shortages as well as global geopolitical
24 events as causes for construction delays and financing
25 shortfalls. The request cites a 29.55 percent increase to

1 hard costs as well as rising interest rates and declining
2 equity rates as difficulties that the project is
3 experiencing.

4 This request and one immediately after differ in
5 one significant way from requests heard recently. The
6 request requires that developments must remain financially
7 feasible in order to be considered for force majeure
8 treatment.

9 While the applicant's request cites an
10 extraordinarily large financing gap, which is a direct
11 quote from the request, no explanation is provided as to
12 how the owner intends to fill this gap. Because of this,
13 staff recommends that the Board approve the request but
14 conditioned upon the applicant's demonstration of continued
15 financial feasibility.

16 If approved in this manner, then the owner will
17 be required to provide evidence that the financing gap can
18 be filled prior to staff issuing a new carryover with an
19 extended date to place in service.

20 If the Board denies this request, then staff
21 anticipates that the credits will be returned and the
22 normal processes relating to credit returns will be
23 followed.

24 I'm happy to answer any questions that you have.

25 MR. VASQUEZ: Doesn't it go without saying that

1 when we approve something like this it's subject to them
2 meeting the financing requirements?

3 MR. CAMPBELL: Sure, sure.

4 MR. VASQUEZ: Then we're just reiterating that
5 because we don't know how the answer is going to be.

6 MR. CAMPBELL: So most of the requests we've
7 seen recently, you know: We've applied for MFDL funds,
8 we're coming in for supplemental credits, we've applied for
9 CDBG DR funds. This request doesn't provide us any of that
10 information, and so without knowing where that money is
11 coming from, staff has less assurance that there's going to
12 be financial feasibility moving forward.

13 MR. VASQUEZ: Okay. But we're not going to
14 close or do any final issuance until we have that
15 information and you've analyzed it.

16 MR. CAMPBELL: Certainly.

17 MR. VASQUEZ: Okay.

18 MR. CAMPBELL: Right. And I think that the
19 development would not get built until they address this
20 issue. You know, they've got to get the money from
21 somewhere.

22 MR. BATCH: When you say geopolitical issues, is
23 there something specific there outside of -- what does that
24 mean exactly? Because that's a new term.

25 MR. CAMPBELL: It is a new one for me as well.

1 The request cites the war in Europe as being a reason.

2 MR. BATCH: But specifically -- I mean, the war
3 in Europe, that's even broad in and of itself, so what are
4 we talking about when we say geopolitical issues?

5 MR. CAMPBELL: So the request ties that to the
6 rising interest rates and decreasing equity rates that are
7 causing part of the shortfall.

8 MR. WILKINSON: I would add that some of the
9 force majeure requests, they list all the problems they're
10 dealing with and they don't necessarily narrow it to what's
11 actually covered by the rule, but just the supply
12 disruptions and labor cost increase due to COVID meet it by
13 itself, so then they add some other things.

14 MR. BATCH: I just wanted to make sure -- maybe
15 this is ridiculous; I just wanted to make sure that it
16 wasn't anything sanctions-wise that we're dealing with that
17 is thrown into this category of geopolitical issues.

18 MR. WILKINSON: I don't think so.

19 MR. CAMPBELL: There's nothing in the request to
20 that effect.

21 MR. VASQUEZ: That's just one statement amongst
22 a whole bunch of others that everyone else is citing.

23 MR. CAMPBELL: Sure.

24 MR. VASQUEZ: If that was the sole thing they
25 put in there, I'd question it too.

1 So are there any questions on this item? I
2 assume any potential speaker is in favor of the item.
3 Right? No one is here to speak against it?

4 Okay. I'll entertain a motion on item 7(g).
5 Don't be shy. Ms. Farias.

6 MS. FARIAS: I move the Board conditionally
7 approve the request for treatment of Longview Square under
8 the force majeure rule, including the return and reissuance
9 of tax credits, subject to the particular conditions as
10 expressed in the Board action request and proposed
11 resolution on this item.

12 MR. VASQUEZ: Thank you.

13 Motion made by Ms. Farias. Is there a second?

14 MR. THOMAS: Second, Mr. Chairman.

15 MR. VASQUEZ: Seconded by Mr. Thomas. All those
16 in favor say aye.

17 (A chorus of ayes.)

18 MR. VASQUEZ: Any opposed?

19 (No response.)

20 MR. VASQUEZ: Hearing none, motion carries.

21 7(h) of the agenda, Presentation, discussion,
22 and possible action on a request for return and
23 reallocation of tax credits under 10 TAC Section 11.65
24 related to the credit returns resulting from force majeure
25 for the Providence on the Park, project 21221.

1 MR. CAMPBELL: Thank you. So this item is
2 identical to the previous item. It's for a 2021 9 percent
3 award located in Lumberton, name is Providence on the Park.

4 The reasons cited in the request -- it actually came in on
5 the same letter, so the developer requested both of these
6 at the same time.

7 About the only difference between the two of
8 them is that rather than a 29.55 percent increase, for this
9 particular development they cite a 39.42 percent increase.

10 Staff's recommendation on this item is exactly
11 the same. We recommend that this be approved conditioned
12 upon demonstration of continued financial feasibility for
13 the development.

14 MR. VASQUEZ: Any Board members have questions
15 on this item?

16 (No response.)

17 MR. VASQUEZ: Hearing none, I'll entertain a
18 motion on item 7(h) of the agenda.

19 MR. BATCH: Mr. Chairman, I move that the Board
20 conditionally approve the request for treatment of
21 Providence on Park under the force majeure rule, including
22 the return and reissuance of tax credits, subject to the
23 particular conditions as expressed in the Board action
24 request and proposed resolution on this item.

25 MR. VASQUEZ: Thank you.

1 Motion made by Mr. Batch. Is there a second?

2 MR. MARCHANT: Second.

3 MR. VASQUEZ: Seconded by Mr. Marchant. All
4 those in favor say aye.

5 (A chorus of ayes.)

6 MR. VASQUEZ: Any opposed?

7 (No response.)

8 MR. VASQUEZ: Hearing none, motion carries.

9 We will be moving on to 7(i) of the agenda. Let
10 me introduce it and then I'll recognize you, Ms. Farias.

11 Presentation, discussion, and possible action on
12 the request for return and reallocation of tax credits
13 under 10 TAC Section 11.65 relating to the credit returns
14 resulting from force majeure events for 3300 Caroline
15 Street, project 20114.

16 And Ms. Farias would like to make a statement.

17 MS. FARIAS: I will be stepping out because I
18 must disclose that in my previous work as assistant
19 secretary of Fair Housing at Housing and Urban Development,
20 I had occasion to act on matters that wound up in events
21 such as the one before his Governing Board.

22 I do not have any pecuniary interest. I'm a
23 federal retiree. I've not been a consultant now, before or
24 later to either of these two parties. However, over an
25 abundance of caution I do not even want the appearance that

1 I lack impartiality.

2 MR. VASQUEZ: Does she have to physically leave?

3 MS. FARIAS: Doesn't matter.

4 MR. VASQUEZ: I'll recuse myself too.

5 MR. ECCLES: If there's coffee and a bathroom,
6 I'm not going to stop her

7 (General laughter.).

8 MR. VASQUEZ: Let the record reflect that Ms.
9 Farias has recused herself from this vote and has
10 physically left the room.

11 Mr. Campbell, please go ahead.

12 MR. CAMPBELL: Thank you.

13 This item concerns a request for treatment under
14 the force majeure rule for 3300 Caroline, which is a 2020 9
15 percent award in Houston. This is the second time that
16 force majeure treatment has been requested for this
17 development, the first of which was submitted to the
18 Department in April of 2021 and approved by the Board in
19 September of that year. You may recall that there were
20 several developments in a similar situation at the last
21 meeting that were requesting force majeure treatment for a
22 second time.

23 This request cites common reasons for delays
24 related to rising costs and supply chain issues and also
25 cites numerous delays related to the City of Houston,

1 specifically the city withholding CDBG DR funds as a result
2 of the General Land Office freezing those funds, as well as
3 the passage of a walkable streets ordinance, which required
4 site plan changes that were approved by the Board in
5 February of 2021.

6 Staff has determined that this situation does
7 meet the requirements of the force majeure rule. If
8 approved by the Board, staff will issue a new carryover
9 with a 2024 deadline to place in service. If the Board
10 denies the request, then staff anticipates that the credits
11 will be returned and we will follow the normal procedures
12 in that event.

13 Staff recommends approval of this request.

14 MR. MARCHANT: Mr. Chairman, I have a question.

15 MR. VASQUEZ: Please, Mr. Marchant, you have a
16 question.

17 MR. MARCHANT: Just on items of force majeure in
18 general, when we give this to, say, these four or five
19 projects and then we open another round next year for
20 shortfall additional funding, does that put them in that
21 round automatically, or have they already passed their
22 window for supplemental requests?

23 MR. CAMPBELL: So that depends on how the rule
24 ends up being written for next year. I think with internal
25 discussion among staff, if there do end up being

1 supplemental credits next year, we've identified perhaps
2 ways that the process could go a little bit smoother next
3 year and, from an administrative standpoint, be a little
4 bit easier on staff.

5 So until the rule is finalized for what 2023
6 supplemental credits might look like, it's impossible to
7 answer that question, but we are certainly open to the
8 input of the Board.

9 MR. MARCHANT: You understand what my concern
10 is?

11 MR. CAMPBELL: Yes, sir, that they could come
12 back in -- they get this force majeure and then they also
13 come back in.

14 MR. MARCHANT: Yeah.

15 MR. CAMPBELL: Yes, sir.

16 MR. MARCHANT: Thank you.

17 MR. VASQUEZ: Any other questions in this item?

18 (No response.)

19 MR. VASQUEZ: This reminds me that we're going
20 to need to appoint a Board member as chair of the Rules
21 Committee, and perhaps since Ms. Farias is out of the room,
22 we could do that. We'll put that aside until later.

23 (General laughter.)

24 MR. VASQUEZ: I would entertain a motion on item
25 7(i) on the agenda.

1 MR. THOMAS: Mr. Chairman, I move the Board
2 approve the request for treatment of 3300 Caroline Street
3 under the force majeure rule, including the return and
4 reissuance of tax credits, subject to the conditions as
5 expressed in the Board action request and proposed
6 resolution on this item.

7 MR. VASQUEZ: Motion made by Mr. Thomas. Is
8 there a second?

9 MR. BATCH: Second.

10 MR. VASQUEZ: Seconded by Mr. Batch. All those
11 in favor say aye.

12 (A chorus of ayes.)

13 MR. VASQUEZ: Any opposed?

14 (No response.)

15 MR. VASQUEZ: Hearing none, motion carries.

16 Thank you, Mr. Campbell.

17 So the Board has addressed the posted agenda
18 items. Now is the time of the meeting where members of the
19 public can raise issues with the Board on matters of
20 relevance to the Department's business or request that the
21 Board place specific items on future agendas for
22 consideration.

23 Is there anyone who would like to provide public
24 comment at this time?

25 (No response.)

1 MR. VASQUEZ: Thank you all. And thank you all
2 for bearing with us on a slightly extended meeting. We
3 will have our next scheduled meeting of the Board on
4 Thursday, June 16 at this same location at a time to be
5 announced, either 10:00 a.m. or possibly 9:00 a.m., but we
6 will get that posted.

7 So is there a motion to adjourn?

8 MS. FARIAS: I so move.

9 MR. BATCH: Second.

10 MR. VASQUEZ: Motion made by Ms. Farias,
11 seconded by Mr. Batch. All those in favor say aye.

12 (A chorus of ayes.)

13 MR. VASQUEZ: The meeting is adjourned. Thank
14 you. It is 2:03.

15 (Whereupon, at 2:03 p.m., the meeting was
16 adjourned.)

C E R T I F I C A T E

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MEETING OF: TDHCA Board
LOCATION: Austin, Texas
DATE: May 12, 2022

I do hereby certify that the foregoing pages,
numbers 1 through 163164, inclusive, are the true,
accurate, and complete transcript prepared from the verbal
recording made by electronic recording by Nancy H. King
before the Texas Department of Housing and Community
Affairs.

DATE: May 18, 2022

(Transcriber)

On the Record Reporting
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