

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

VIA TELEPHONE AND WEB LINK

July 22, 2021
9:04 a.m.

MEMBERS:

LEO VASQUEZ, III, Chair
BRANDON BATCH, Member
PAUL A. BRADEN, Member
KENNY MARCHANT, Member
AJAY THOMAS, Member
SHARON THOMASON, Member

BOBBY WILKINSON, Executive Director

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
CALL TO ORDER	8
ROLL CALL	
CERTIFICATION OF QUORUM	
CONSENT AGENDA	
ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:	9
EXECUTIVE	
a) Presentation, discussion, and possible action on Board meeting minutes summaries for June 17, 2021	
ASSET MANAGEMENT	
b) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement 01032 Cantibury Pointe Lubbock 03136 Tigoni Villas San Antonio 04154 Plainview Vistas Plainview	
c) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application 98112 Park Glen Apartments Midland 18087 Residences of Long Branch Rowlett 20042 The Commons at St. Anthony's Amarillo	
d) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning the resolution of a contract issue regarding Provision at West Bellfort (HTC #16258 / CMTS #5236)	
BOND FINANCE	
e) Presentation, discussion, and possible action On Inducement Resolution No. 21-035 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority	
CONSENT AGENDA REPORT ITEMS	9
ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:	
a) Media Analysis and Outreach Report (May 2021)	
b) Report on Activities Related to the Department's Response to COVID-19 Pandemic	
c) Report on the Department's 3rd Quarter Investment	

Report in accordance with the Public Funds Investment Act

- d) Report on the Department's 3rd Quarter Investment Report relating to funds held under Bond Trust Indentures

ACTION ITEMS

ITEM 3: EXECUTIVE

- a) Executive Director's Report 10
- b) Presentation, Discussion and Possible Approval of Direct Awards of Emergency Rental Assistance Funds to Select Recipients for Housing Stabilization Services 16

ITEM 4: SINGLE FAMILY & HOMELESS PROGRAMS

- a) Presentation, discussion, and possible action on State Fiscal Year 2021 Ending Homelessness Fund Awards 97
- b) Presentation, discussion, and possible action on State Fiscal years 2020 and 2021 Homeless Housing and Services Program Reallocations and Extension Requests 100
- c) Presentation, discussion, and possible action on State Fiscal Year 2022 Homeless Housing and Services Program Awards 104
- d) Presentation, discussion, and possible action on the 2022-2023 Texas Housing Trust Fund Biennial Plan 107

ITEM 5: ASSET MANAGEMENT 111

Presentation, discussion, and possible action regarding an increase to the Housing Tax Credit amount for Springs Apartments (HTC #18614)
(REMOVED FROM AGENDA)

ITEM 6: MULTIFAMILY FINANCE

- a) Presentation, discussion and possible action regarding eligibility under 10 TAC §11.101(b)(1)(C) related to Ineligibility of Developments within Certain School Attendance Zones for Villas at Shriner's Point (#21612) in San Angelo 111
- b) Presentation, discussion, and possible action on the Second Amendment to the 2021-1 Multifamily Direct Loan Notice of Funding 120

- c) Presentation, discussion, and possible action 124
 regarding awards of Direct Loan funds from the
 2021-1 Multifamily Direct Loan Notice of Funding
 Availability to 9% Housing Tax Credit Layered
 Applications
 21114 The Reserves at Holdsworth
 21131 Boulevard 61
- d) Presentation, discussion, and possible action
 regarding timely filed appeals
- 21039 Uvalde Villas 22
 21069 Dahlia Villas (appeal granted)
 21104 Heritage Heights at Abilene (appeal granted)
 21136 Oaklawn Place 42
 21185 Weslaco Village Apartments 71
 21206 Woodcrest (appeal withdrawn)
 21215 Torrington Silver Creek (appeal withdrawn)
 21235 Inn Town Lofts (appeal granted)
 21286 Blue Sky at Hawks Creek (appeal withdrawn)
 21290 Fish Pond at Alice (appeal granted)
- e) Presentation, discussion, and possible action 128
 confirming obligations for those properties
 recommended for an award of competitive low income
 housing tax credits that sought and were awarded
 one point for committing at least an additional
 2% of the total Units to Persons referred from
 the Continuum of Care or local homeless service
 providers to be made available for those experiencing
 homelessness under 10 TAC §11.9(c)(6) related to
 Residents with Special Housing Needs
- 21003 Tomball Senior Village Tomball
 21004 Skyline at Cedar Crest Dallas
 21006 Westheimer Garden Villas Houston
 21007 Retta Street Lofts Fort Worth
 21015 Embree Eastside Garland
 21020 Huntington at Bay Area Houston
 21024 Freedom's Path at Waco Waco
 21026 Vista at Park Place Houston
 21030 Abilene Pioneer Crossing Abilene
 21032 Royal Gardens Lufkin Lufkin
 21033 Beaumont Pioneer Crossing Beaumont
 21035 Manson Place Houston
 21048 Price Lofts Brownsville
 21051 Canyon Lofts Canyon
 21052 Del Rio Lofts Del Rio
 21053 Reserve at Shiloh Garland
 21054 Reserve at Palestine Palestine
 21061 Magnolia Lofts Fort Worth
 21063 Parker Apartments Austin

21064 Fiesta Trails San Antonio
 21070 Saison North Austin
 21075 June West Austin
 21081 Kiva East Dallas
 21087 The Versia Irving
 21092 Scenic Park Apartments Tyler
 21093 Parkside on Carrier Grand Prairie
 21100 Hawthorn Terrace Houston
 21101 Longview Crossing Longview
 21113 San Angelo Crossing San Angelo
 21114 The Reserves at Holdsworth Kerrville
 21121 Paige Estates Waco
 21130 Sun Pointe El Paso
 21131 Boulevard 61 Houston
 21132 OST Lofts Houston
 21139 Cypress Creek Apartment Homes at Forest Lane
 Dallas
 21145 Mariposa Apartment Homes at Communications
 Parkway Plano
 21158 Juniper Pointe Apartments Kaufman
 21177 Carver Ridge Apartments Hutto
 21186 Palms at Blucher Park Corpus Christi
 21187 Village at Perrin Beitel San Antonio
 21208 Parmore Jupiter Road Plano
 21245 The Rushmore Houston
 21261 The Ponderosa Alice
 21264 Acadia Terrace Houston
 21274 Avanti Legacy Violet Parc McAllen
 21276 Avanti Legacy Springfield Laredo
 21289 Snowden Apartments San Antonio
 21292 Campanile on Minimax Houston
 21305 Jackson Road Apartments McAllen
 21317 San Angelo Terrace San Angelo

- f) Presentation, discussion, and possible action 130
 regarding awards from the 2021 State Competitive
 Housing Credit Ceiling and approval of the
 waiting list for the 2021 Competitive Housing
 Tax Credit Application Round

21003 Tomball Senior Village Tomball
 21004 Skyline at Cedar Crest Dallas
 21006 Westheimer Garden Villas Houston
 21007 Retta Street Lofts Fort Worth
 21015 Embree Eastside Garland
 21017 Hughes House Fort Worth
 21020 Huntington at Bay Area Houston
 21024 Freedom's Path at Waco Waco
 21026 Vista at Park Place Houston
 21030 Abilene Pioneer Crossing Abilene
 21032 Royal Gardens Lufkin Lufkin
 21033 Beaumont Pioneer Crossing Beaumont

21035 Manson Place Houston
21038 Houston 150 Bayou Apartments Houston
21048 Price Lofts Brownsville
21051 Canyon Lofts Canyon
21052 Del Rio Lofts Del Rio
21053 Reserve at Shiloh Garland
21054 Reserve at Palestine Palestine
21061 Magnolia Lofts Fort Worth
21063 Parker Apartments Austin
21064 Fiesta Trails San Antonio
21070 Saison North Austin
21075 June West Austin
21081 Kiva East Dallas
21087 The Versia Irving
21092 Scenic Park Apartments Tyler
21093 Parkside on Carrier Grand Prairie
21100 Hawthorn Terrace Houston
21101 Longview Crossing Longview
21113 San Angelo Crossing San Angelo
21114 The Reserves at Holdsworth Kerrville
21116 Sweetwater Station Sweetwater
21117 Montrose Valley Apartments Belton
21118 Cherry Village Apartments Belton
21119 Cedar Grove Estates I and II
Buckholts; Rosebud
21121 Paige Estates Waco
21130 Sun Pointe El Paso
21131 Boulevard 61 Houston
21132 OST Lofts Houston
21139 Cypress Creek Apartment Homes at Forest Lane
Dallas
21145 Mariposa Apartment Homes at Communications
Parkway Plano
21148 William Booth Apartments Houston
21150 Big Lake Seniors Apartments Big Lake
21151 Colorado City Apartments Colorado City
21156 Bayshore Manor and Bay View Apartments Palacios
21157 Katy Manor Apartments Katy
21158 Juniper Pointe Apartments Kaufman
21164 Town Oaks Apartments Kenedy
21166 Mountain View Estates El Paso
21175 Wells Manor Wells
21176 Mill Run Elkhart
21177 Carver Ridge Apartments Hutto
21186 Palms at Blucher Park Corpus Christi
21187 Village at Perrin Beitel San Antonio
21189 Village at Boyer San Antonio
21208 Parmore Jupiter Road Plano
21220 Longview Square Longview
21228 El Jardin Brownsville
21245 The Rushmore Houston
21261 The Ponderosa Alice

21264 Acadia Terrace Houston
 21274 Avanti Legacy Violet Parc McAllen
 21276 Avanti Legacy Springfield Laredo
 21283 Hemley Palms Vinton
 21289 Snowden Apartments San Antonio
 21292 Campanile on Minimax Houston
 21305 Jackson Road Apartments McAllen
 21312 SavannahPark of Keene Keene
 21317 San Angelo Terrace San Angelo
 21318 Cypress Creek Temple Temple

PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS	145
EXECUTIVE SESSION	none
OPEN SESSION	--
ADJOURN	147

P R O C E E D I N G S

1
2 MR. VASQUEZ: Welcome, everyone, to our Board
3 meeting this morning.

4 It is 9:04 a.m., and I'm calling to order the
5 meeting of the Government Board of the Texas Department of
6 Housing and Community Affairs. Again, 9:04 a.m. on July
7 22, 2021.

8 We will start out with a roll call, even though
9 we can see everyone here, but there's formalities.

10 Mr. Batch?

11 MR. BATCH: Here.

12 MR. VASQUEZ: Mr. Braden?

13 MR. BRADEN: Here.

14 MR. VASQUEZ: Mr. Marchant?

15 MR. MARCHANT: Here.

16 MR. VASQUEZ: Mr. Thomas?

17 MR. THOMAS: Here.

18 MR. VASQUEZ: And Ms. Thomason?

19 MS. THOMASON: Here.

20 MR. VASQUEZ: And the Board chair is here, Bobby
21 is here. We have a quorum; this is great.

22 Moving right along, we will, as customary, ask
23 Bobby to lead us in the pledges.

24 (The Pledge of Allegiance and the Texas
25 Allegiance were recited.)

1 MR. VASQUEZ: Thank you, Bobby.

2 We are going to be moving around different parts
3 of the agenda today, so before I get started, I wanted to
4 let everyone know after the consent agenda and executive
5 director's report we're going to go straight to the
6 appeals, which are much more limited than what was posted.

7 There were several resolved, and I'll talk about
8 that again when we get to that point. So that way, once we
9 get the appeals done that gives staff time to finalize the
10 final list if there are any changes, and we can vote on
11 that at the end.

12 So with that being said, we will look at the
13 consent agenda. Does anyone have any items that someone
14 wants to move to action items? And if not, the chair would
15 entertain a motion relating to the adoption of the consent
16 agenda. I need a motion from a Board member.

17 MR. BRADEN: Mr. Chair, I'll move the Board
18 approve items 1 and 2, as described and presented in the
19 respective Board action requests under the consent agenda.

20 MR. VASQUEZ: Thank you.

21 Motion made by Mr. Braden. Is there a second?

22 MS. THOMASON: Second.

23 MR. THOMAS: Mr. Chairman, I second.

24 MR. VASQUEZ: I heard Ms. Thomason chime in
25 there first. Motion made and seconded. All those in favor

1 say aye.

2 (A chorus of ayes.)

3 MR. VASQUEZ: Any opposed?

4 (No response.)

5 MR. VASQUEZ: Hearing none, motion carries.

6 Moving right along to the executive director's
7 report. Mr. Wilkinson.

8 MR. WILKINSON: Thank you, Chairman. Good
9 morning, members.

10 First I'll dive into Texas Rent Relief. It's
11 still our big-ticket item. We've crossed \$620 million in
12 funds disbursed or approved, mostly disbursed and about 40
13 percent of that is approved and the check is not in the
14 mail yet. We're going to do another press release soon,
15 probably at \$750 million, and then do another one at a
16 billion.

17 With the CDC eviction moratorium expiring at the
18 end of this month, incoming media requests have increased.

19 This is like a nationally framed story. In Texas the CDC
20 moratorium really hasn't had teeth since March 31, when our
21 Texas Supreme Court order that helped enforce it expired.
22 It's been kind of a JP by JP court issue.

23 I was able to slip in an interview with *Time*
24 *Magazine* this week when I was on the conference and with
25 CBS News, Dallas Morning News, and *Texas Tribune* on

1 articles about rent relief and eviction diversion, which
2 are, you know, two sides of the same coin. And I'm going
3 to do a phone interview later this week with NBC Nightly
4 News.

5 So I was just in New Hampshire for an executive
6 directors conference for the National Council of State
7 Housing Agencies. I booked it and then I missed TAAHP, so
8 sorry TAAHP; I won't do that again. But we did receive
9 many compliments from the other states on the pace of our
10 rent relief program.

11 We really are leading the nation; it's evident
12 in the data that came with the White House press release I
13 think it was yesterday. We're at the top of the stacks.
14 And you know it's to be expected based on population, but
15 even on percentage spent we're doing really, really well.
16 So thanks to Brooke, Mariana, Danny, the whole team, and
17 frankly our contractors have been doing a great job as
18 well.

19 They even praised our communications. We had a
20 presentation from a communications consulting group, and
21 they used Texas as an example twice during the
22 presentation. They showed some quotes that we had put
23 together, and I explained the help that we get from
24 Christina and Michael and Brittany from GLO, who has been
25 helping us, and then our Hahn Media Relations consultant is

1 part of the vendor package that we got to begin the
2 program. So it was a little embarrassing, but the whole
3 team deserves the praise, and I'm glad things are doing
4 well.

5 That being said, we're still not resting on our
6 laurels. Approval rate has been dipped a little bit
7 recently. As we've worked to extend the contracts with the
8 three vendors, which we're doing now, I expect it to climb
9 back up, and the goal is still 2 billion by year-end and to
10 improve customer service as well.

11 A quota was added to the call center staff to
12 try to improve those metrics, drop the rate of abandoned
13 calls, quicker time to pick up, that kind of thing, and
14 then hopefully the quickness in answers can help.

15 It's often a matter of, well, it's still under
16 review and there's not a whole lot more to say, but we want
17 to have people have the best experience they can with the
18 application and the call center.

19 Similar to this, the Texas Supreme Court this
20 week extended their emergency order for the eviction
21 diversion program until October 1. It was going to expire
22 July 27. For specific eviction aversion we've helped more
23 than 10,000 households avoid eviction, and that's about \$93
24 million of the 620- that we've put out.

25 Later on the agenda today is an item for direct

1 award of housing stability services. This is a subset of
2 our emergency rental assistance appropriation. Last month
3 we talked about doing a \$100 million NOFA, and that's still
4 to go out.

5 And then some of the housing stability funds,
6 because it was a short window to spend, just a year, we
7 were thinking about just rolling it into rental assistance,
8 and the governor encouraged us to actually just get it out
9 there, and so we have 50-something million dollars in
10 direct awards that you'll be approving today --
11 hopefully -- to help with homeless services and other
12 things to really help Texans in need.

13 Along the same lines, we have a new senior
14 manager just for the housing stability piece. It's a lot;
15 it will be a couple hundred million dollars, or close to
16 it. Cate Tracz, our current manager of Fair Housing Data
17 Management Reporting, has agreed to accept the job, and she
18 starts next week. So Brooke was doing a lot by herself,
19 and she really needed to have someone to help her with this
20 piece.

21 Moving on to other federal pandemic response
22 programs, ESG CARES is 20 percent expended as of July 13.
23 We've expended close to \$20 million, meeting our federal
24 expenditure benchmark more than two months early. Thank
25 you to Abby, Naomi, and the ESG team who put in long hours

1 to build a strong contracting, reporting, and technical
2 assistance support system.

3 Some of these same subs are going to be
4 receiving stability services money, so we're flooded with
5 money, and we trust that they can get it to Texans in need,
6 and I think they can.

7 At our last meeting two weeks ago you approved a
8 plan for the new Emergency Housing Vouchers Program. This
9 is another of the COVID response appropriation, and we are
10 about to execute our first contact with the Waco Continuum
11 of Care, so already working on getting those vouchers to
12 work.

13 On the community affairs side for the Low Income
14 Home Energy Assistance Program, or LIHEAP, about this time
15 we usually shift funds around to the subrecipients who are
16 doing a better job of spending, all in the interest of
17 getting the funds expended.

18 Frankly, due to a large amount of funds in play,
19 we're seeing very few subrecipients able to take on
20 additional funds at this time. You know, it's a good
21 problem to have, but we want to make sure that we expend as
22 much as we can.

23 Most states are encountering the same problem,
24 and we'll continue to explore our options to maximize
25 expenditures, but I just wanted to let you know that that

1 is an issue that we're going into.

2 Flipping back to multifamily, thank to you Char
3 Flickinger and our Multifamily Direct Loan manager and
4 other staff. We've committed our entire allocation of 2019
5 National Housing Trust Fund dollars, which was about \$11
6 million, and staff finalized the last transaction last
7 week.

8 And in Section 8 news, we recently just got
9 clearance from HUD to issue another batch of Section 8
10 vouchers. We issued 74 through Project Access folks,
11 taking our wait list down to only 43 people. Good work by
12 our Section 8 manager, Andre Adams, and his crew.

13 In other news, I hear we're doing the 9 percent
14 awards today, and some of the viewers might be interested
15 in that. It's been a crazy round. Alena is a new manager,
16 and she's done a great job, the whole team, the Fab Five,
17 the reviewers and Marni.

18 As the chair mentioned, we have several appeals
19 listed, that was because we had to post not knowing. Some
20 of those withdrew, some of them I granted the appeal, and
21 the chair will explain that as we go to the item.

22 Any questions from the Board on anything to do
23 with the Department? This is the second ED report in the
24 same month, so it might be a little redundant.

25 MR. VASQUEZ: Any questions from Board members?

1 (No response.)

2 MR. VASQUEZ: Well, again, thank you, Bobby.
3 You're doing well. Mr. Marchant and I tried to fill in for
4 you at TAAHP.

5 MR. WILKINSON: Thank you.

6 MR. VASQUEZ: Which your B team was there.

7 Okay. So if there are no questions from the
8 Board members, we will accept the executive director's
9 report and move on to item 3(b), presentation, discussion,
10 and possible approval of direct awards of Emergency Rental
11 Assistance funds to select recipients for housing
12 stabilization services. I hope I got that right.

13 Brooke, you're on.

14 MS. BOSTON: Thank you.

15 Chairman Vasquez and Board, I'm Brooke Boston
16 and I'm presenting on item 3(b), which as mentioned,
17 relates to housing stabilization services awards.

18 As you know, the Department received Emergency
19 Rental Assistance funds totaling \$1.3 billion from the U.S.
20 Treasury Department to be used to provide emergency rental
21 and utility assistance, which we call TRR, Texas Rent
22 Relief, and that Bobby was filling you in on.

23 And so 10 percent of those funds, so roughly
24 about \$130.8 million, may be utilized for housing
25 stabilization services linked to the pandemic outbreak, and

1 that allows households to maintain or obtain housing.

2 If they're not used for that purpose, they
3 revert back to being used for rental and utility
4 assistance. Attachment A in your Board item shows you what
5 type of activities are included under housing stability
6 services.

7 In May you authorized us to commit \$20 million
8 of these funds to Texas Access to Justice Foundation, TAJF.

9 After backing that award out and backing out other admin,
10 that left just about \$107.4 million that could potentially
11 be used for services.

12 While staff had also obtained authority from you
13 guys in June to release a notice of funding availability,
14 or NOFA, we are constrained by the deadline of trying to
15 obligate the ERA1 funds by September 30 of this year, so
16 the length of time for a NOFA process that really lets us
17 get broad access wasn't feasible. So rather than see the
18 funds revert back, as Bobby mentioned, we decided to pursue
19 direct awards.

20 We reached out to 50 organizations that were
21 either star performers in other TDHCA homelessness programs
22 or providers of veterans' homeless services, Texas Veterans
23 Commission, or who were suggested to us by state
24 leadership.

25 Out of those 50 we ultimately ended up with 30

1 providers that were in a position to immediately receive a
2 contract for these funds, to execute the contract by
3 September 30, and would be able to spend the funds by
4 August 31 of '22, so just under a year, in their provision
5 of services, and that's pretty fast turnaround time in the
6 world of service delivery.

7 Additionally, we coordinated with the Texas
8 Veterans Commission and identified several activities that
9 TVC can provide to veterans to meet the requirements of the
10 program.

11 So between the 30 that we identified plus TVC,
12 the Attachment B of your Board item reflects those 31
13 organizations. It shows the amount of the award we're
14 recommending and the service area that they're going to
15 cover.

16 We're recommending that you authorize the
17 executive director to enter agreements for these 31
18 providers, conditioned, of course, on them passing our
19 previous participation review approval.

20 I'm also requesting that if any of these
21 providers between now and the day that we would execute
22 contracts with them indicate that they think they can
23 actually use additional funds that we be allowed to execute
24 at that higher amount, not to exceed, of course, our
25 available funds.

1 These organizations were put on a really tight
2 time frame. They had less than a week from the day we
3 first reached out to them to the deadline we gave them, so
4 I think some of them are going to have some other expenses
5 that they realize are in fact eligible, and so I'd like to
6 have that flexibility since we do have the funds available.

7 And lastly, I'm just confirming that any funds
8 that are not put into these contracts will be moved over to
9 fund utility assistance.

10 With that, I'm happy to answer any questions.

11 MR. VASQUEZ: Great. Thank you, Brooke.

12 Do any Board members have questions for Ms.
13 Boston?

14 (No response.)

15 MR. VASQUEZ: I think it's great that we're
16 getting this money out there to have a positive impact, so
17 thanks for making that happen.

18 Are there any public members or people in the
19 audience who want to speak on this item? Do we have any
20 one in the queue?

21 MS. NORRED: We have no one in queue.

22 MR. VASQUEZ: Okay, great.

23 In that case, I will entertain a motion on item
24 3(b).

25 MS. THOMASON: Mr. Chair, I move that the Board

1 authorize the executive director and his designees to enter
2 into contracts or interagency agreements with the entities
3 in the Board action request on this item and that the
4 executive director be authorized to modify the award
5 amounts as expressed fully in this action item.

6 MR. VASQUEZ: Thank you.

7 A motion made by Ms. Thomason. Is there a
8 second, Mr. Batch?

9 MR. BATCH: I'll second, Mr. Chairman.

10 MR. VASQUEZ: Great. Motion made and seconded.

11 All those 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, Brooke.

17 As I mentioned in the brief opening remarks, we
18 are going to jump to item 6(d) on the agenda, the
19 presentation, discussion, and possible action regarding
20 timely filed appeals.

21 As Mr. Wilkinson earlier stated, there are
22 several items that have been resolved, thus removed from
23 the appeals list, and correct me if I'm wrong, but I have
24 number 21069 Dahlia Villas, the appeal was granted so there
25 is no appeal to the Board on 21069.

1 On 21104 Heritage Heights at Abilene, again the
2 executive director granted the timely appeal, thus there's
3 no appeal to the Board today. Jumping down to 21215
4 Torrington Silver Creek, the appeal has been withdrawn, so
5 it will not be heard by the Board.

6 21235 Inn Town Lofts, there is no appeal to the
7 Board because the executive director granted the timely
8 appeal. 21286 Blue Sky at Hawks Creek, there is no appeal
9 to the Board, the appeal was withdrawn. 21290 Fish Pond at
10 Alice, there is no appeal to the Board because the
11 executive director granted their appeal.

12 So that leaves us on the agenda for right now --
13 and if you want to speak on one of these, in the
14 comments/questions box, start letting the moderators know
15 that you wish to speak on these -- and that's going to be
16 21039 Uvalde Villas, 21136 Oaklawn Place, 21185 Weslaco
17 Village Apartments, and 21206 Woodcrest.

18 So these are the four items that we are going to
19 be hearing now. Again, let the moderators know if you wish
20 to comment on one of these items.

21 Did I cover that all right, Bobby and Marni?

22 MR. WILKINSON: Yes, sir.

23 MR. VASQUEZ: Go ahead.

24 MR. WILKINSON: Mr. Chairman, before Marni does
25 her layout, actually because of some time constraints, can

1 we let Senator Lucio speak on 21039 Uvalde Villas?

2 MR. VASQUEZ: Perfect, because that's the one
3 we're doing first. So if we could bring up Senator Lucio
4 and hear his comments on 21039 Uvalde Villas.

5 MS. NORRED: Senator Lucio, you are self-muted.
6 Can you please unmute yourself?

7 SENATOR LUCIO: Good morning. Can everyone hear
8 me?

9 MS. NORRED: Yes, we can.

10 SENATOR LUCIO: Okay. Thank you very kindly.
11 Chairman Vasquez and members of which I consider one of the
12 most important boards and actually my favorite because it
13 deals with affordable housing. Being one of ten kids back
14 in Brownsville, Texas in the early '50s, we didn't have
15 much to even be able to find for rental, so for a year and
16 a half my dad put us in a government housing unit that
17 actually did the job for us and gave us time to be able to
18 find housing and later on affordable housing as we saw it.

19 I am very, very pleased to see all of you at
20 work, and I would be remiss if I didn't thank Leslie
21 Bingham in front of you. You know, Leslie did a wonderful
22 job for so many years there. And recognize my dear friend,
23 Kenny Marchant. He and I served in the House in the late
24 1980s, outstanding representative and still serving the
25 public. Congratulations to you and other members that have

1 not been on the Board long.

2 Mr. Chairman and members, I thank you again for
3 allowing me the opportunity to appear before you today to
4 support affordable housing in my district. My district
5 includes the site in McAllen upon which Uvalde Villas is
6 intended to be constructed, which is on appeal in item 6(d)
7 of your agenda.

8 Now, throughout my career in public service I
9 have proudly supported affordable housing, as you know, in
10 the Rio Grande Valley and throughout the state, and have
11 sponsored legislative changes to improve the program.

12 I have reviewed the QAP rule and state statute
13 regarding occupied developments that is the basis for
14 today's Board appeal. It's my understanding neither the
15 rule nor the Texas Government Code pertaining to occupied
16 developments applies to Uvalde Villas, which is why that
17 tab was not filled out.

18 Now, as Board members I also understand you have
19 a responsibility to make final determinations that consider
20 all perspectives; however, the applicant's oversight in
21 explaining non-applicable items should not be considered
22 grounds for termination, in my humble opinion.

23 Please consider allowing the applicant the
24 ability to cure the deficiency by resubmitting the tab as
25 non-applicable instead of leaving it blank.

1 And I'm going to just finish by saying as
2 Hidalgo County continues to grow -- and as all of you know,
3 I'm the senator of the eighth largest county in the
4 state -- as it continues to grow, so does the need for more
5 affordable housing, and so the decisions you make on issues
6 like this are critical to meeting this need.

7 And once again, Mr. Chairman and members, I
8 respectfully request you carefully consider an approach
9 that can be applied in an equal and fair manner.

10 And I thank you again for allowing me an
11 opportunity to join with you this morning. Greetings not
12 only from the Rio Grande Valley but also I found myself
13 driving in at 12:00 midnight this morning, preparing for
14 floor action here at the Capitol, and I welcome any
15 opportunity we might have to discuss affordable housing,
16 not only in my district but throughout the state.

17 And once again, thank you, sir. Thank you,
18 members.

19 MR. VASQUEZ: Thank you, Senator Lucio, and
20 thank you for your continued support on addressing the
21 affordable housing issues across the state.

22 With that, let's kind of go back into regular
23 order process and have Marni introduce the background and
24 Board action request on 21039 Uvalde Villas.

25 Marni, please go ahead.

1 MS. HOLLOWAY: Good morning.

2 For 21039 Uvalde Villas, staff determined that
3 the application should be terminated due to a material
4 deficiency related to requirements for occupied
5 developments omitted from the application.

6 Our rule requires that items identified in that
7 subparagraph must be submitted with any application where
8 any structure on the development site is occupied at any
9 time after the application acceptance period begins or if
10 the application proposes the demolition of any housing
11 occupied at any time after the application acceptance
12 period begins.

13 There's a list of items that are required to be
14 included in the application or applicants are required to
15 describe to us why they aren't applicable.

16 On appeal the applicant referenced its site
17 control documentation, which showed detail for the single-
18 family housing structures on the development site, stating
19 that they should be considered distinct from the occupied
20 multifamily housing development and rehabilitation site
21 where extensive relocation requirements are contemplated in
22 our statute.

23 As stated in the appeal, our statute at
24 2306.6705(6) requires relocation information only in the
25 case of rehabilitation. The QAP, on the other hand,

1 requires that applicants explain why parts of the
2 relocation section don't apply to them if there are
3 occupied structures on site.

4 And it could be argued that the operating
5 statement and rent rolls required by the rule apply to all
6 types of occupied structures, not just multifamily
7 developments. The appeal argues, again, that the rule is
8 not applicable.

9 Our question here is whether the inapplicability
10 of the items described in the rule lead to a conclusion
11 that failure to provide the report is an administrative
12 deficiency.

13 Stating a lack of clear direction in the QAP
14 regarding requirements for relocation of residents of
15 single-family homes on proposed development sites, staff is
16 left with little option but to recommend acceptance of this
17 appeal.

18 I'd be happy to take any questions.

19 MR. VASQUEZ: Thank you, Marni.

20 So just to clarify, the intent or the thought
21 behind the rule is that there is going to be -- it's
22 contemplating that there is an existing apartment complex,
23 and you need to move out all the residents to rehab or
24 build a new one, so that's really what the intention of
25 this rule was. Right?

1 MS. HOLLOWAY: The statute is very specific to
2 multifamily developments and to rehabilitation. The QAP
3 expands on that to include any potential other structures
4 and begins to -- in some ways but nowhere close to, begins
5 to align with some of the federal requirements around
6 relocation, which is if you're relocating anyone, be it a
7 multifamily tenant or a single-family tenant or even a
8 commercial business, that needs to be addressed within your
9 application or within your process for affordable housing.

10 The QAP, admittedly, is not really very clear,
11 and neither is our application very clear regarding that
12 extension of relocation to anyone who could be impacted
13 because of their occupation of the development site.

14 MR. VASQUEZ: Okay. Do any Board members have
15 questions to Marni on this?

16 MR. THOMAS: So Marni, can you go over again
17 what is staff's recommendation here?

18 MS. HOLLOWAY: Staff's recommendation is
19 acceptance of the appeal with an acknowledgment that the
20 QAP is not clear regarding the requirement for single-
21 family housing.

22 MR. THOMAS: So the application would be
23 reinstated then?

24 MS. HOLLOWAY: It would be reinstated if you
25 accept this appeal, yes.

1 MR. THOMAS: Okay. Thank you.

2 MR. VASQUEZ: Do any other Board members have
3 questions for Marni on this one?

4 (No response.)

5 MR. VASQUEZ: And again, I think this is one of
6 those where it makes sense, and I believe the intention
7 behind the rules did not really address this situation.

8 MS. HOLLOWAY: Correct, and it points out an
9 issue that we definitely need to clear up with that rule.

10 MR. VASQUEZ: Okay. In that case, I'd like to
11 entertain a motion on 12039 Uvalde Villas.

12 MR. THOMAS: Mr. Chairman, I move the Board
13 grant the appeal by the applicant and that the application
14 be reinstated for the Uvalde Villas, project 21039, with
15 the understanding that we're accepting staff's
16 recommendation based on the QAP being just a little unclear
17 here, and so this does make sense.

18 MR. BATCH: Mr. Chairman, I'll second.

19 MR. VASQUEZ: Motion made by Mr. Thomas,
20 seconded by Mr. Batch.

21 Renee, do we have anyone lined up for comment on
22 this item?

23 MR. WILKINSON: Renee, you might be muted.

24 MS. NORRED: I apologize; I'm sorry. We are
25 looking to unmute Donna Rickenbacker.

1 Donna, you are self-muted. Can you hear us?

2 MS. RICKENBACKER: Yes, I can. You ready? Can
3 you hear me?

4 MS. NORRED: Yes.

5 MS. RICKENBACKER: Perfect.

6 Good morning, everyone. This is Donna
7 Rickenbacker, and I'm a consultant to the Uvalde applicant.
8 We very much appreciate staff's recommendation that this
9 appeal be granted.

10 Staff initially determined that the application
11 be terminated because, as Marni stated, the applicant did
12 not complete a tab in the application or provide an
13 explanation of non-applicability, and this is the reason,
14 obviously, we're before the Board.

15 Tab 21 relates to items that must be submitted
16 if the development site includes occupied improvements in
17 order to meet the requirements of Section 11.204 of the QAP
18 rules.

19 We appealed to staff and explained that this
20 rule and the associated tab does not apply to the Uvalde
21 transaction. The rule is intended to apply and
22 specifically states its application to two types of
23 transactions, and the applicable items that must be
24 submitted behind tab 21 if the applicant is proposing
25 either a rehabilitation of existing residential structures

1 or is applying for Direct Loan funds.

2 Direct Loan recipients with occupied
3 improvements must meet the requirements of the Uniform
4 Relocation Act and include a relocation plan and budget in
5 their application.

6 The list of items that are applicable to
7 existing residential developments cite the section of the
8 Texas Government Code that defines occupied developments as
9 those that are proposing rehabilitation.

10 Uvalde Villas is new construction, not
11 rehabilitation, and the applicant is not applying for
12 Direct Loan funds. All improvements, including the
13 occupied three single-family homes on site that triggered
14 this action item, will be demolished; therefore, none of
15 the listed items that include operating statements, paid
16 rent rolls, relocation plan budget, apply to this
17 transaction.

18 We also explained to staff our reasons for not
19 providing an explanation of non-applicability. This
20 provision is in the rule because some of the listed items
21 apply to rehabilitation projects, and others apply to
22 recipients of Direct Loan funds, so the Department wants to
23 understand the items that relate to the type of transaction
24 being proposed if the rule applies.

25 It's important to note that the occupied

1 development rule is not a scoring item, and the applicant
2 did not violate any applicable statutory provision because
3 it is not proposing rehabilitation.

4 We appropriately clarified all questions that
5 staff had regarding the applicability of the rule to the
6 Uvalde transaction and reasons for not completing tab 21 of
7 the application.

8 We very much appreciate this Board's
9 consideration and acceptance of staff's recommendation that
10 this appeal be granted. Thank you.

11 MR. VASQUEZ: Thank you, Ms. Rickenbacker.

12 I believe we have several people lined up in the
13 queue for this item. We'll call your names that Renee has
14 registered.

15 I would just encourage everyone to note that
16 there's a motion on the floor and seconded to approve, to
17 grant the appeal, so if you're speaking for that, I'd
18 encourage you to shorten your comments to as short as
19 possible. You can't make it any more for the motion than
20 we already are, but of course, you're welcome to speak.

21 Renee, who do we have up next?

22 MS. NORRED: We have Kent Hance, and we are
23 looking to unmute him now.

24 Kent, you are self-muted. Can you hear us?

25 MR. HANCE: Yes, I can.

1 Mr. Chairman and members of the commission,
2 first of all, thank you, and congratulations to Brandon
3 Batch and Kenny Marchant for being on. There's not an
4 agency that has more of an impact on housing of any type
5 nationwide than our TDHCA, and I appreciate your service.

6 I will say I second everything that's been said,
7 and my uncle had Hance Used Cars in Dimmit, Texas, and he
8 always said, "If you sell them a car, give them the keys."

9 And so I don't want to oversell, I back
10 everything that everyone has said. I yield back the
11 balance of my time, just like we do in Washington on many
12 occasions. And I am in Kenny Marchant's old stomping
13 grounds, and as Phil Gramm used to say, I'm doing the
14 Lord's work in the Devil's city, and I will be back to
15 Austin tonight.

16 Thank y'all for your service, and I yield back
17 the balance of my time. And Ajay, I think you have a great
18 motion.

19 MR. THOMAS: Thank you.

20 MR. VASQUEZ: Thank you, Mr. Hance.

21 Who do we have up next, Renee?

22 MS. NORRED: We have Cynthia Bast, and we are
23 looking to unmute her now.

24 Cynthia, you are self-muted. Can you please
25 unmute yourself?

1 MR. GARRETT: Cynthia has indicated that she
2 does not wish to speak.

3 MS. NORRED: Very good.

4 So we are going to look for Henry Flores.

5 Henry, you are unmuted. Can you hear us?

6 MR. FLORES: I can. Can you hear me?

7 MS. NORRED: Yes, we can.

8 MR. FLORES: Good morning, everyone. I'm Henry
9 Flores, and I represent the applicant who is actually
10 competing with this, and I appreciate your considering my
11 comments. I understand the motion has been made, but I
12 just wanted to offer some clarity to why we actually filed
13 this appeal.

14 You know, we think that the rules are actually
15 quite clear, so we disputed staff, and that's unusual,
16 because your staff does an excellent job. In fact, that is
17 the purpose for this rule, and if I may just explain.

18 I had the honor of being the first executive
19 director of this agency. I served under Governor Richards
20 and then under Governor Bush, so I got to serve both
21 Republicans and Democrats in this capacity.\

22 The rulemaking process is critical to the
23 implementation of statute. Statute just frames the
24 conversation; rulemaking is what makes the engine work. I
25 can't be quite as colloquial as Senator Hance, but he

1 talked about the car keys. Well, the process of staff is
2 the gas, and staff can't make determinations without proper
3 information.

4 The relocation is a potential cost of any single
5 transaction, and unless we complete the documents
6 correctly, staff can't make an informed determination. To
7 assume that the developer will self-police is a bad
8 assumption.

9 We are going through the process of working
10 through two deals that involve relocation because we
11 included the correct tab. In one case it's costing us
12 \$132,000 and in the other case \$212,000, so it can be a
13 significant cost to an application.

14 I know this other developer, Steve Lawlis, is an
15 honorable man. He's a good Texan, and I know that his
16 failure to submit this tab is purely inadvertent, I know
17 that with confidence.

18 But the next developer, some flimflam man from
19 Missouri or some guy from California may try to abuse the
20 agency by not submitting that document, and staff can't
21 possibly know with all the applications across Texas
22 whether there are occupied structures on that site. We
23 have to declare that to them so they can make an informed
24 decision.

25 Again, there's no abuse here, but I believe --

1 you know, Senator Lucio talked about equal and fair. Equal
2 and fair means everybody has to follow the rules because
3 the rules have a purpose, and equal and fair suggests that
4 the only conclusion to this process should be the Board
5 actually overruling staff's recommendation and ruling in
6 favor of the appeal.

7 I believe we have one other person who would
8 like to discuss this in the queue, it's the councilwoman
9 from Laredo. But I thank you for your time and
10 consideration and I'm happy to answer any questions.

11 Again, I'm Henry Flores.

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

13 Renee, who do we have up next?

14 MS. NORRED: We have Vanessa Perez, and we're
15 looking to unmute her now.

16 MS. PEREZ: Hi. Can you hear me?

17 MS. NORRED: Yes, we can.

18 MS. PEREZ: Okay. Thank you.

19 Well, my name is Vanessa Perez. I'm the council
20 member for District 7, City of Laredo, and I'm here to
21 represent the mayor and my fellow city council members, and
22 I'm here actually to speak in favor of the decision, your
23 Board's decision to terminate the application in McAllen.
24 And I don't say that positively, I don't say that with a
25 smile on my face.

1 The reason why I'm supportive of this, and not
2 to be any negative behind it, but I was here, I believe two
3 weeks ago, actually to speak before you on an application,
4 another application that was in Laredo, 21230, the Calle
5 del Norte project.

6 That project actually didn't receive a favorable
7 outcome from the Board because the Board chose to stick to
8 the rules as written, and in that project there wasn't an
9 omission; it was actually everything was filled out
10 complete. It's just that in Laredo we have two school
11 districts, and they overlap at some point and that project
12 just so happened to be in that little confusing area for an
13 outside investor that's not from the area.

14 It was understandable to me and I think the
15 Board also saw that it was kind of understandable that they
16 would confuse which school district, and they actually sent
17 the school district notification to the wrong school
18 district, and they did end up sending it to the correct
19 school district and it was all good, everybody was
20 supportive, however --

21 MR. VASQUEZ: Ms. Perez, I'm sorry to interrupt,
22 but can you please focus your comments on this application
23 that is currently being discussed on the table?

24 MS. PEREZ: Okay, yes. It's just background,
25 because my next comments are related to that.

1 So anyway, because of that ruling we were not
2 happy about that outcome, because Laredo, we do have a high
3 need for affordable housing.

4 And so this project being out of the running
5 actually brought up one of our other projects that's in the
6 running for Laredo, so the Avanti Legacy Springfield
7 project are actually now in the running. So if the Board
8 overturns the staff decision for this one, then the City of
9 Laredo will again lose our chance at receiving a tax
10 credit.

11 The City of Laredo does have a high need for
12 affordable housing. We are more than 1,100 units short of
13 our demand, and our public housing and Section 8 waiting
14 list exceeds 2,200 households, and they're all waiting for
15 applications.

16 So here as a border city, we're the largest
17 inland port, we do have a high need for this kind of
18 assistance. The last time Laredo was granted anything like
19 this was back in 2015, and so it's been a long time, and we
20 have two outside investors looking to help bring this kind
21 of program to Laredo.

22 And one of the reasons why I was disheartened by
23 the last decision was because I felt that developers might
24 be dissuaded from trying to come to Laredo.

25 And so this application being up for denial to

1 me is just keeping in line with all of the things that were
2 said at the last hearing, and I know you didn't want me to
3 bring it up but I think it's important because --

4 MR. VASQUEZ: I'm sorry. I need you to wrap up
5 your comments. Your time is expired.

6 MS. PEREZ: Okay. Well, I just want to ask that
7 the Board be consistent in their application of penalties
8 and support the termination of the Uvalde Villas, since the
9 transaction in Laredo was terminated for a similar issue,
10 and just think that we need to be fair and consistent. So
11 thank you.

12 MR. VASQUEZ: Thank you for your comments, and
13 again, we are very cognizant of statutory limitations
14 versus rules where we have some ability to waive rules
15 where we cannot waive statutes.

16 Renee, is there another speaker on this item?

17 MS. NORRED: Yes, we have Cynthia Bast.

18 Cynthia, you are unmuted. Can you hear us?

19 MS. BAST: Yes. Thank you.

20 This is Cynthia Bast of Locke Lord. I apologize
21 for the inconvenience. My computer decided to sync this
22 morning.

23 We represent the competitive applicant that
24 filed the original RFAD, Mr. Flores's organization, and I
25 want to share with you a little bit different perspective.

1 I completely respect your staff's recommendation here and
2 understand it, but what I want to share is that I've dealt
3 with this very situation in the past.

4 I represented an applicant that was acquiring
5 land with a couple of small houses occupied by people who
6 were caretakers. That client asked whether it should
7 disclose those houses under this threshold section of the
8 QAP, and I told them absolutely they needed to disclose it.

9 The rule applies to any occupied structure on
10 the site; that's what the rule says. Even if the various
11 provisions of the rule are not applicable to the situation,
12 it is incumbent upon the applicant to tell TDHCA they are
13 inapplicable for the reasons that Mr. Flores cited.

14 It is also important to note that the statute
15 says that the application must contain certain information
16 at a minimum. This language gives the agency authority to
17 adopt more rigorous requirements on the subject matter.

18 It's also important to note that the statute says the
19 application must contain any other information required by
20 the Board in the Qualified Allocation Plan. The provision
21 regarding occupied developments was duly adopted in the
22 Qualified Allocation Plan.

23 There are plenty of examples of circumstances
24 where the requirement of TDHCA's rule is more rigorous than
25 the requirement of the statute, and that is absolutely

1 permitted.

2 We know that, for instance, the Chevron case
3 from the United States Supreme Court says that we are going
4 to give great deference or at least great weight to a
5 decision of an administrative agency to expand its rules
6 beyond a statutory provision.

7 Finally, this is not a situation where there's
8 been an error in the TDHCA materials. The QAP and the
9 manual, which are the primary documents used by
10 applications, they're consistent and they're clear. Both
11 say that the applicant must disclose any occupied structure
12 on the site, so if there's a structure and it's occupied,
13 then the application is required to disclose certain
14 information or explain why it's inapplicable. The rule was
15 duly adopted in a formal process and is authorized under
16 relevant legal guidance.

17 So for those reasons we think it is actually
18 appropriate to deny the appeal and follow the rules set
19 forth in the QAP. And thank you for your time, I
20 appreciate it.

21 MR. VASQUEZ: Thank you, Ms. Bast.

22 Renee, are there any other speakers lined up for
23 this item?

24 MS. NORRED: We have no one else in queue for
25 this item.

1 MR. VASQUEZ: Great. Thank you.

2 So to reiterate, we have a motion on the floor
3 by Mr. Thomas, seconded by Mr. Batch, and again, not to
4 influence your vote, but I have said time and time again
5 that I believe we shouldn't be looking at "gotcha" moments
6 and finding reasons to kick out applications. We should be
7 looking at what's reasonable to try to include it when it's
8 within our power.

9 So I support the motion, and I guess we're ready
10 to vote. So all those in favor say aye. I'm sorry. Just
11 to clarify, it's to grant the appeal.

12 (A chorus of ayes.)

13 MR. VASQUEZ: Any opposed?

14 (No response.)

15 MR. VASQUEZ: Hearing none, motion carries.

16 Thank you.

17 And to remind everyone, from the posted agenda,
18 21069 Dahlia Villas and 21104 Heritage Heights at Abilene
19 are not being heard by the Board because the executive
20 director granted their timely appeals, which brings us to
21 item 21136 Oaklawn Place.

22 And, Marni, would you like to give us the
23 background on that?

24 MS. HOLLOWAY: Sure. Thank you.

25 Application 21136 for Oaklawn Place was

1 terminated due to a material deficiency related to required
2 third-party reports. The application did not include the
3 appraisal that's required by our rule for identity-of-
4 interest transactions.

5 In these transactions the buyer and the seller
6 of a property are related parties, and the appraisal is
7 used to establish the market value of the property to be
8 transferred. Our rule related to appraisals provides that
9 they are required for any application claiming any portion
10 of the building acquisition in eligible basis and identity-
11 of-interest transactions, pursuant to Subchapter D of this
12 chapter. Subchapter D describes the identity-of-interest
13 relationship.

14 Because an appraisal was not submitted, the
15 application was terminated pending the applicant's ability
16 to appeal. On appeal the applicant stated that the
17 appraisal is not material because the price of the
18 development site does not affect the credits, so they were
19 not taking acquisition credits on this transaction.

20 The entire appraisal was provided to us
21 immediately after we sent the termination letter, which if
22 that appraisal had been included in the application and had
23 been timely submitted, it would have been subject to an
24 administrative deficiency to correct several issues within
25 the report, so that it didn't meet our requirements.

1 The application at tab 12 and the appeal both
2 acknowledge the existence of an identity-of-interest
3 transaction.

4 The relevant rule in this matter, 10 TAC 11.205,
5 plainly states if the reports in their entirety are not
6 received by the deadline, the application will be
7 terminated.

8 Accordingly, staff terminated the application
9 and the executive director has denied that appeal. Staff
10 recommends also that the Board deny the appeal for this
11 material deficiency to submit the appraisal.

12 I'd be happy to take any questions.

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

15 MR. BATCH: Mr. Chairman, my understanding --
16 and Marni, correct me -- the application simply wasn't
17 filed on time. Is that correct?

18 MS. HOLLOWAY: The appraisal that's required by
19 our rule was not included in the application that was
20 timely submitted, so we received an appraisal late. That
21 appraisal did not meet all of our requirements that, had it
22 been included in the application, it would have been
23 subject to an administrative deficiency.

24 Our rule says that if any third-party reports
25 are not received by the deadline, the application will be

1 terminated, so the rule is very, very clear that if these
2 reports aren't received the application will be terminated,
3 so of course, that's the action that staff has taken.

4 MR. BATCH: I see. Thank you, Marni.

5 MR. VASQUEZ: Any other Board members have
6 questions for Marni?

7 (No response.)

8 MR. VASQUEZ: I want to clarify -- and I assume
9 we're going to have speakers on this -- is there any basis
10 for the fact that they're stating this part of the
11 application or this part of the property did not really
12 have any bearing on the actual development?

13 MS. HOLLOWAY: So they are claiming that because
14 they aren't taking acquisition credits -- within their
15 application they're not requesting acquisition credits,
16 that the appraisal isn't required.

17 Our rule, differently from the previous appeal
18 where our rule was a little murky about exactly what's
19 required, in this instance the rule is very, very clear.
20 If it's an identity-of-interest transaction, an appraisal
21 needs to be included in the application, and there is no
22 allowance for whether or not those credits are taken.

23 MR. BRADEN: And a follow-up to that, Marni, so
24 every time these type of applications come in, an appraisal
25 is required.

1 MS. HOLLOWAY: Correct.

2 MR. BRADEN: And their response to you pointing
3 it out to them was: Oh, you don't need it anyway.

4 MS. HOLLOWAY: Correct.

5 MR. VASQUEZ: And to follow on with that, again,
6 just so I can fully understand, other than checking the box
7 an appraisal was submitted, it's otherwise unnecessary in
8 our evaluation of this application?

9 MS. HOLLOWAY: The appeal claims that the
10 appraisal is not required because they're not taking
11 acquisition credits. Because I am not an underwriter, I
12 can't speak to the value of the property and how that plays
13 into the entire transaction and how a valuation of the
14 property plays into that transaction, but in general, it
15 comes in with claiming of acquisition credits.

16 MR. VASQUEZ: Okay.

17 MR. BRADEN: And just for my own clarity, this
18 has to do with the identity-of-interest nature of the
19 transaction. Right? It's when the developer's on both
20 sides of a purchase, and therefore there's an argument to
21 be made that, well, you need to have an appraisal because
22 we want to make sure your affiliate is not giving one party
23 or the other a better deal than the other somehow factors
24 into this transaction. And I guess their response to that
25 was, well, we're not taking acquisition credits, so that

1 underlying reason really shouldn't apply to our situation.

2 MS. HOLLOWAY: Correct. I got a text. An
3 appraisal is needed to support acquisition cost, and it's
4 not necessarily tied to the credits.

5 MR. VASQUEZ: Okay. Let me ask the Board
6 members, does anyone object to us hearing public comment on
7 this item prior to making a motion?

8 MR. BATCH: I support that, Mr. Chairman.

9 MR. VASQUEZ: Okay, great. Then no objection,
10 let's go ahead and hear public comment on this item, and
11 then we will discuss a motion. I also believe that there
12 are some letters that we need to read into the record on
13 this appeal. Is that correct?

14 MR. WILKINSON: Yes, sir.

15 Michael, could you read the letter from Senator
16 West, please?

17 MR. LYTTLE: Good morning. Michael Lyttle,
18 TDHCA staff. I have a letter to the Board that we received
19 from Senator West. It reads as follows:

20 "Dear Board Members,

21 "This letter comes to your attention
22 respectively to request that the Board grant an appeal for
23 Resource Centers affordable housing development, Oaklawn
24 Place, which will be before you for consideration.

25 "My request for your support of the appeal and

1 to reinstate the application is being made due to the
2 urgent need for affordable housing in the amenity-rich and
3 transit-connected areas of Dallas that, if approved, this
4 project would provide. I am hopeful also that there exists
5 alternate means of working through the initial decision to
6 terminate the application and the previous appeal denial
7 due to what Resource Center believes to have been recent
8 changes in procedure.

9 "My information is that the application was
10 terminated for the lack of an appraisal which was
11 subsequently provided. It was explained to me that a
12 specific section of the rule that applies to identity-of-
13 interest transactions was changed this year. Had this been
14 2020, this application would have met the rule with the
15 documentation provided with the application.

16 "Additionally, it is Resource Center's
17 contention that the absence or presence of an appraisal
18 should not have had a bearing on the application as
19 submitted. The settlement statement submitted with the
20 application, which would have satisfied the rule until the
21 recent change, show that Resource Center paid a price which
22 is, in fact, reflected in the cost schedule that is
23 included in the application. Moreover, the applicant
24 believes that as a land-only transaction, the acquisition
25 cost is not the basis and should not factor into the credit

1 calculation.

2 "For these reasons I respectfully ask the Board
3 to reinstate this application. This project would address
4 a vital need for services and resources for an identified
5 community, enjoys the support of local and state officials,
6 and has ownership of site, entitlements approved, and a
7 near-funded capital campaign. I would hope that there is
8 latitude and consideration permitted that would prevent the
9 termination of the application for reasons not related to
10 the scoring, review of prioritization of the project.

11 "Resource Center is a trusted nonprofit leader
12 and service provider in the Dallas community, serving more
13 than 62,000 people each year through programming that
14 addresses the needs of the LGBTQ community and services to
15 people living with and impacted by HIV AIDS. Oaklawn is
16 being developed through a partnership with Matthews
17 Southwest and Volunteers of America to deliver a high-
18 quality and financially viable project.

19 "Thank you for your consideration of this
20 request. I am hopeful of your favorable determination to
21 grant the applicant's appeal. If you have any questions,
22 please do not hesitate to contact me.

23 "Respectfully, Royce West, Texas Senate,
24 District 23."

25 MR. MARCHANT: Mr. Chairman, can I ask a

1 question, please?

2 MR. VASQUEZ: Go ahead, Mr. Marchant.

3 MR. MARCHANT: I'm having a little trouble. Why
4 did they not want to submit, Marni, an appraisal? Why did
5 they feel it wasn't necessary to submit an appraisal in the
6 beginning?

7 MS. HOLLOWAY: Their appeal states that: We
8 think that under the circumstances of this particular
9 application, which we had in our hands, when the
10 application was filed, should be considered a nonmaterial
11 deficiency. The appraised value of a development site only
12 affects the tax credit award if acquisition credits are
13 being requested. This application is for new construction,
14 and the price of the development site does not support any
15 tax credits, so the appraisal should not be considered
16 material to review of the application."

17 But in fact, the acquisition costs affects the
18 gap, so the acquisition costs are still part of the total
19 development cost of the site and potentially impact the
20 amount of credits that are awarded under a gap method. I
21 don't know if they failed to realize that they needed to
22 submit an appraisal under the changed rule and --

23 MR. MARCHANT: But they said they already had
24 it. They said they had it' they just didn't feel like they
25 needed to give it to you. Right?

1 MS. HOLLOWAY: I'm not going to speak to what
2 they felt they needed to provide to us or not. I can't
3 tell you if they did --

4 MR. MARCHANT: Is there anyone, Mr. Chairman,
5 that's registered to speak that could answer that question?

6 MR. VASQUEZ: I imagine there are.

7 MR. MARCHANT: Okay. If someone else speaks on
8 this issue, maybe they can answer that question. Thank
9 you.

10 MR. VASQUEZ: Okay. Does Mr. Lyttle have any
11 other letters to read into the record?

12 MR. LYTTLE: No, sir, I do not.

13 MR. VASQUEZ: Okay. And I think it should be
14 noted in the information packages in the Board material
15 there is another letter of support from Representative
16 Anchia.

17 So let's go ahead and hear public comment on
18 this agenda item.

19 Renee, if you could line up the first speaker,
20 and remind everyone that there's a three-minute clock on
21 the screen that we're going to do our best to enforce.

22 Who do we have up first?

23 MS. NORRED: First we have Cici Cox, but I do
24 want to note that the second speaker did say that she can
25 answer the questions, but first we will queue up Cici Cox.

1 Cici, you are unmuted. Can you hear us?

2 MS. COX: Yes. Thank you.

3 Hello. I'm Cici Cox, the CEO of Resource
4 Center. We will address your questions and respectfully
5 disagree with some of the characterizations that have been
6 put forward in the description.

7 Resource Center is the nonprofit owner and
8 applicant for Oaklawn Place, application 21136, located in
9 Dallas in Urban Region 3. Resource Center is a trusted
10 nonprofit in North Texas who has served our community for
11 38 years.

12 Our mission is to improve health and wellness,
13 strengthen families and communities, and provide
14 transformative education and advocacy. We do this through
15 programs and services for all North Texans, including the
16 LGBTQ community and persons living with HIV.

17 Oaklawn Place will provide 84 affordable housing
18 units for seniors in a safe, welcoming community. We have
19 partnered with Matthews Southwest and Volunteers of America
20 on this significant development for our city.

21 The matter at hand is completely within the
22 discretion of the Board to decide. It is not statutory.
23 We are facing termination of the application due to a small
24 change in the Real Estate Analysis rules and guidelines on
25 when an appraisal is applicable.

1 This change was new for 2021 and also unclear,
2 similar to the previous appeal, and while the Board book
3 fails to mention that, Ms. Hicks will provide more detail
4 in her comments.

5 We are a viable deal that was in the money,
6 ranked number 4 in the region. The reason cited for
7 termination was for the lack of a third-party report, in
8 this case an appraisal. The documentation submitted with
9 the application would have met the rule in any previous
10 year.

11 This project is new construction and the
12 existing buildings are being demolished, so the cost of the
13 land does not get included in eligible basis for tax
14 credits, thereby making an appraisal immaterial.

15 I didn't grow up in Dallas, but I moved here 37
16 years ago right out of college and have proudly called it
17 my home. Through my work at Resource Center I strive every
18 day to contribute to my community.

19 Candidly, it has become harder and harder to
20 have the same pride about Dallas due to its 20,000-unit
21 shortage of affordable housing. From my office window I
22 have watched families living in their cars in our parking
23 lot, and while we can get lost in the weeds and the
24 intricate details of this project, I ground myself every
25 day in remembering that it has a noble purpose: to create

1 a home, a community for real people in an area that truly
2 needs it.

3 This project is ready to go, and Resource Center
4 is all in. We own the land, we have the zoning, the plat
5 has been approved, and we have the full support of Dallas
6 City Council, our state representative, and our state
7 senator.

8 I am here to respectfully request that you grant
9 this appeal on the grounds stated. If you view this
10 differently, however, in the alternative we are prepared to
11 discuss in underwriting taking out the cost of the land.
12 After Ms. Hicks and Ms. Dula speak, we can address that if
13 you wish. This is totally within the discretion of the
14 Board, and it is the right thing to do to grant this
15 appeal.

16 Thank you.

17 MR. VASQUEZ: Thank you, Ms. Cox.

18 Renee, who do we have up next?

19 MS. NORRED: We have Jennifer Hicks, and we are
20 looking to unmute her.

21 Jennifer, you are self-muted. Will you please
22 unmute yourself?

23 MS. HICKS: I'm unmuted.

24 Chairman Vasquez, Board members, my name is
25 Jennifer Hicks, and I'm the consultant for Oaklawn Place.

1 I want to bring to your attention a few important points
2 about this appeal.

3 First, this tweak to the identity-of-interest
4 rule for land-only transactions was not pointed out in the
5 September Board book writeup that goes over QAP changes.
6 Even further, both the application and the procedures
7 manual refer to the 2020 rule versus the 2021 rule, and
8 neither reference a change.

9 In preparing the application I read the
10 reference, the 2020 rule, and followed suit with the
11 documentation that had been provided and accepted in past
12 applications. Both the app and manual were not clear, the
13 exact same situation as the appeal just granted.

14 A key piece of this appeal is this is the first
15 year an appraisal has been required for identity-of-
16 interest transactions. It provided proof of the original
17 land purchase price with the application and accurately
18 reflected that cost in the development cost schedule.

19 The documentation submitted with the application
20 this year would have met the rule any past year. A small
21 tweak to the rule renders this application terminated.

22 Unlike a feasibility report, market study, or
23 phase one, the applicability of an appraisal to a project
24 references the underwriting rule. Chairman Vasquez and Mr.
25 Braden have both referenced looking at the underlying

1 purpose of the rule, and in this case it is to make sure
2 that an identity of interest is not flipping the land for a
3 profit. The settlement statement submitted with the app
4 show the amount Resource Center paid for the land two month
5 before pre-app, and that cost is reflected in the
6 development cost schedule.

7 Next I want to stress the narrow application of
8 this rule. There were 35 appraisals this round; only four
9 appraisals were land-only identity-of-interest
10 transactions, and only one of them had a similar situation
11 of land being transacted recently. The Board would not be
12 opening up a spigot wide by granting this appeal.

13 The Board has the discretion to not consider
14 this a third-party report issue. The settlement statement
15 provided in the app show the value and the cost, and the
16 cost schedule does not impact credit calculation. The
17 Board can grant this appeal because the intent of the rule
18 has been met.

19 Final note, I want to quickly highlight the lack
20 of 9 percent housing tax credit awards in Dallas. Both
21 Dallas and San Antonio are MSAs with similar population,
22 poverty, and per capita income.

23 Since 2015 San Antonio has had 18 projects
24 approved, Dallas has had four. By granting this appeal, it
25 will add another project to serve the Dallas community.

1 Thank you so much for your time, and I'm very
2 grateful for your consideration.

3 MR. MARCHANT: Mr. Chairman?

4 MR. VASQUEZ: Mr. Marchant, go ahead.

5 MR. MARCHANT: I haven't heard yet a specific
6 answer to why the appraisal was not included in the
7 original package other than they thought it was
8 unnecessary.

9 MR. VASQUEZ: Right. I think Ms. Hicks
10 roundaboutly responded to that. Can we bring her back on?

11 MR. MARCHANT: I mean, a roundabout answer is
12 fine, but a direct one would be better.

13 MS. HICKS: I can answer that question. So the
14 reason the appraisal was not submitted was because this was
15 a tweak to the rule for land-only transactions, and in any
16 past year if you provided the settlement statement in your
17 application and you accurately reflected the development
18 cost in your cost schedule and it was less than the
19 settlement statement, you did not have to provide an
20 appraisal.

21 So it wasn't a situation where we just didn't
22 think -- we were holding back our appraisal or anything
23 like that; it was that in any past year an appraisal wasn't
24 required. And both the app manual and the application
25 referenced the 2020 rule.

1 The QAP changes that were highlighted in the
2 September Board book, where the staff goes over all the
3 changes to the QAP, this change was not highlighted, so
4 there was no reference, as a consultant putting together
5 the application, that there was a change from past years,
6 where I'd submitted apps with settlement statements that
7 showed the development cost.

8 And when we got this deficiency, we submitted
9 the bank appraisal that we had for the project because
10 there is a bridge loan for the acquisition of the land, and
11 we submitted that appraisal, and the very next day we
12 submitted an appraisal that you have in exhibit, I believe
13 E, of the Board book that meets all of the TDHCA
14 requirements, so we turned it around in a day, the bank
15 appraisal to meet all of the TDHCA requirements. So right
16 now staff has what they would need.

17 MR. MARCHANT: Okay. One follow-up question.
18 The appraisal that you had available to you when you
19 submitted the initial application, is that a different
20 appraisal than the bank appraisal that you just mentioned?

21 MS. HICKS: No, sir. It's the same appraisal.

22 MR. MARCHANT: Okay. Thank you.

23 MR. VASQUEZ: Thank you again, Ms. Hicks.

24 Renee, who do we have up next?

25 MS. NORRED: We have Tamea Dula, and we're

1 looking to unmute her.

2 Tamea, you are unmuted. Can you hear us?

3 (No response.)

4 MS. NORRED: She could be having difficulties,
5 I'm not sure. She's not self-muted.

6 MR. VASQUEZ: Okay. Let's move on, and we can
7 try her back after the other speakers.

8 MS. NORRED: Okay. So let's move on to Sarah
9 Anderson, and we are looking to unmute her.

10 Sarah, you are unmuted. Can you hear us?

11 MS. ANDERSON: Yes. Can you hear me?

12 MS. NORRED: Yes.

13 MS. ANDERSON: Good morning, Board. My name is
14 Sarah Anderson, and I am speaking in favor of the appeal.
15 I'm not related to this transaction in any way, but I would
16 like to bring a little bit of clarity to the situation that
17 hasn't really been discussed.

18 An issue like this actually came up last year
19 and where we challenged an application who was doing a
20 related-party transaction and did not provide any
21 documentation, an appraisal nor a settlement statement.

22 And while people are talking about whether to
23 not there was a change in the QAP, these were still
24 required last year for a related-party transaction, and
25 last year that applicant was allowed to continue, and

1 presumably it was determined that this was an underwriting
2 issue and could be dealt with in underwriting as opposed to
3 a termination issue.

4 When you look at the rules, they say that the
5 identity of interest in the QAP portion, it is pursuant to
6 the requirements of the underwriting rules, and the
7 underwriting rules are little confusing, but they do say
8 that the appraisal is solely for the purpose of determining
9 costs.

10 So while I don't know the specifics of the cost
11 of this, you know, what they're trying to get, it seems to
12 me that there should be some consistency in how this is
13 dealt with, and if it was allowed last year for somebody
14 not to have this available and was dealt with in
15 underwriting and presumably it just meant they didn't get
16 the cost that they thought they should, you know, if
17 nothing else, again we would just like to see consistency
18 in the way that these are dealt with. And I feel for this
19 applicant solely because we saw another applicant
20 essentially get away with this last year.

21 So that's all I wanted to say. Thank you.

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

23 Do we want to try Ms. Dula again?

24 MS. NORRED: We will try to unmute her again.

25 Tamea, can you hear us?

1 (No response.)

2 MS. NORRED: I don't know what is happening. I
3 don't know if she -- she's not self-muted. Can we just
4 move on to Zachary Krochtengel and maybe we can get her
5 after that?

6 MR. VASQUEZ: Sure. Let's go ahead and hear
7 from Mr. Krochtengel.

8 MS. NORRED: Go ahead.

9 MR. KROCHTENGEL: I'm here. Members of the
10 Board, Zachary Krochtengel. I obviously speak quite a bit.

11 This is near and dear to me because it's in
12 Dallas. It does not affect any of the applications that I
13 am on this year. However, I know the area very well, I
14 know the amount of support coming from the city, and I'm
15 just going to kind of go over the solution that Sarah and
16 Cici have both alluded to.

17 This was a third-party report required last
18 year, and it's required this year; however, it's required
19 for an extremely narrow purpose. That narrow purpose is
20 acquisition cost. The rule specifically says that in
21 underwriting they will use the lesser of the appraised
22 value or the value that was in the site control
23 documentation for acquisition cost for underwriting
24 purposes.

25 Now, there's a lot of different things that have

1 supporting documentation required for a very narrow
2 purpose. If you don't submit that supporting documentation
3 for that very narrow purpose, you don't get to claim those
4 costs.

5 So the easiest solution for this would be to say
6 their acquisition costs by not submitting an appraisal is
7 now zero. It shouldn't be a termination, but it also
8 shouldn't be a third-party report that could be replaced
9 through the administrative deficiency process, because
10 other transactions have already been terminated this year
11 for having a missing third-party report.

12 Last year there was an application that did
13 claim zero acquisition credits and did not have an
14 appraisal, and in their underwriting report it said the
15 land is being donated from the related-party affiliate to
16 the nonprofit GP, no land acquisition costs have been
17 claimed; therefore, no substantiation of the identity-of-
18 interest transaction is required.

19 So that's from last year in the rule saying that
20 the third-party report was required for identity-of-
21 interest transactions was still in effect, and they were
22 allowed to just have zero acquisition costs.

23 This would change the debt structure on this
24 application in underwriting; however, this would still be a
25 viable transaction. They would still receive tax credits,

1 they would just receive a lesser amount of tax credits, and
2 their acquisition costs would not be included in that
3 calculation.

4 So I think it is clear that it is the lesser of
5 those two amounts, so if you don't have acquisition costs
6 in the appraisal, you don't get that amount.

7 There are other examples of things like this,
8 like we need to get a third-party letter from an engineer
9 for site costs that go over a certain threshold. If we
10 don't have that letter, we don't get those costs. It's the
11 same logic being applied.

12 There are a lot of things that happen in
13 underwriting to get corrected like this, so just removing
14 that cost, I think, is the most equitable way while also
15 keeping and maintaining the importance of having a third-
16 party report be submitted by the third-party report
17 deadline, such as market studies which are needed for
18 underwriting on a broad scale, whereas this is only needed
19 for that one specific cost.

20 So removing that one specific cost seems to me
21 the best way to get this extremely important and extremely
22 supported application in the City of Dallas through to the
23 finish line. Thank you.

24 MR. VASQUEZ: Thank you, Mr. Krochtengel.

25 Renee, I guess we are not able to get Ms. Dula

1 back up.

2 MR. MARCHANT: Mr. Chairman, can I ask a
3 question of Marni, please?

4 MR. VASQUEZ: Mr. Marchant, go ahead.

5 MR. MARCHANT: Marni, is a purpose of getting
6 the appraisal and getting it as well as the acquisition
7 costs, are there instances where there is a great
8 discrepancy between the two figures, and is that some way
9 of kind of truing up the true value of the land that's
10 going into the deal?

11 MS. HOLLOWAY: I will tell you that, yes, there
12 has been a change to our rule regarding appraisals in
13 general, and that especially would impact an identity-of-
14 interest application that has not been discussed yet on
15 this item, and that is that we made some really fundamental
16 changes to how we view appraisals.

17 Appraisals are required for certain
18 transactions. Those appraisals are actually going to be
19 submitted to a third party to review that appraisal, so
20 that we as staff are not being asked to accept a number on
21 a settlement statement or a number on an appraisal. We're
22 going to be submitting those appraisals to a third party
23 who will be verifying those amounts for us.

24 So, yes, appraisals are used -- third-party
25 appraisals are used in order to verify the cost of the

1 property that's going into this transaction. Regardless if
2 it's an existing development or if it's vacant land,
3 there's still a value going into the transaction.

4 MR. VASQUEZ: Okay. Do any other Board members
5 have questions on this?

6 MR. BRADEN: Mr. Chair, I have a few questions,
7 and actually some of the comments made lessened the
8 original concerns I had about somebody just ignoring our
9 rules and saying you don't need it. I mean, obviously
10 there's more depth to this issue than that
11 characterization.

12 So Marni, what about the whole argument of this
13 shouldn't really be a termination but it should be an
14 underwriting issue?

15 MS. HOLLOWAY: So our rule is very clear
16 regarding third-party reports. There is a list of third-
17 party reports that includes environmental site assessment,
18 market analysis, scope and cost review if it applies to a
19 particular transaction.

20 If those reports are not included, the
21 application is terminated according to our rule. This
22 Board has supported termination, has denied appeal on other
23 applications this cycle, because those third-party reports
24 provide information to our review that's vital.

25 We are not able to complete our reviews without

1 those reports. In this instance it's an appraisal.
2 Whether or not the appraisal -- whether or not the
3 applicant believes that we need the appraisal is immaterial
4 to what the rule says which is that the appraisal is
5 required. We weren't told at application, we, the
6 applicant, don't believe you need an appraisal so we're not
7 going to give you one; it just was not there.

8 MR. BRADEN: Is it correct, as was stated, that
9 the rule changed where what they did provide would have
10 been appropriate under the prior rule?

11 MS. HOLLOWAY: That is correct, and as I
12 mentioned -- yes, that is correct. The rule was changed to
13 require the appraisal so that we have a third-party
14 valuation of the property that's going into the transaction
15 so that that's a reliable amount and it's not based on a
16 settlement statement along with whatever operating costs or
17 holding costs the applicant has had in between.

18 This is -- and you are aware of this, an
19 independent third-party appraisal of a property is
20 considered to be a valid valuation of that property, so
21 that's the direction that we're going with the QAP, that
22 we're not -- yes, we have changed it; it did change from
23 last year.

24 There are all sorts of rules that changed from
25 last year. This change was included in the draft QAP that

1 the Board accepted that went out for public comment that
2 went to the final QAP, so there has been full disclosure
3 all along that this change was coming.

4 MR. VASQUEZ: But again, just to clarify, Marni,
5 the value of the property -- separate and apart from the
6 submitting of the appraisal, the value of the property
7 itself is immaterial to this part of this transaction, this
8 transaction they're looking for.

9 MS. HOLLOWAY: The value of the property is
10 included in the total development cost. The total
11 development cost is used in calculating the credit at the
12 end using the gap method.

13 MR. VASQUEZ: Okay. I want to check with Renee.
14 Did we resolve Ms. Dula's microphone issue?

15 MS. NORRED: We can try. We are going to unmute
16 her.

17 Tamea, can you hear us?

18 (No response.)

19 MR. MARCHANT: Mr. Chairman, while she's working
20 on that microphone, can I ask Marni another question,
21 please?

22 MR. VASQUEZ: Sure. Go ahead.

23 MR. MARCHANT: Marni, in the instance of when a
24 person donates the property into the partnership at a
25 certain value and then they give you an appraisal that

1 indicates a different value and then it gets put into the
2 application at maybe even still another value, how is it
3 ever ascertained for that process of the application what
4 the real value of the property is in your total
5 transaction?

6 MS. HOLLOWAY: And just knowing that situations
7 like that will arise where an applicant has given us a
8 value that differs from an appraised value is why we've
9 gone to this reviewed appraisal structure, this third-party
10 review appraisal structure, so that if there is any
11 question, there's another party who's considering it, those
12 values would be reconciled.

13 If we continue to disagree, of course, we would
14 come to the executive director and then to the Board, if
15 necessary, in order to resolve that question.

16 MR. MARCHANT: Do you find in this particular
17 waiver are any of those factors present?

18 MS. HOLLOWAY: Not that I know of.

19 MR. MARCHANT: Okay. Thank you.

20 MR. VASQUEZ: Okay. Since we cannot get Ms.
21 Dula back on, let me allow Ms. Cox or Ms. Hicks to present
22 her comments, because I know they are both familiar with
23 what Ms. Dula wanted to present.

24 So Renee, could we bring up Ms. Cox?

25 MS. NORRED: Yes, we have Cici Cox.

1 Cici, you are unmuted. Can you hear us?

2 MS. COX: Yes. Thank you. And thank you,
3 Chairman Vasquez.

4 I can read Ms. Dula's comments -- she's still
5 trying to get in but obviously has not been able to do
6 that -- and I can also speak to certain things.

7 There seems to still be ambiguity about
8 something, but let me be clear: There was a change in the
9 rule, and it was unclear. The application and the
10 procedures manual refer to the 2020 rule, and therefore, in
11 preparing the application we referenced the 2020 rule and
12 followed suit with the documentation that had been provided
13 and accepted in the past, and which we would not have been
14 required to submit an appraisal. We did not make an
15 arbitrary decision not to submit an appraisal.

16 Also, Mr. Marchant asked a question. When we
17 were terminated and received that notice, we immediately
18 turned around and did submit the appraisal we had in hand
19 all along.

20 We also spun around as quickly as we could,
21 worked with our banker and got a brand-new appraisal --
22 which is now only, I don't know, a month or a month and a
23 half hold, ever since we got the termination -- and it
24 meets every single requirement that's been brought up by
25 staff that our first appraisal had deficiencies.

1 We have done everything possible, believing we
2 didn't need to submit an appraisal, and now we have
3 submitted appraisals that meet the TDHCA requirements.

4 If you would like me to read Ms. Dula's
5 comments, I can do that.

6 MR. VASQUEZ: Okay. I believe, guys, that we
7 have -- that we understand the situation that the
8 application is in and the staff's position and
9 recommendation. We're going in circles somewhat now, so I
10 would actually ask if a Board member would like to make a
11 motion regarding whether to grant or deny this appeal.

12 MR. BRADEN: Mr. Chair, I'm willing to make a
13 motion, and I guess before I make it, a couple of things
14 that stick out in my mind's eye are obviously we had a
15 change of rule, and at least it's been represented to us by
16 a couple of people that our recitation of that rule in the
17 book and in the application wasn't exactly clear, so I
18 mean, we have that issue.

19 And then we have had consultants, including
20 consultants who appear before this Board regularly and who
21 are not related to this application, indicate that there's
22 precedent that in the past we've allowed this to be taken
23 care of to the extent it needs to be as far as the
24 underwriting process.

25 So on that basis, I move the Board grant the

1 appeal by the applicant and the application be reinstated.

2 MR. MARCHANT: Mr. Chairman, I second that.

3 MR. VASQUEZ: Okay. We have a motion made by
4 Mr. Braden to grant the appeal, a second by Mr. Marchant,
5 and I'd like to close out comment and go ahead and take a
6 vote. So all those in favor of Mr. Braden's motion to
7 grant the appeal on this item say aye.

8 (A chorus of ayes.)

9 MR. VASQUEZ: Any opposed?

10 (No response.)

11 MR. VASQUEZ: Hearing none, motion carries.

12 Moving right along, again the next item is 21185
13 Weslaco Village Apartments, and Marni, would you like to
14 give us the background, please?

15 MS. HOLLOWAY: Yes.

16 21185 Weslaco Village Apartments, you will
17 recall that at our last meeting there was a scoring appeal
18 that was taken up by the Board; that appeal was granted.
19 Prior to that action by the Board, this had not been a
20 priority application, so part of the comment that you may
21 hear on this item speaks to a very short period for
22 response to this issue, and I just wanted to make sure that
23 y'all are aware that having not been a priority
24 application, we did not take up this particular question
25 until your action at the last meeting.

1 So this application was determined to not be
2 eligible to participate under the at-risk set-aside and was
3 thereby terminated.

4 Staff determined that this applicant is
5 ineligible to participate pursuant to our -- and this gets
6 into a lot of citations -- at 2306.6702(a)(5)(A), which is
7 our definition of at-risk developments. Our statute is
8 very prescriptive regarding the developments that are
9 eligible to participate within that set-aside.

10 Under the Section 8 programs that are cited
11 within our statute, it speaks to, as specified by 24 CFR
12 Part 886, Subpart A, and as specified in 24 CFR 886,
13 Subpart C. So these are the two sets of very specific
14 criteria within our statute that allow a development to
15 participate in the at-risk set-aside.

16 The appeal that was submitted speaks to older
17 assisted stock and new assisted stock. The new assisted
18 stock would apply under Part 886 -- older assisted stock
19 would apply under Part 886 but not new assisted stock.

20 The applicants believe that under another part
21 of our statute, not the Housing Tax Credit section under
22 6700 but under 2306.802, should be read broadly so that the
23 older and new assisted stock, both of these 24 CFR Part 886
24 groups, would be able to compete under at-risk.

25 However, it appears that the applicant has

1 admitted the development does not receive the benefit of a
2 subsidy in the form of the Part A or Part C or any of the
3 other federal laws listed under 2306.6702(a)(5)(A)(i).

4 Because there is no evidence to support
5 compliance with the explicit statutory requirements for the
6 at-risk set-aside, staff terminated the application. The
7 executive director has denied that appeal; staff recommends
8 that the Board also deny the appeal.

9 Again, this is a very narrow statutory
10 requirement that these applications come in under one of
11 these very specific fund sources.

12 MR. VASQUEZ: Okay. So Marni, just so the Board
13 members understand, is this a determination that the staff
14 made that the application only fits in a certain type of
15 non-qualifying status, whereas we could actually determine
16 they alternatively fit into another one?

17 MS. HOLLOWAY: Another one? If the application
18 fit into another category under our at-risk set-aside
19 definition in statute, presumably the applicant would have
20 pointed that out during their appeal and said, oh, here,
21 no, it's this over here.

22 We did not examine all of the documentation from
23 the development, we don't necessarily have all of it to see
24 if any of it matched up with any other part of our
25 statutory definition. They came in saying that they were a

1 Section 8, but they do not qualify under either of those
2 very specific federal categories that are spelled out in
3 our statute.

4 MR. VASQUEZ: Okay. Do any Board members have
5 questions for Marni before we hear comments?

6 (No response.)

7 MR. VASQUEZ: Okay. Then before we make a
8 motion -- unless someone is very intent on making a motion
9 right now -- let's go ahead and hear comments on this item.

10 Renee, who do we have up first?

11 MS. NORRED: We have Cynthia Bast, and we are
12 looking to unmute her right now.

13 Cynthia, you are unmuted. Can you hear us?

14 MS. BAST: Yes. Thank you.

15 This is Cynthia Bast of Locke Lord. I'm
16 representing the applicant for this appeal.

17 Over the years there have been a variety of HUD
18 programs for mortgage subsidy and rental subsidy working
19 hand in hand. Programs have been modernized, new programs
20 have been implemented, and one succeeds the next.

21 The competitor who submitted the RFAD asserted
22 that this application cannot qualify for the at-risk set-
23 aside because its Section 8 subsidy derived from a new
24 construction program instead of a program for existing
25 housing properties.

1 The RFAD points to a HUD database that
2 categorizes Weslaco Village as S8NC for Section 8 new
3 construction, instead of LMSA for loan management set-
4 aside. We do not dispute that characterization. However,
5 TDHCA statute and rules previously have been interpreted to
6 allow both kinds of project-based Section 8 subsidy to
7 qualify for the at-risk set-aside.

8 In 1997 Congress enacted mark to market
9 legislation to reset rent and mortgages for the project-
10 based Section 8 portfolio. Both LMSA and S8NC properties
11 were treated the same. Weslaco Village went through a
12 demonstration program in conjunction with this
13 implementation.

14 TDHCA staff focuses on a reference in the
15 statutory definition of the at-risk set-aside to 24 CFR
16 Part 886 as distinguishing the LMSA properties from the
17 S8NC properties and excluding Weslaco Village from the
18 at-risk set-aside.

19 But if you look at the actual Section 8 contract
20 for this property, an excerpt of which is on page 235 of
21 your Board book supplement, you will see that the contract
22 references 24 CFR Part 886 with regard to housing quality
23 standards.

24 Why would HUD connect this property to 24 CFR
25 Part 886 if they did not see a linkage there? This

1 supports including Weslaco Village in the at-risk set-
2 aside.

3 Finally, TDHCA's governing statute provides
4 directives as to preservation properties. It states that
5 TDHCA shall give Class A priority to any federally
6 subsidized property that is at risk because its rent
7 subsidy or mortgage subsidy is expiring.

8 The statute further says that TDHCA shall
9 allocate housing tax credits to Class A priority
10 properties. This is consistent with what Congress and HUD
11 established in the mark to market program, that certain
12 historical properties were a priority for preservation
13 whether they were LMSA or S8NC.

14 A broader reading of TDHCA's at-risk definition
15 is consistent with the statutory mandate to assist Class A
16 priority properties. We believe this is why TDHCA has
17 awarded tax credits from the at-risk set-aside to nine
18 different applicants by S8NC properties over the years and
19 as recently as 2019.

20 Weslaco Village asks you to continue that
21 interpretation and grant this appeal reversing staff's
22 termination.

23 MR. VASQUEZ: Thank you, Ms. Bast.

24 Don't go far, because I'm assuming there's some
25 fine technicalities that we need to address on this one.

1 Renee, who do we have up next?

2 MS. NORRED: We have Bill Fisher, and we are
3 looking to unmute him.

4 Bill, you are self-muted. Will you please
5 unmute yourself? Mr. Fisher, you are self-muted. Will you
6 please unmute yourself?

7 MR. FISHER: Board members, good morning. Bill
8 Fisher, Sonoma Housing Advisors.

9 I am the development consultant for another
10 application. This section of the QAP has been very clear
11 for many years. There are very specific statutory
12 provisions about which developments are to be considered
13 under the federal rules for at-risk.

14 It's a legislative initiative. It's clear -- I
15 know Ms. Bast is trying to fit it by somehow expanding the
16 interpretation -- but there's a list of programs that
17 qualify for at-risk. Those of us that do a lot of at-risk
18 know what those are, and they should have had an
19 explanation in there as to why somehow they fit under one
20 of those programs.

21 So on behalf of our sponsor, we believe that
22 this is a statutory requirement, that the Board does not
23 have discretion to waive it, and that they need to
24 demonstrate to you today that of these list of program
25 rules that their paperwork ties to one of those rules.

1 If not, then they need to come forward in the
2 next QAP round and try to get it corrected, or they'll have
3 to go to the legislature to get it added to the at-risk
4 provision.

5 This has been a separate section of the statute
6 for many years; 15 percent of the credits that are
7 allocated to the state every year go for the purposes of
8 funding on a priority basis USDA transactions and
9 affordable housing that is at risk of losing its rental
10 subsidy under specific programs.

11 So we would speak in support of the staff
12 recommendation and maintain the termination of Weslaco
13 Village.

14 MR. VASQUEZ: Thank you, Mr. Fisher.

15 Renee, who do we have up next?

16 MS. NORRED: We have Ryan Sweeney, and we are
17 looking to unmute him right now.

18 Ryan, you are unmuted. Can you hear us?

19 MR. SWEENEY: I can hear you. Thank you.

20 Chair and members of the Board, first of all I
21 just want to clarify something on the last comments. This
22 has been a statutory thing for many years, and TDHCA has
23 awarded, as Ms. Bast pointed, many, many other applications
24 under the same contract, and you may be awarding another
25 one today, absent Weslaco Village, but I'm not going to

1 rehash what was said on that.

2 But my name is Ryan Sweeney. I'm with the
3 nonprofit developer of this project, and I thank you once
4 again for hearing us on behalf of the City of Weslaco on
5 their needs of affordable housing.

6 You've heard how this application, as many have
7 gone before, does qualify under the CFR through HUD's own
8 interpretation of that statute. And I want to be clear,
9 just to look at that paperwork HUD is telling you that it
10 qualifies, that's not legal argument: HUD is telling you.

11 But I'd like to comment on briefly on the due
12 process on this application. As we know, this project was
13 before this Board two weeks ago on a scoring dispute
14 regarding the City of Weslaco's CRP.

15 Why are we here again on an appeal resulting in
16 a notice of termination that was sent at the last possible
17 minute? Why was this not brought up and discussed two
18 weeks ago? Staff's letter to us of three days ago seems to
19 indicate that they did not know about the potential issue
20 until one week after the Board decided our last appeal, and
21 respectfully, that's not accurate.

22 On May 3 TDHCA received a request for
23 administrative deficiency on this issue from a competing
24 project. They sent us the formal administrative deficiency
25 on May 26.

1 We submitted a response promptly and timely on
2 June 3. Since that time we have not heard a peep on this
3 matter and we're six weeks. During the same time frame we
4 received notice of a scoring adjustment on the CRP issue on
5 May 17. We responded to that on May 24, and on June 7 we
6 did receive a response to that which set that matter for
7 hearing before this Board two weeks ago.

8 All throughout that process there was no
9 response or other communication on the issue at hand today.

10 Why should a nonprofit developer have to spend thousands
11 of dollars to defend a scoring issue when TDHCA knew that
12 they had a potential termination issue already ready to go?

13 Why did we have to go and do this and why do we
14 have to do it again? Why was it not done at the same time?

15 Staff's response of three days ago seemed to indicate that
16 they did not need to do an in-depth review of this
17 application until after the Board ruled on the CRP issue
18 two weeks ago.

19 If that is the case, then what sort of review
20 prompted the CRP issue to begin with, and why is another
21 application with the same contract in line to get an award
22 today? Why was that one not done a review?

23 When the CRP issue was resolved by the Board on
24 July 8, they waited an entire week before notifying us on
25 July 15 that this matter would be heard today, the very

1 last moment, right before TAAHP, right when everybody is
2 getting ready to do awards.

3 After 81 days of sitting on this, we were
4 notified that this would be heard at the last possible
5 minute. That's a "gotcha" and particularly when we
6 responded and we did not hear anything.

7 This project qualifies for the terms of the HAP
8 contract. All you have to do is follow your own precedent,
9 because you have awarded many projects under the same
10 program over the years, and you're about to award another
11 one today. Let's treat the projects the same, and this is
12 the easiest appeal you will ever have.

13 Thank you.

14 MR. VASQUEZ: Thank you, Mr. Sweeney.

15 Renee, do we have another speaker?

16 MS. NORRED: Yes, we have Brad McMurray.

17 And Brad, you are self-muted. Can you please
18 unmute yourself?

19 MR. McMURRAY: Can you hear me now?

20 MS. NORRED: Yes, we can.

21 MR. McMURRAY: Great. Yes, Chair Vasquez and
22 Board members, my name is Brad McMurray, and I'm on the
23 application team for the Weslaco Village Apartments that is
24 requesting you grant this appeal.

25 I'd like to call your attention to the

1 longstanding TDHCA Board precedent in making awards under
2 at-risk set-aside to applicants with the very same Section
3 8 contract as Weslaco Village Apartments that was
4 terminated by staff in response to an RFAD from a
5 competitor.

6 Now, if you go to page 240 of your supplement,
7 you will see an excerpt from that RFAD that basically just
8 describes the HUD database used to identify that Weslaco
9 had the Section 8NC contract that Cynthia Bast spoke on.

10 Now if you go to page 242 you will see a list of
11 nine different projects over a period of several decades
12 that have the exact same contract. They're listed as the
13 same Section 8NCm and they qualified under the at-risk set-
14 aside in these previous years.

15 We've had commenters talk about how this has
16 been around forever, this is nothing new, these guys are
17 just trying to do something, and if they were they should
18 have put it in their application.

19 Well, the truth of the matter is it has been
20 around for years, and TDHCA has approved these exact same
21 Section 8 contracts without incident or question.

22 Now, if we look at this -- and I hate to be
23 using the "gotcha," but it's very, very applicable because
24 the competitor seems to be trying to create this
25 circumstance for their less competitive application, and it

1 doesn't appear -- I don't know, but it doesn't appear that
2 they're really concerned about enforcing their particular
3 interpretation of the at-risk qualifications because an
4 applicant that has the same qualifications under the same
5 type of Section 8 contract is scheduled to be on an award
6 in another item that follows this one.

7 You know, something that kind of supports the
8 "gotcha" too is that the competitor in their RFAD to TDHCA
9 underwriting, apparently trying to negatively influence our
10 application as well, when TDHCA underwriters are highly
11 skilled in applying those requirements.

12 So if you go to page 243 of the supplement, you
13 will see an excerpt from that same HUD database that shows
14 Weslaco Village and then this other applicant, Longview
15 Square Apartments, that is scheduled in the at-risk to
16 receive an award.

17 Both are marked with Section 8NC, so both of
18 them qualify for the very same reason. So we feel that if
19 you don't grant this appeal then you've treated Weslaco
20 Village differently than similar applications in this
21 cycle.

22 We've also been treated differently than a long
23 list of precedent that's been set without issue, and we
24 really believe that not granting this application would be
25 both arbitrary and inconsistent with this longstanding

1 precedent that's been in existence for over a decade.

2 So something too to look at this, instead of
3 splitting the hairs, if you look at Weslaco, it's an
4 existing Section 8 development built in the late '70s
5 that's composed of 44 units that serve families in need,
6 and it's reached the end of its useful life. It needs to
7 be reconstructed and this provides funding -- Section 8
8 that actually allows them to pay their rent based on their
9 ability to pay.

10 Now, we believe that all state statutes have
11 been followed in applying in the previous awards, and also
12 they would be followed if you supported this appeal and
13 gave it to Weslaco Village and Longview Square. Now, in
14 granting these --

15 MR. VASQUEZ: I'm going to need to ask you to
16 wrap up your comments here.

17 MR. McMURRAY: That's basically it. I think
18 with Senator Lucio you saw the incredible need for the
19 affordable housing in Hidalgo County. This preserves
20 existing -- that was just for new; this is preserving the
21 existing, so we thank you for your consideration and ask
22 that you grant the appeal.

23 MR. VASQUEZ: Great. Thank you.

24 Renee, do we have one more?

25 MS. NORRED: We have actually two more speakers,

1 and so we are looking to unmute Robbye Meyer.

2 Robbye, you are self-muted. Can you hear us?

3 Robbye Meyer, you are self-muted. Can you hear us?

4 Oh, she no longer wishes to speak; she just
5 popped up in the questions box.

6 MR. VASQUEZ: Okay.

7 MS. NORRED: Sorry. Go ahead.

8 MR. VASQUEZ: Who do we have after that?

9 MS. NORRED: We have Tracey Fine.

10 Tracey, you are self-muted. Will you please
11 unmute yourself?

12 MS. FINE: I'm unmuted. Can you hear me now?

13 MS. NORRED: Yes, we can.

14 MS. FINE: I wanted to point out that the new
15 construction program that was mentioned by Cynthia and Brad
16 is under a program called the HUD New Construction Rental
17 Assistance Part 880, and I also wanted to point out that in
18 this past 87th Legislative Session, Representative Moody
19 filed House Bill 2296 that would have added this particular
20 program, the HUD 880 New Construction program, along with
21 Part 881 as a list of eligible developments to at-risk.
22 Clearly, they weren't interpreting Part 886 to be broadly
23 covering this program.

24 Unfortunately, this bill failed. House Bill
25 2296 failed, along with several other affordable housing

1 bills aimed at improving the Tax Credit Program. I
2 personally spent a lot of time at the Capitol trying to get
3 this very narrow dated, and quite frankly, terrible at-risk
4 language tweaked. None of those bills passed this session,
5 so granting the appeal would still be a violation of the
6 at-risk code.

7 Last meeting an application was terminated since
8 statute required notification of a superintendent. A
9 simple error or notifying the incorrect superintendent got
10 the application terminated.

11 Weslaco points out nine deals have flown under
12 the radar under this very technical issue and were
13 previously funded. As mentioned, there's another
14 application about to walk out the door with an award with
15 the very same issue, flying under the radar. I'm willing
16 to guess that someone else maybe got funded after notifying
17 the wrong superintendent. Unfortunately, it seems that
18 some applications get caught and some don't.

19 Part of me wants this to be granted this appeal.
20 To try to get something changed in legislation is nearly
21 impossible. This shouldn't be added. So if you grant this
22 appeal, does that mean that we don't have to go back to the
23 legislature and ask that Part 880 be added; would it just
24 already be assumed to be included?

25 I just want to point that out, and I'm the first

1 to say that the statute unfortunately does not support the
2 needs of preservation in our state. I just don't know
3 whether the Board has the ability to rule over that.

4 That's all I have to say.

5 MR. VASQUEZ: Thank you, Ms. Fine.

6 I believe we can bring back up Marni if any
7 Board members have some follow-up questions based on the
8 testimony.

9 I do have one question. I believe I heard, and
10 I see in the Board materials that HUD made statements that
11 this property qualified. Was that correct? I think under
12 Part 886.

13 MS. HOLLOWAY: So Part 886 is a broader piece of
14 the Federal Code. Our statute calls for qualification
15 under the at-risk set-aside under Part A and Part C, and
16 are very specific to those requirements, not the boarder
17 Part 886, which encompasses other programs and other
18 requirements.

19 MR. VASQUEZ: Is that it?

20 MS HOLLOWAY: I think that all that I can speak
21 to as the director of the Multifamily Finance Division is
22 what our statute says, which is that they have to come in
23 under one of these two parts of Part 886. I am not expert
24 in that entire body of Federal Code.

25 MR. VASQUEZ: Okay. Board members, do you have

1 any other questions?

2 MR. BRADEN: Mr. Chair, I have a question, and
3 maybe it's more appropriately directed towards Bobby or
4 Beau.

5 Is this a comparable situation to two weeks ago
6 or is this something where the Board has discretion?

7 MR. ECCLES: This is Beau Eccles.

8 I will say that the definition in the
9 competitive tax credit section of 2306 is very, very
10 specific about what will qualify for at-risk as a recipient
11 of Section 8 benefits, and that is Subpart A and Subpart C.

12 To the idea that there may have been previous
13 applications that, as Ms. Fine said, snuck under the radar,
14 doesn't mean that it's okay for the Board to say, okay,
15 well, we can knowingly go against what is being brought in
16 front of us.

17 This is not really a matter of interpretation so
18 much as does this qualify under the very narrow definition.

19 If there's some other part of the definition of at-risk
20 that they would qualify under, it should certainly be
21 brought up, but otherwise, as it has been mentioned, this
22 is an issue to take up with the legislature. I don't
23 really see an interpretive position for the Board to try to
24 nuance.

25 MR. BRADEN: I guess I struggle with this issue,

1 because if we were to not grant this appeal, we would not
2 only be inconsistent with what we've done in the past, we'd
3 be inconsistent within this same field of applicants.

4 MR. ECCLES: I'm not sure that's the case.

5 MS. HOLLOWAY: Respectfully, respectfully, I am
6 not able to confirm that that is the case, and if we are
7 aware of another applicant that is ineligible, it would
8 have been similarly terminated.

9 MR. BRADEN: Somebody put up snippets from the
10 HUD site that shows the same S8NC, and if that's supposed
11 to be the determining factor, I guess the one thing I'm
12 also asking is is there agreement that it's not under A or
13 C just because the HUD site references S8 New Construction?
14 Is that for sure, it doesn't reference the old acronym?

15 Maybe Cynthia Bast or somebody could comment on
16 that, but I mean, we're banking a lot on the fact and we're
17 making a determination that it doesn't fall within A or C
18 because of this S8NC lettering.

19 MS. HOLLOWAY: We are banking on we asked them
20 how do you qualify under at-risk, and they didn't tell us
21 that they met any of the very specific criteria in our
22 statute.

23 MR. VASQUEZ: Paul or everyone, if you'll bear
24 with me, I would like to -- since that's a very specific
25 question that you're asking, I'd like to ask if we can

1 bring back up the applicant's counsel, Ms. Bast, to see if
2 she can concisely add some clarification on this.

3 Can we do that, Renee?

4 MS. NORRED: Cynthia, you are unmuted. Can you
5 hear us?

6 MS. BAST: Yes. Thank you.

7 This is Cynthia Bast, and thank you for the
8 further inquiry.

9 I am not by any means a complete historical
10 expert on Section 8. Project-based Section 8 started when
11 I was in elementary school, but I will tell you this: I
12 spent a considerable amount of time understanding these
13 various programs over the weekend, and first of all, if you
14 look up 24 CFR Part 886, there are only two subparts,
15 there's A and there's C. There's no broader body of law
16 for 24 CFR 886.

17 We admit that 24 CFR 886 related to programs for
18 existing housing properties with mortgage subsidy that were
19 at risk and needed to be restructured with their rent
20 subsidy and their mortgage subsidy. That is correct. The
21 new construction program for project-based Section 8 did
22 occur and does occur under Part 880. That is correct as
23 well.

24 So what I have learned from all of the guidance
25 out there is that subpart A and C are the LMSA program, and

1 then if you look at HUD's database, they would be coded as
2 LMSA.

3 The subpart 880 is the new construction program,
4 and if you look at HUD's database they would be coded as
5 S8NC. And so that's why we're making this distinction.

6 But both of those, Part 880 and 886, were folded
7 together when this mark to market legislation occurred, and
8 HUD acknowledged that both of these sets of properties
9 needed preservation and needed restructuring.

10 And so to also clarify the record, the point
11 that I was making with regard to this particular property
12 is if you look at its Section 8 contract, its Section 8
13 contract says that for housing quality standards it will
14 abide by 24 CFR Part 886, and Part 886 that is Subpart C,
15 that housing quality standards provision is in Subpart C.

16 So our point is that there's a linkage: HUD has
17 linked it, Congress has linked it in passing the mark to
18 market legislation. I acknowledge what Ms. Fine said with
19 regard to the legislation that was proposed this year and
20 agree that it could be clarified.

21 Honestly, when I saw the data that TDHCA had
22 awarded nine S8NC properties in the past and was getting
23 ready to award another one other than Weslaco Village this
24 cycle, I believed it was because TDHCA had looked at this
25 and made the interpretation that if you have a project-

1 based Section 8 contract we acknowledge that all of those
2 project-based Section 8 contracts need preservation, and so
3 that it was a logical interpretation of the statute and the
4 rule.

5 So hopefully I've answered your questions. I'm
6 happy to answer anything else, Mr. Vasquez.

7 MR. VASQUEZ: Thank you, Ms. Bast.

8 Mr. Braden, did that address some of your
9 concerns?

10 MR. BRADEN: It addressed not all of them, but I
11 guess a couple of follow-up questions for Cynthia.

12 So Cynthia, there is no Subchapter B of this 886
13 then; it must have been deleted at some point?

14 MS. BAST: Yes, Mr. Braden, that is correct. It
15 was -- let's see, the beauty of doing this virtually -- no,
16 I don't have the date on which it was eliminated, but it is
17 marked as reserved.

18 MR. BRADEN: What about our statute that
19 referenced A and C, when was that put in? Does anybody
20 know that? What I'm trying to get a feel for was is it the
21 fact that the legislature put that in place at one point in
22 time and then the federal program has evolved and really
23 the successor to A and C are these other S8NC and nothing
24 has caught up with it?

25 It's just you wouldn't interpret a statute that

1 the programs are gone; you would interpret it to the
2 successor programs underneath that. Is there grounds to
3 make that type of interpretation?

4 MS. BAST: I think there could be. I mean, as
5 Mr. Fisher noted, this definition has been in place for a
6 considerable time, so I think that's possible.

7 But again, I've only had two business days to
8 prepare for this appeal, so I don't have all of the history
9 of the Section 8 Program, and I'm sure there's someone out
10 there in the cyberspace who might know more than I do on
11 that particular issue.

12 MR. BRADEN: It sounds like the statute and the
13 rules haven't quite caught up with what the programs are in
14 terms of what our statute is, and it does sound like maybe
15 we need to tweak it.

16 But you know, I guess I struggle with
17 interpreting something that we know that's evolved and this
18 property, at least what we've been told, clearly has
19 Section 8 funding associated with it.

20 MR. VASQUEZ: Bobby, you look like you were
21 wanting to chime in.

22 MR. WILKINSON: The definitions section, at
23 least, has been amended fairly recently, as recently as
24 2017 -- '13, '15, '17. I know there has been some tweaks
25 to the at-risk definition, at least some attempts over the

1 last few sessions. It is very oddly specific, and that's
2 what we're struggling with here.

3 MR. ECCLES: This is Beau Eccles. I'll have to
4 double-check this but it's possible that the at-risk
5 definition went in in 2001, and that would have been after
6 the mark to market legislation that's been raised here.

7 MR. VASQUEZ: Okay. I believe the Board
8 understands the issues here at play and whether we decide
9 it's Section 8 eligible or it still qualifies in the big
10 picture even though the narrow discussion or narrow
11 classification that staff is using, and I'm not saying they
12 were incorrectly using it, but again it still qualifies
13 under the bigger umbrella, which I'm personally comfortable
14 with, but I can understand if others are not.

15 I'm personally comfortable with it being
16 classified as eligible, but again, that's just one opinion
17 out of six. Does any other Board member care to make a
18 comment or a motion?

19 MR. MARCHANT: Mr. Chairman, will this reopen
20 the Laredo issue?

21 MR. VASQUEZ: No. Laredo is closed, decided.

22 MR. MARCHANT: Okay.

23 MR. VASQUEZ: Again, does anyone want to make a
24 motion to approve the appeal or deny the appeal? Does
25 anyone have a coin?

1 MS. THOMASON: I have a question, and I think
2 Marni may have already said that we don't know the answer
3 to it. So this other application that is being referenced
4 in this round with similar, is there some difference that
5 makes that application eligible where this one is being
6 terminated?

7 MS. HOLLOWAY: If in fact the other application
8 does not fall under one of these two categories or some
9 other category, we have not in the course of our review
10 made that determination, and we have not found that
11 information. Our review indicated that the other
12 application that's being referred to is in fact eligible to
13 participate in the at-risk set-aside, as I'm sure was the
14 situation with all of the past applications that have been
15 referred to by the appellant in this situation.

16 MR. VASQUEZ: Okay. Since we need to get this
17 moving along, as chairman I will take the prerogative to
18 make a motion and everyone can vote as you see fit.

19 So regarding application 21185 Weslaco Village
20 Apartments, I move the Board grant the appeal by the
21 applicant and that the application be reinstated. Is there
22 a second?

23 MR. MARCHANT: Second. Marchant, second.

24 MR. VASQUEZ: Thank you, Mr. Marchant.

25 All those in favor of the motion to grant the

1 appeal say aye.

2 MR. BRADEN: Aye.

3 MS. THOMASON: Aye.

4 MR. MARCHANT: Aye.

5 MR. VASQUEZ: Those opposed?

6 MR. BATCH: Aye, Mr. Chairman.

7 MR. VASQUEZ: Aye opposed or nay against?

8 MR. BATCH: I apologize. I oppose.

9 MR. THOMAS: I oppose as well.

10 MR. BATCH: If I can make just a general
11 comment, Mr. Chairman. You know, again, from listening to
12 counsel, it's clear that -- it's just not exactly clear to
13 me that we're exactly following the statute on this, and I
14 think again we've found ourselves in a position where we're
15 kind of going a little bit out of bounds on this.

16 And not to bring up the Laredo issue, but I
17 think it was a similar thing, and I feel like we're bending
18 the rules for one applicant and we didn't for another. I
19 would just personally like to see a little bit more
20 consistency.

21 MR. VASQUEZ: Okay. Thank you, Mr. Batch.

22 Noting that Mr. Batch and Mr. Thomas vote
23 opposed to the motion, we have Mr. Braden, Ms. Thomason,
24 Mr. Marchant and myself as chair for the motion, so the
25 motion carries to grant the appeal.

1 And appreciate everyone's input on this. Also,
2 I do believe these are a different set of circumstances
3 from the prior infamous Laredo case.

4 So moving along, I have late-breaking
5 information that the 21206 appeal has been withdrawn;
6 therefore, we are complete with the appeals, and it is
7 11:20 and we still have the additional rest of the agenda
8 to complete, so staff, don't go away, don't go far.

9 Let's go ahead and take an approximately ten-
10 minute break, so we'll recess here at 11:20 and start
11 promptly at 11:30.

12 So we stand in recess, and I'll see you all back
13 in about ten minutes.

14 (A brief recess was taken.)

15 MR. VASQUEZ: It is by my clock 11:32, so the
16 Board meeting of the Texas Department of Housing and
17 Community Affairs will recommence, and we will go back to
18 the original order of the agenda and move to item 4.

19 Agenda item 4(a) is presentation, discussion and
20 possible action on the State Fiscal Year Ending
21 Homelessness Fund awards, and we have Ms. Versyp up to
22 present this information.

23 MR. WILKINSON: Abby, you're muted.

24 MS. VERSYP: Thank you. I was muted twice, so I
25 undid one but not the other.

1 Good morning -- it's still morning -- Chairman
2 Vasquez and Board members. I am Abigail Versyp. I'm the
3 director of our Single-Family and Homeless programs at the
4 Department. I'll be presenting the next four items on the
5 agenda today.

6 The first item for consideration is item 4(a)
7 which is the recommendation for awards under the Ending
8 Homelessness Fund, or EH Fund, what we call it internally.

9 The EH Fund is a unique funding source because it's
10 entirely funded through donations that Texans can make to
11 help end homelessness when they register or renew their
12 registration for their vehicle.

13 Through the donations of generous Texans for
14 this important purpose, we're able to recommend awards
15 totaling over \$450,000 today to nine eligible
16 subrecipients. The funds can be used for assistance to
17 persons experiencing homelessness and those at risk of
18 homelessness, including funding for emergency shelter,
19 essential services, case management, and rental assistance,
20 among other needs.

21 The funds are available only to cities and
22 counties and our current rule for the funds to be
23 distributed equally amongst cities and counties that have a
24 current award of funding from either our Emergency
25 Solutions Grants Program or our Homeless Housing and

1 Services Program.

2 We are recommending awards to nine cities that
3 meet this criteria and that have accepted funding. The
4 list of cities is included in attachment 8 of this item.
5 One city, the City of Houston, was also eligible and
6 offered an award but declined to apply. Each city would
7 receive \$51,804 from the fund if these awards are approved.

8 I'm happy to answer any questions you have.

9 MR. VASQUEZ: Great. Thank you, Ms. Versyp.

10 Do any Board members have questions on this
11 item?

12 (No response.)

13 MR. VASQUEZ: I'm upset with my hometown here
14 but otherwise happy about the agenda item. This is great
15 that every little bit helps and it adds up.

16 So I assume we have no one to speak on this
17 item.

18 MS. NORRED: We have no one in queue. Yes,
19 that's correct.

20 MR. VASQUEZ: Okay. The chair will entertain a
21 motion on item 4(a).

22 Mr. BATCH: Mr. Chairman, I move that the Board
23 authorize the executive director and his designees to
24 effectuate award of the Ending Homelessness Fund, as fully
25 expressed in the Board action request for this item.

1 MR. VASQUEZ: Great. Thank you.

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

3 MS. THOMASON: Second.

4 MR. VASQUEZ: Seconded by Ms. Thomason. All
5 those in favor say aye.

6 (A chorus of ayes.)

7 MR. VASQUEZ: Any opposed?

8 (No response.)

9 MR. VASQUEZ: Hearing none, motion carries.

10 Moving on to 4(b), presentation, discussion, and
11 possible action on state fiscal years 2020 and 2021
12 Homeless Housing and Services Program reallocations and
13 extension requests.

14 Ms. Versyp, please continue.

15 MS. VERSYP: Yes. Thank you.

16 So the HHSP is a state-funded program. We
17 provide funds annually to cities in Texas with a population
18 that exceeds 285,500 persons under two separate set-asides.

19 The general HHSP set-aside is the larger of the
20 two and provides funding for homelessness prevention and
21 homelessness services to eligible applicants. The smaller
22 youth set-aside is designated to provide assistance to
23 Texans under the age of 24 that are experiencing
24 homelessness, so those funds aren't utilized for
25 prevention, just homelessness.

1 The funds that were awarded from the 2020
2 general and youth set-asides were not full expended by the
3 expiration of their contract term. The cities that were
4 not fully expended were notified that their funds that were
5 remaining would be de-obligated at the end of the term and
6 made available for reallocation. And with the exception of
7 the City of Dallas, all unexpended funds have been de-
8 obligated.

9 The funds total \$1,336 in general set-aside
10 funds and \$31,319 in youth set-aside funds. We recommend
11 that these funds are awarded to the city or to the city's
12 designated nonprofit that has the highest expenditure rate
13 for their own awarded 2020 HHSP funds so long as doing so
14 wouldn't cause the award to be more than 125 percent of
15 what they were originally awarded.

16 Using this methodology, Haven for Hope, the
17 designee for the City of San Antonio, would be awarded the
18 \$1,336 in general set-aside, and the City of El Paso would
19 be awarded the \$31,319 in youth set-aside funds. Both of
20 these were the highest expended in their set-aside and
21 neither award would cause the total award to exceed 125
22 percent of what they were originally allotted.

23 Additionally, when the de-obligation notices
24 were sent to subrecipients that hadn't fully extended, the
25 City of Dallas submitted an appeal to their de-obligation

1 and an explanation of the low expenditure rate under their
2 youth set-aside contract. So they did spend appropriately
3 under their general set-aside, but their youth set-aside
4 wasn't fully expended. At the end of the original term,
5 the city had reported expenditures equal to about 21
6 percent of the youth set-aside funds.

7 They had already requested and they were already
8 granted a six-month extension, which ended on February 28,
9 2021. However, they had procured a service provider and
10 contracted with them for a term that didn't expire until
11 February 28, 2022.

12 When the appeal related to de-obligation of
13 funds was granted, the city submitted an extension request
14 to align the HHSP contract with the service provider
15 contract. In total that's going to exceed the amount of
16 time that staff can grant for an extension.

17 They also requested that their 2021 youth
18 set-aside contract be extended for a term of a more than
19 six months, so we rolled those into this same item. Their
20 2021 HHSP youth set-aside contract at that time was only 3
21 percent expended.

22 We do recommend approval of both of these
23 extension requests. They have contracted with a service
24 provider that is a regular contractor under our ESG program
25 and is known to be very responsible and responsive in

1 expending funds. They just thought they had a year longer
2 than they really did.

3 So I hope I can answer any questions you have
4 about either the reallocation of the 2020 funds or the
5 extension requests for the City of Dallas.

6 MR. VASQUEZ: Great. Thank you for the
7 background.

8 Do any Board members have questions on item
9 4(b)?

10 MS. THOMASON: I just had one question. So is
11 that February 28, 2022, for both the '20 and the '21
12 amount?

13 MS. VERSYP: No. For the 2021 they asked for
14 that February 28, 2022, date -- or for the 2020 funds. For
15 the 2021 funds they wanted to extend that out to May 30,
16 2022. Those funds will still be available to us through
17 the Comptroller, and it just provides them a little bit of
18 buffer to get them all fully expended.

19 MS. THOMASON: Okay. Thank you.

20 MR. VASQUEZ: Okay. Then, Renee, we do not have
21 anyone lined up for public comment on this item?

22 MS. NORRED: No, there is no one lined up for
23 public comment.

24 MR. VASQUEZ: Okay. Unless any Board members
25 have further questions, I will entertain a motion on item

1 4(b).

2 MR. THOMAS: Mr. Chairman, I move the Board
3 authorize the executive director and his designees to
4 effectuate awards of reallocated Homeless Housing and
5 Services Program contract funds and to extend the City of
6 Dallas's 2020 and 2021 HHSP contracts, as fully expressed
7 in the Board action request for this item.

8 MR. VASQUEZ: Thank you.

9 Motion made by Mr. Thomas. Do we have a second?

10 MR. BATCH: I second, Mr. Chairman.

11 MR. VASQUEZ: Seconded by Mr. Batch. All those
12 in favor say aye.

13 (A chorus of ayes.)

14 MR. VASQUEZ: Any opposed?

15 (No response.)

16 MR. VASQUEZ: Hearing none, motion carries.

17 Moving on to 4(c), presentation, discussion, and
18 possible action on the state fiscal year 2022 Homeless
19 Housing and Services Program awards.

20 Again, Ms. Versyp.

21 MS. VERSYP: Thank you.

22 This presentation is going to be blessedly brief
23 since we just discussed HHSP in the last item. Now we're
24 switching gears to new awards for the 2022 allocation of
25 HHSP that was approved in the last legislative session.

1 So for the first year of the biennium, we're
2 able to award about \$4.7 million in general set-aside and
3 \$1.5 million in youth set-aside. The youth set-aside is a
4 fixed amount based on the requirements of Rider 16.

5 The amount awarded under the general set-aside
6 is determined by taking the total allocation, reducing it
7 by the youth set-aside of \$1.5 million, and also the TDHCA
8 administrative funds that we hold from HHSP, which is
9 \$48,000 for 2022.

10 The funds are then distributed to eligible
11 cities using an allocation formula that's codified in our
12 Administrative Code. Eligible cities are notified of their
13 allocation amounts and asked to submit an abbreviated
14 application that includes their budget, their plan, and
15 administrative paperwork we need to get into an award.

16 Eligible cities can either directly administer
17 HHSP or they can choose a nonprofit to contract with TDHCA
18 on their behalf so that awards can be made to either cities
19 or nonprofits, but it's at the city's discretion. A
20 previous participant review and awards are recommended to
21 EARAC.

22 At the time the Board book was posted, we were
23 still pending EARAC approval for both Haven for Hope and
24 the City of Houston. The Haven for Hope, their award has
25 been approved by EARAC now, so the only the City of Houston

1 is pending approval at this time.

2 We're recommending awards conditioned on this
3 one EARAC approval that's outstanding for the City of
4 Houston.

5 The award recommendations for both the general
6 and the youth set-asides are in attachment A to this item,
7 and please let me know if you have any questions about
8 this.

9 MR. VASQUEZ: Thank you again, Abigail.

10 Do any Board members have questions on item
11 4(c)?

12 (No response.)

13 MR. VASQUEZ: And again, I believe we have no
14 one in the queue to speak.

15 MS. NORRED: That is correct.

16 MR. VASQUEZ: So the chair would entertain a
17 motion on item 4(c) of the agenda.

18 MR. BRADEN: Mr. Chair, I move the Board
19 authorize the executive director and his designees to
20 effectuate awards of Homeless Housing and Services Program
21 contracts for general funds and youth set-aside funds, as
22 fully expressed in the Board action request for this item.

23 MR. VASQUEZ: Thank you.

24 Motion made by Mr. Braden. Is there a second?

25 MS. THOMASON: Second.

1 MR. VASQUEZ: Seconded by Ms. Thomason. All
2 those in favor say aye.

3 (A chorus of ayes.)

4 MR. VASQUEZ: Any opposed?

5 (No response.)

6 MR. VASQUEZ: Hearing none, motion carries.
7 Moving right along to item 4(d), presentation,
8 discussion, and possible action on the 2022-2023 Texas
9 Housing Trust Fund Biennial Plan.

10 And one more for Ms. Versyp.

11 MS. VERSYP: One more.

12 So this plan that's presented to you today sets
13 forth the use of funds for the Texas Housing Trust Fund.
14 Upon approval, the plan is going to be submitted to the
15 Legislative Budget Board, House Appropriations Committee,
16 and the Senate Finance Committee.

17 Currently TDHCA operates two housing programs
18 funded by the Texas Housing Trust Fund. The first is the
19 Texas Bootstrap Loan Program; we call it Bootstrap for
20 short. Bootstrap provides financing, usually in the form
21 of a purchase money note, for housing that was built using
22 self-help. Participants can receive a Bootstrap loan of up
23 to \$45,000 at zero percent interest, and in return they
24 have to provide at least 65 percent of the labor required
25 to build their home.

1 We provide Bootstrap through a network of
2 administrators who can either be nonprofit entities or
3 Colonia Self-Help Centers. The vast majority of our
4 Bootstrap administrators are affiliates of Habitat for
5 Humanity. They also provide financing for the projects.

6 Since there's a statutory cap of \$45,000,
7 Bootstrap is a piece, a very important piece, but the deals
8 do have to be layered. None of the families assisted under
9 Bootstrap have an income which exceeds 60 percent of the
10 median family income.

11 Statutorily, we need to program \$3 million a
12 year for the Bootstrap Program, and while the appropriation
13 didn't allow for all of this to come from appropriated
14 funds in the next biennium, the difference is made up from
15 interest and loan repayments from prior Texas Housing Trust
16 Fund activities, many of which are Bootstrap, so the
17 program is feeding itself.

18 The second program that we operate with the
19 Texas Housing Trust Fund is the Amy Young Barrier Removal
20 Program, which was launched in 2010. The program is named
21 in honor of Amy Young, who was a public policy analyst and
22 advocate for Texans with disabilities.

23 The program improves the quality of life of
24 persons with disabilities and allows low-income households
25 that need accessibility modifications for their disability

1 to receive a grant of up to \$22,500 for modifications and
2 limited repairs related to health and safety for their
3 homes.

4 For the 2022-2023 biennium, the proposed plan
5 allocates a total of about \$2.9 million in funds for this
6 important purpose. Additionally, the plan includes
7 authority to use \$250,000 of this flexible funding for
8 single-family workout activities.

9 From time to time unanticipated events occur
10 when we're dealing with single-family programs and unique
11 households, and the funds may be used to resolve issues
12 when they arise when other funding sources wouldn't permit
13 it. These funds are set aside specifically for the
14 Department to utilize, and they come from repayments and
15 they are not made available to the public.

16 Please let me know if you have any questions
17 about the plan or comments.

18 MR. VASQUEZ: Very good. Thank you.

19 Do any Board members have questions on this item
20 4(d)?

21 (No response.)

22 MR. VASQUEZ: Okay. Hearing none, we do not
23 have any speakers lined up for this item. Is that correct,
24 Renee?

25 MS. NORRED: Yes, that is correct.

1 MR. VASQUEZ: Okay. So the chair will entertain
2 a motion on item 4(d) of the agenda.

3 MS. THOMASON: Mr. Chair, I'll move that the
4 Board approve and submit the proposed 2022-2023 Texas
5 Housing Trust Fund Biennial Plan and authorize the
6 executive director and his designees to draft and release
7 notices of funding availability based on this plan, as
8 outlined in the Board action request item.

9 MR. VASQUEZ: Thank you.

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

11 MR. BRADEN: Second.

12 MR. THOMAS: Second.

13 MR. VASQUEZ: Seconded by Mr. Braden. All those
14 in favor say aye.

15 (A chorus of ayes.)

16 MR. VASQUEZ: Any opposed?

17 (No response.)

18 MR. VASQUEZ: Hearing none, motion carries.

19 Thank you, Abigail.

20 MS. VERSYP: Thank you.

21 MR. VASQUEZ: Item 5 has been removed from the
22 agenda, so we are continuing directly back to item 6(a),
23 presentation, discussion, and possible action regarding
24 eligibility under 10 TAC Section 11.101(b)(1)(C) related to
25 ineligibility of developments in certain school attendance

1 zones for the Villas at Shriner's Point, application 21612,
2 in San Angelo.

3 And Marni is back.

4 MS. HOLLOWAY: Good morning again.

5 As described, 6(a) discusses the eligibility for
6 Villas at Shriner's Point. This is an application that is
7 currently on the Department's waiting list for a bond
8 reservation.

9 The proposed new construction development falls
10 within the attendance zone of an elementary and middle
11 school that received a 2019 rating of F by TEA and in 2018
12 Improvement Required rating. These ratings would render
13 the development site ineligible under the QAP.

14 Historically, Goliad Elementary School achieved
15 Met Standard ratings for 2015, 2016 and 2017, while Lincoln
16 Middle School achieved a Met Standard rating for 2015 and
17 2016.

18 Worth noting is that the high school the
19 elementary and the middle school feeds into achieved a 2019
20 rating of B and a 2018 Met Standard rating. Although there
21 is a neighborhood risk factor relating to schools, that is
22 for those schools that have met a rating combination of F
23 and Met Standard or D and Improvement required.

24 As a neighborhood risk factor, information could
25 be provided that would serve to mitigate the school ratings

1 and staff would find the site eligible. With this
2 particular rating combination, F and Improvement Required,
3 the site is considered ineligible with no opportunity to
4 mitigate.

5 As the 2020 program year unfolded in the COVID-
6 19 environment, the Board waived the neighborhood risk
7 factor relating to schools. Sites could be found eligible
8 and no mitigation was required. The 2021 QAP was adopted
9 in the same manner, no mitigation as required.

10 Despite the academic disruption caused by the
11 pandemic, the ineligibility aspect of the school rating
12 history remained in the QAP. There are materials in your
13 package that speak to the decision by TEA to pause the
14 accountability ratings for the 2021 school year, so there
15 isn't an accurate picture of school improvement that could
16 be obtained. The waiver provision in the QAP is specific
17 regarding the need for a waiver to be granted.

18 Notwithstanding the school ratings, the
19 applicant represents that the current supply of affordable
20 housing in San Angelo is insufficient. According to the
21 Department's property inventory, there are only seven
22 multifamily properties in San Angelo, with the earliest
23 dating back to 2005 and the most recent development was in
24 2018 for 48 affordable units.

25 Of the seven existing properties, three are

1 elderly and four serve the general population. All of
2 these developments were funded through the Department's
3 competitive 9 percent Tax Credit Program. The Private
4 Activity Bond and 4 percent programs have been an
5 underutilized funding source for development in San Angelo.

6 Staff believes that the Board could find that
7 the construction of the proposed development would serve to
8 not only maximize the number of affordable units added to
9 the state's housing supply but also better provide for the
10 housing needs of low-income families within the community
11 as articulated in the Department's governing statute.

12 The pandemic has caused disruptions to the TEA
13 accountability system that are not within the applicant's
14 control. Where it has been determined that a multifamily
15 development is the highest and best use for a site, where
16 it is zoned appropriately and has been preliminarily
17 determined to be financial feasible are factors that could
18 further the Department's responsibilities under statute.

19 Despite the recommendation of ineligibility
20 regarding the requirements of 10 TAC 11.101(b)(1)(C), based
21 on the totality of the information provided, the Board
22 could find that the waiver request meets the requirements
23 10 TAC 11.207.

24 I'd be happy to answer any questions.

25 MR. VASQUEZ: Thank you, Marni.

1 Do any Board members have questions for Ms.
2 Holloway? And I note that I believe we do have speakers
3 lined up for this item.

4 MS. NORRED: Yes. We have Morgan Chegwidden,
5 who we are looking to unmute now.

6 Morgan, you are self-muted. Will you please
7 unmute yourself?

8 MS. CHEGWIDDEN: Yes. Can you hear me now?

9 MS. NORRED: Yes, we can.

10 MS. CHEGWIDDEN: Thank you.

11 I'm Morgan Chegwidden, assistant director of the
12 City of San Angelo's Neighborhood and Family Services, and
13 I'm grateful for the opportunity today to speak to the
14 Board. We are in support of project 21621 Villas at
15 Shriner's Point that's in front of you today.

16 As mentioned, in 2005 the city initiated a
17 neighborhood revitalization program with the goal of
18 eliminating slum and blight, and part of this strategy
19 included utilizing all available resources, with low-income
20 housing tax credits being the most significant program to
21 help increase the affordable housing stock in our
22 community.

23 The landscape and the neighborhoods targeted for
24 revitalization look radically different today in 2021 than
25 when revitalization efforts began. That landscape includes

1 almost 500 new apartment units that were renovated or
2 reconstructed, approximately 300 new homes constructed, and
3 about 1,260 homes rehabbed by the coalition partners and
4 another 1,200 rehabbed by residents and contractors.

5 That also includes new sidewalks, boundary
6 barriers, street repairs; in general, we're just doing all
7 the things to bring our community to be even better and
8 better.

9 Over \$70 million in improvements have been made
10 in neighborhoods that had previously been ignored. In
11 addition, the tax base has been meaningfully expanded and
12 property values have multiplied, and of course, crime has
13 decreased.

14 The value of the Tax Credit Program cannot be
15 overstated as an incredibly important tool for our
16 neighborhood revitalization efforts, and we encourage the
17 Board to consider awarding points to Villas at Shriner's
18 Point.

19 Thank you.

20 MR. VASQUEZ: Great. Thank you, Ms. Chegwidden.
21 Renee, who do we have next?

22 MS. NORRED: We have Cynthia Bast, and we are
23 looking to unmute her now.

24 Cynthia, you are unmuted. Can you hear us?

25 MS. BAST: Yes. Thank you.

1 Cynthia Bast of Locke Lord, representing the
2 applicant for this request.

3 I will be addressing the legal issues on this
4 matter for the record. Staff has already laid out that
5 this request can be granted under the rule based on the
6 unique facts and circumstances of the proposed development.

7 In this presentation you have heard or will hear that all
8 the criteria of the rule are satisfied.

9 The applicant must demonstrate the need for the
10 waiver is beyond its control. The rule provides examples
11 for circumstances outside an applicant's control, including
12 local land codes or other city mandates.

13 You heard that the City of San Angelo has
14 specifically identified this development site in a
15 revitalization area where it wants to encourage
16 development.

17 The rule directs the Board to consider whether
18 finding this development site eligible would further the
19 agency's purposes under the Texas Government Code. This
20 government statute directs, among other things, that TDHCA
21 should, above all, provide housing for residents in need of
22 affordable housing who have no other means of assistance.

23 The applicant has shown that San Angelo has an
24 urgent need for affordable housing for families with a one-
25 half percent vacancy rate in the current stock.

1 Additionally, the statute says that TDHCA should
2 assist with the development and redevelopment of
3 communities as part of its government purpose. The
4 applicant has shown that the development site is in a
5 priority area for revitalization as designated by the city.

6 As staff has noted, we request that the Board
7 find that the construction of this development would serve
8 the statutory mandates for the agency. Finally, the rule
9 states that the Board may not grant a waiver that would
10 waive a requirement in statute.

11 We are not asking you to do that. Indeed, as I
12 previously stated, granting this request fulfills the goals
13 of the agency's governing statute.

14 So in light of these factors, we believe the
15 rules permit and support the Board's finding that this
16 development site is eligible for an allocation of 4 percent
17 housing tax credits with tax exempt bonds.

18 Thank you very much for your time.

19 MR. VASQUEZ: Cynthia, before you go, do you
20 have anyone lined up to actually address the issue of are
21 there efforts being made to improve the schools?

22 MS. BAST: Yes, sir, we do have additional
23 commentary coming. Thank you.

24 MR. VASQUEZ: Okay, great.

25 Renee, let's go ahead with the next speaker.

1 MS. NORRED: We have Justin MacDonald, and we
2 are looking to unmute him now.

3 MR. MacDONALD: Good morning. Can you hear me?

4 MS. NORRED: Yes, we can.

5 MR. MacDONALD: Good morning. My name is Justin
6 MacDonald. I am the lead of the applicant team for this
7 development. I'm not going to rehash what staff has gone
8 over in their presentation or what we submitted in our
9 written comments, but I believe we do address the issues
10 around school quality in our written comments, so Chairman
11 Vasquez, I would direct you to that.

12 I'm primarily here to answer any questions, but
13 I do just want to reiterate that we've been working with
14 the city to revitalize the northern part of San Angelo.
15 We've done more than one project here so far, so we're very
16 aware of the need in this area.

17 There's quite a bit of data that's emerging to
18 demonstrate that in fact the schools are not the cause of
19 blight in an area but rather are an effect, and so
20 providing stable, quality housing is itself a mitigation
21 factor for improving the school system.

22 You also heard that the high school that these
23 schools feed into has already got a B grade in the last
24 year that grades were issued by TEA, and additionally,
25 since we've now gone two years without having any A through

1 F grades, we feel that it would not be fair to penalize
2 this neighborhood simply as an effect of the pandemic and a
3 lack of data.

4 Again, you've heard from the city, and they're
5 very supportive, and so I'm happy to answer any questions,
6 but otherwise, I'd just ask that you favorably look at this
7 waiver request and grant it. Thank you.

8 MR. VASQUEZ: Great. Thank you, Mr. MacDonald.
9 Renee, who's next?

10 MS. NORRED: I believe Tamea Dula didn't say if
11 it was for this item, she just said, Matters under item 6
12 may need to speak. But I don't have anyone else in queue
13 for Villas at Shriner's Point at the moment.

14 MR. VASQUEZ: Okay, great.

15 Do any Board members have any further questions
16 on this item?

17 (No response.)

18 MR. VASQUEZ: Hearing none, would anyone care to
19 make a motion on item 6(a)?

20 MR. BRADEN: Mr. Chair, I'll make a motion. I
21 move the Board grant the requested limited waiver of the
22 rule regarding the ineligibility of developments within
23 certain school attendance zones for Villas at Shriner's
24 Point.

25 MR. VASQUEZ: Great. Motion made by Mr. Braden.

1 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 Moving right along to 6(b), presentation,
10 discussion, and possible action on the second amendment to
11 the 2021-1 Multifamily Direct Loan Notice of Funding, and I
12 believe Marni is still up.

13 Did Marni say she's had enough?

14 MS. HOLLOWAY: Sorry about that. I'm just
15 talking away.

16 Before we get started on this NOFA amendment, I
17 wanted to give y'all a super quick update on our -3 NOFA
18 that was recently approved to assist specifically the 2020
19 applications that were suffering from construction price
20 increases.

21 Our first application deadline was yesterday.
22 We've received nine applications using up just about half
23 of the funds that are available, so we're hopeful during
24 the next couple of months we'll use up the rest of it and
25 we'll be able to assist those applications moving forward.

1 I though y'all would like to know that that's what's going
2 on.

3 For the 2021-1 NOFA, this annual NOFA included
4 \$31,740,258 in HOME funds for the general set-aside, which
5 \$3 million has been awarded, and there's another
6 application pending before you later on today.

7 The general set-aside has been consistently
8 undersubscribed in the recent past, which raises concerns
9 for risks due to undercommitment. While that risk has been
10 mitigated to some extent by HUD waivers, this cannot be
11 expected to extend indefinitely. Furthermore, preservation
12 of existing affordable housing is a Department priority
13 under our statute.

14 Staff considered informal feedback from our
15 borrowers and applicants, and we also consulted with the
16 Rural Rental Housing Association of Texas in designing
17 proposed changes to the NOFA.

18 All indicated that conventional loans are
19 currently more attractive than TDHCA's general set-aside
20 loans once the required interest rate and cost of
21 compliance with federal cost-cutting requirements is
22 incorporated into the analysis. These cost-cutting
23 requirements are primarily the Davis-Bacon Act and the
24 Uniform Relocation Act.

25 In response to these concerns, staff is

1 proposing the creation of a new preservation activity,
2 which includes a reduction of the minimum interest rate to
3 zero and adds a grant of up to \$50,000 per loan for costs
4 related to compliance with Davis-Bacon and the Relocation
5 Act.

6 In addition, we are proposing to increase
7 administrative efficiency by providing the Real Estate
8 Analysis Division greater flexibility to adjust Direct Loan
9 terms and payments in response to superior loan revisions
10 that commonly occur after award but prior to closing, so
11 long as the loan continues to meet feasibility requirements
12 through waiver of a portion of the requirements in our
13 Direct Loan rule relating to the closing memo for the
14 underwriting report.

15 Specifically, staff recommends that the sentence
16 requiring Board approval for any changes to the principal
17 amount or scheduled payment amount of superior loans that
18 could result in a debt coverage ratio fluctuating by more
19 than .05 be waived.

20 Staff recommends amendment of the 2021-1 NOFA to
21 add the preservation activity under which the Department
22 will make loans with an interest rate of as little as you
23 represent and grants of up to \$50,000 available for
24 compliance with federal cost-cutting requirements, and
25 recommends waiver of the requirements in 10 TAC 13.1(b)

1 relating to closing memos to the underwriting report that
2 Board approval is required for DCR fluctuations greater
3 than .05.

4 I'd be happy to take any questions.

5 MR. VASQUEZ: Thank you, Marni.

6 Do any Board members have questions for Marni on
7 this item?

8 (No response.)

9 MR. VASQUEZ: And Renee, we don't have anyone
10 lined up to speak on this?

11 MS. NORRED: No, we do not.

12 MR. VASQUEZ: Okay. In that case the chair will
13 entertain a motion on item 6(b).

14 MS. THOMASON: Mr. Chair, I move that the Board
15 approve the amendments to the 2021-1 Multifamily Direct
16 Loan Notice of Funds Availability, waive the requirement of
17 Board approval for changes to principal or scheduled
18 payment amounts of superior loans that result in the debt
19 coverage ratio fluctuating by more than .05, and direct the
20 executive director and his designees to execute any such
21 documents as necessary to effectuate these actions, as
22 described in this Board action item.

23 MR. VASQUEZ: Thank you, Ms. Thomason, for the
24 detailed motion.

25 Is there a second?

1 MR. THOMAS: Second, Mr. Chairman.

2 MR. VASQUEZ: Seconded by Mr. Thomas. All those
3 in favor say aye.

4 (A chorus of ayes.)

5 MR. VASQUEZ: Any opposed?

6 (No response.)

7 MR. VASQUEZ: Hearing none, motion carries.

8 Moving right along to 6(c), presentation,
9 discussion, and possible action regarding awards of Direct
10 Loan funds from the 2021-1 Multifamily Direct Loan Notice
11 of Funding Availability to 9 percent housing tax credit
12 layered applications.

13 Marni, please go ahead.

14 MS. HOLLOWAY: There are two applications we'll
15 be discussing. The Reserves at Holdsworth, a proposed
16 36-unit Direct Loan layered development that would be newly
17 constructed in Kerrville; ten units of those 36 will be
18 designated as Direct Loan units at either 30 percent or 50
19 percent of AMI. On final underwriting the construction to
20 permanent HOME loan will be a million dollars, and it's
21 proposed to be hard repayable with a 2.5 percent interest
22 rate, 30-year amortization period, and a 15-year term at
23 the second lien position.

24 A review of principals of application 21114 to
25 meet federal requirements has not been completed, and the

1 Department will not contract with the applicant unless all
2 persons and principals are eligible under those federal
3 requirements.

4 Boulevard 61 is a proposed 100-unit tax credit
5 development to be newly constructed in Houston. Seven of
6 the units will be designated as Direct Loan units at 30
7 percent of AMI. The construction to perm Trust Fund loan
8 will be \$1,440,000. It's proposed to be soft repayable
9 with a zero percent interest rate, 35-year amortization
10 period, and an 18-year term in the second lien position.

11 Staff recommends a HOME award under the general
12 set-aside totaling no more than \$1 million for application
13 2114 The Reserves at Holdsworth, and a National Housing
14 Trust Fund award under the soft repayment set-aside of no
15 more than \$1,440,000 for application 21131 Boulevard 61 be
16 approved. Of course, these awards are subject to award of
17 the 9 percent housing tax credits to both applications at
18 this meeting.

19 MR. VASQUEZ: Do Board members have questions
20 for Marni on this item?

21 I have just one question as to whether we should
22 be voting these as one item or two separate items. Bobby
23 or Beau?

24 MR. WILKINSON: Beau, we're not going to do the
25 tax credit awards one by one. Hope not.

1 MR. VASQUEZ: Okay. So it's okay just to do
2 this as one vote then, I take it, the way it's presented.

3 MR. ECCLES: Absolutely, unless a Board member
4 wants to make a motion to separate them out because they
5 have different feelings of one versus another.

6 MR. VASQUEZ: Okay, great. Thanks, Beau.

7 I believe there are no speakers lined up for
8 this item.

9 MS. NORRED: There are no speakers lined up for
10 this item.

11 MR. VASQUEZ: Okay. So the chair will entertain
12 a motion on all the items in 6(c).

13 MR. BATCH: Mr. Chairman, I move that the Board
14 approve the awards for The Reserves at Holds worth and
15 Boulevard 61, as described in and subject to each and every
16 condition expressed in the Board action request on this
17 item.

18 MR. VASQUEZ: Thank you.

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

20 MS. THOMASON: Second.

21 MR. VASQUEZ: Seconded by Ms. Thomason. All
22 those in favor say aye.

23 (A chorus of ayes.)

24 MR. VASQUEZ: Any opposed?

25 (No response.)

1 MR. VASQUEZ: Hearing none, motion carries.

2 So this brings us to -- we've done all the items
3 in 6(d) on the agenda so we are now at 6(e), presentation,
4 discussion, and possible action confirming obligations for
5 those properties recommended for an award of competitive
6 Low Income Housing Tax Credits that sought and were awarded
7 one point for committing at least an additional 2 percent
8 of the total units to persons referred from a continuum of
9 care or local homeless service providers to be made
10 available for those experiencing homelessness under 10 TAC
11 Section 11.9(c)(6) related to residents with special
12 housing needs.

13 Ms. Holloway.

14 MS. HOLLOWAY: This Board item is largely
15 administrative and is dependent on our next item 6(f) which
16 is our 9 percent awards. Wanted to let everyone who is
17 listening know that we have now posted to the Board page a
18 revised application list after the post-appeal items, so
19 taking into account all of the appeal actions that you took
20 previously, and of course, that will impact the list of
21 applications for this item.

22 The residents with special housing needs scoring
23 item asks that applicants pledge to provide 2 percent of
24 their units to persons who are referred from a continuum of
25 care -- every part of the state has some kind of continuum

1 of care or local homeless service providers -- that they
2 will provide 2 percent of those units to persons who are
3 experiencing homelessness.

4 This item confirms that they have made that
5 selection and confirms their obligation to provide those
6 units in accordance with the QAP.

7 I will be happy to answer any questions.

8 MR. VASQUEZ: Thank you, Marni.

9 Do any Board members have questions on this item
10 6(e)?

11 (No response.)

12 MR. VASQUEZ: Hearing none, and I believe there
13 are no speakers that wish to speak; they're just available.

14 Is that correct, Renee?

15 MS. NORRED: I'm scrolling down the list, but I
16 believe you are correct. That is correct.

17 MR. VASQUEZ: Okay. Thank you.

18 So I will entertain a motion on item 6(e) of the
19 agenda.

20 MR. THOMAS: Mr. Chairman, I move the Board
21 require for all applications for 2021 competitive tax
22 credits that have sought and were awarded one point for
23 committing at least an additional 2 percent of the total
24 units to be made available for those experiencing
25 homelessness and that this condition be included in their

1 land use restriction agreement with the Department, all as
2 fully described and conditioned in the Board action request
3 on this item.

4 MR. VASQUEZ: Thank you.

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

6 MR. BRADEN: Second.

7 MR. VASQUEZ: Seconded by who was that, Paul?

8 MR. BRADEN: Yes.

9 MR. VASQUEZ: By Mr. Braden. All those in favor
10 say aye.

11 (A chorus of ayes.)

12 MR. VASQUEZ: Any opposed?

13 (No response.)

14 MR. VASQUEZ: Hearing none, motion carries.

15 So now should we take another half-hour break or
16 anything, or should we just move along to 6(f)?

17 MS. HOLLOWAY: The revised log has been posted
18 to the Board page on our website. Alena has been working
19 in the background and got that all ready and up,
20 particularly with the help of our Board moderators and our
21 IS staff, which we very much appreciate. So if you'd like
22 to move forward, we can do that.

23 MR. VASQUEZ: Okay. Well, then I'll introduce
24 item 6(f) on the agenda: presentation, discussion and
25 possible action regarding awards from the 2021 State

1 Competitive Housing Credit ceiling and approval of the
2 waiting list for the 2021 Competitive Housing Tax Credit
3 application round.

4 Marni, do you want to summarize anything?

5 MS. HOLLOWAY: Certainly. Let me just tell you
6 a little bit about what's involved in this Board item.
7 There are a number of reports included.

8 The first is recommended applications from the
9 at-risk USDA nonprofit set-aside and the rural and regional
10 allocations. This is the complete list of applications
11 recommended for award for competitive housing tax credits.

12 You'll see it up on your screen right now. You
13 can't really read it because it's really tiny, but that is
14 available on the Board information page as a separate item
15 so that you can take a look at it.

16 The second report is active applications from
17 at-risk USDA and nonprofit set-aside and the rural and
18 urban regional allocations. This is the complete list of
19 all applications recommended for an award and the waiting
20 list of all active applications not recommended for award.

21 So this includes any application that continues to be
22 eligible to receive an award.

23 Report 3, or what used to be called report 3
24 that but is the action item you just took up, is
25 commitments under continuum of care. The list of those

1 applicants duplicates the Board item regarding
2 applications.

3 Report 4 is the credit ceiling summary, which
4 includes funding amounts for the at-risk USDA and nonprofit
5 set-aside for subregional allocations and elderly
6 development maximum percentages.

7 The fifth report is the Real Estate Analysis
8 summaries that were available on the date on publication.
9 These include conditions that are placed on awards from
10 underwriting.

11 I can tell you that a number of real estate
12 underwriting reports have been published even this morning
13 so that REA is continuing their work there.

14 The sixth report is a summary of conditions that
15 are placed on awards that have been recommended by EARAC as
16 a result of previous participation reviews and by staff as
17 a result of application reviews.

18 The seventh report is public input provided for
19 all active and eligible applications.

20 The total amount of competitive housing tax
21 credits available for the State of Texas to allocate is on
22 the report. Before the end of the year we may receive
23 additional credits from the national pool or from
24 previously awarded applications returning credits. These
25 credits will be allocated to applications on the waiting

1 list.

2 For credits that are -- I'm sorry; I'm trying to
3 do multiple things at the same time. There are 70
4 applications totaling \$84,681,711 being awarded today.
5 That's 99.88 percent of the available funds.

6 In making recommendations, staff relied on IRS
7 requirements, regional allocations, satisfied requirements
8 scored and the application methodology set out in the QAP.

9 These recommendations are reflected in the commitments on
10 your Board list.

11 The waiting list includes all applications that
12 are not being recommended to the Board for an award today
13 which have not been terminated or withdrawn. If additional
14 credits become available before the end of the calendar
15 year, applications will be awarded from that waiting list.

16 We will hold all available credits after today's
17 award until September 30 in order to gather up any that may
18 become available when the commitments are submitted.

19 In the event that there aren't enough credits to
20 fund the next eligible application prior to the end of the
21 year, staff may hold to see if additional credits are
22 returned or offer the applicant an opportunity to adjust
23 the size of their credit request, so that would be the next
24 applicant down on our collapsed list.

25 Some applications do not yet have final

1 underwriting assessments, and these applications are
2 considered conditionally recommended by EARAC, with the
3 condition being the completing of the underwriting
4 assessment and recommendation of award or award with
5 conditions.

6 Staff recommends that the list of recommended
7 applications for final commitment for housing tax credits
8 from the 2021 State Competitive Housing Tax Credit ceiling
9 and the 2021 Housing Tax Credit waiting list be approved,
10 conditioned on the completion of underwriting and the
11 conditions of underwriting, the conditions recommended by
12 the EARAC, and those resulting from staff review and the
13 completion of any other required reviews.

14 I'd be happy to take any questions.

15 MR. VASQUEZ: Thank you, Marni.

16 Do Board members have questions for Ms.
17 Holloway?

18 (No response.)

19 MR. VASQUEZ: Hearing none, Renee, are there any
20 speakers that want to chime in one more time before we make
21 a motion and vote.

22 MS. NORRED: Yes. Donna Rickenbacker would like
23 to speak for 21039 Uvalde Villas.

24 MR. VASQUEZ: Let's bring her on and we'll
25 clarify.

1 MS. NORRED: Okay. We're looking to unmute her.
2 Donna, you are unmuted. Can you hear us?

3 MS. RICKENBACKER: Yes, I can.

4 This is Donna Rickenbacker. I did see that
5 Marni updated the application log to recognize the Uvalde
6 transaction and the granting of the appeal and adding that
7 to the log; however, it looks like they have reordered a
8 couple of applications on the log and that has to do with
9 Dahlia Villas, which is 21069 and 21276.

10 The tiebreaker tab in the Board book is correct;
11 it just looks like, for whatever reason, the awards log is
12 incorrectly ordering the applications. And it's all based
13 on, by the way, the tiebreaker ranking which puts Dahlia
14 Villas ahead of 21276 Avant Legacy Springfield, and it
15 should be ordered in that way.

16 And by the way, it's been ordered that way on
17 all the applications, so I'm not quite sure why it was
18 reordered in connection with the awards application.

19 MR. VASQUEZ: Bear with us a moment as we have
20 people looking at that. Can staff confirm that we're
21 waiting for someone to re-verify these pages?

22 MR. WILKINSON: Sure. Just give us a minute.

23 (Pause.)

24 MR. VASQUEZ: We're almost there, everyone.
25 Hang in there.

1 MR. WILKINSON: Mr. Chairman, can you give us a
2 15-minute break for us to review the tiebreaker situation
3 on the list, please?

4 MR. VASQUEZ: Okay. It's 12:29, it's almost
5 12:30. Let's recess until 12:45 and try to promptly
6 reconvene at 12:45.

7 MR. WILKINSON: Thank you.

8 MR. VASQUEZ: We stand in recess.

9 (A brief recess was taken.)

10 MR. VASQUEZ: It's 12:47 by my clock, and we're
11 calling back to order the meeting of the Board of the Texas
12 Department of Housing and Community Affairs after a 17-
13 minute break.

14 Bobby or Marni, do you want to summarize where
15 we are?

16 MS. HOLLOWAY: Momentarily.

17 MR. WILKINSON: And I'm not sure if we have
18 another speaker that needs to comment before we take a
19 vote.

20 Renee, did you ever get word back from the next
21 potential speaker?

22 MS. NORRED: No. I think you have to assign the
23 question to someone else, because I'm not really sure
24 what's happening with that, so I'm going to say no at this
25 moment, but we had another commenter that wants to speak

1 about 21139 whenever we get to that point. I kind of just
2 moved it to the top. And as of right now there's no one
3 for -- I guess we kind of left off on 21039, but I think
4 we're good.

5 MR. VASQUEZ: Okay. And also, I want Beau to
6 stand by to advise as to whether comments at this point on
7 specific applications, whether that is order or not.

8 MR. WILKINSON: I'd say anything where you think
9 there's a mistake in the log like what Donna found for the
10 tiebreaker, that's relevant at this point. It's hard to
11 think of other items.

12 MR. VASQUEZ: Okay. So if anyone wanted to
13 speak on a correction, administrative type item, you would
14 be in order. If you're trying to talk about scoring
15 evaluation of yours or other items, that would be out of
16 order.

17 MS. HOLLOWAY: And while we are waiting to see
18 if anyone wants to speak, we're hearing from IS that the
19 revised log will be posted momentarily.

20 For our Board, because many of you are new and
21 may not have a clear picture of what's going on behind the
22 scenes, we run the competitive tax credit program, we run
23 all of our programs, on multiple spreadsheets, and the 9
24 percent in particular runs on two different spreadsheets,
25 the application log and the ceiling.

1 The ceiling is where we calculate collapse; the
2 application log is, of course, where we report the results.

3 So when you're going between spreadsheets, it's not
4 unusual for human error to come into the process, and of
5 course, we're always open to and prepared to make
6 corrections.

7 In this particular case what we missed was a
8 tiebreaker between Dahlia Villas and the application that
9 was right above it, and Ms. Rickenbacker is entirely
10 correct that Dahlia does win that particular tiebreaker, so
11 just for point of information.

12 MR. VASQUEZ: Okay. While that is getting
13 posted and updated, I think we should be able to go ahead
14 and check with the public commenters to see if what they
15 have is relative to this item and in order.

16 So Renee, who do we have lined up?

17 MS. NORRED: We have Tamea Dula first.

18 Tamea, you are unmuted. Can you hear us?

19 MS. DULA: Yes, I can, and I hope you can hear
20 me this time.

21 MR. VASQUEZ: Yes.

22 MS. DULA: I wanted to follow Donna Rickenbacker
23 up with regard to the log allocation for Region 11
24 involving Dahlia Villas. If that's been corrected, then
25 that was my only concern.

1 MR. VASQUEZ: Okay. Marni, I guess we're
2 finishing posting that correction. Correct? Or Bobby?

3 MR. WILKINSON: Tamea's comment is on the same
4 tiebreaker? I didn't quite hear it.

5 MS. HOLLOWAY: Yes, it was the same concern
6 regarding Dahlia. Dahlia's poverty rate is at 17-point-
7 something, and the other application is at 20-point-
8 something, so Dahlia wins that first tiebreaker.

9 MR. VASQUEZ: Okay. Renee, do we have another
10 speaker?

11 MS. NORRED: Yes. Audrey Martin, and we are
12 looking to unmute now.

13 Audrey, you are self-muted. Can you please
14 unmute yourself?

15 MS. MARTIN: Yes, I'm unmuted now. Can you hear
16 me?

17 MS. NORRED: Yes, we can.

18 MS. MARTIN: Fantastic.

19 This is Audrey Martin with Purple Martin Real
20 Estate. I'm a tax credit consultant that works on various
21 apps during the year.

22 I wanted to say thank you to staff for all their
23 work this year, and I want especially to say thank you for
24 putting up an application log this quickly during a Board
25 meeting.

1 I know from personal experience how difficult it
2 is to reshuffle the day of the Board meeting based on all
3 these appeals. I was looking at the log and think you guys
4 have a lot of people sitting behind their computers right
5 now trying to crunch the log and see how it looks.

6 I noticed one little thing which was in Region
7 3. The log makes it look like you are about to allocate
8 more credits than are available in that region, but I think
9 I understand that you guys had a small credit return in
10 that region, so Bobby or Marni, correct me if I'm wrong
11 there. If anyone is looking at that log and it looks like
12 you guys are going to over-allocate, I don't think that's
13 actually the case.

14 That was the only thing I was going to comment
15 on. Thank you.

16 MS. HOLLOWAY: Yes, we did have a small credit
17 return within the last couple of days, which led to the
18 award recommendations that we're making today. And the
19 updated log, as soon as we have it, will reflect that.

20 MR. VASQUEZ: Okay. Thanks, Audrey and Marni.
21 And Renee, is there anyone else?

22 MS. NORRED: Yes, we do have one commenter.
23 We're looking to unmute Germaine White.

24 Germaine, you are unmuted. Can you hear us?

25 MS. WHITE: Yes, I can. Can you hear me?

1 MS. NORRED: Yes, we can.

2 MS. WHITE: Okay, perfect.

3 Thank you so much. I wasn't aware that I
4 actually could speak today until I logged in about 30
5 minutes about, so I really appreciate this opportunity.

6 This is my first time going through this
7 process, so in looking at the information it looks like
8 application number 21139 is being recommended to be
9 awarded, so I certainly want to speak against it on behalf
10 of my community, Hamilton Park, and the community across
11 the street which is called Stults Road communities; there's
12 about five different neighborhoods located inside of it.
13 And we did submit our opposition to this back, I guess, for
14 the July 18 deadline.

15 MR. VASQUEZ: I'm sorry, Ms. White, to cut you
16 off, and I appreciate you listening in and looking to
17 contribute, but this unfortunately is out of order at this
18 point.

19 We're past discussing that, again, unless
20 there's some sort of administrative or corrective action on
21 this item, or on the entire item, not just a specific case.

22 At any rate, we really can't entertain a comment
23 for or against a specific application.

24 MS. WHITE: Okay. I'm sorry; I wasn't sure.

25 MR. VASQUEZ: I'm sorry too. We appreciate it.

1 MS. WHITE: Well, we had some updated stuff
2 happen around the crime, and that's what I was going to
3 talk about, but I certainly don't want to be out of order.

4 So then I will just continue to listen, and I
5 really appreciate you sharing that with me.

6 MR. VASQUEZ: Okay, great. Thank you, ma'am.

7 Renee, are we cleared upon commenters on 6(f)?

8 MS. NORRED: Yes, sir, we are.

9 MR. VASQUEZ: We will have some time for public
10 comment after this.

11 Marni or Bobby?

12 MR. WILKINSON: I believe we are posted now with
13 the updated log.

14 MS. HOLLOWAY: I believe we're posted. Let me
15 double-check. Yes, the log that is posted on the Board
16 page is the correct log, making that change in Region 11
17 Urban, taking into account the tiebreaker that Ms.
18 Rickenbacker mentioned, also adding that very recent return
19 of credits in Region 3 Urban.

20 So that is, in fact, on the Board page our list
21 of recommended awards.

22 MR. VASQUEZ: And again, Bobby or Beau, I assume
23 that if we complete the motion here, which we are about to
24 receive, and we find some other obvious error,
25 administrative error on our part, that is still allowed to

1 be corrected even under the motion that we're about to
2 undertake.

3 MS. HOLLOWAY: If there is some error that
4 arises in the next coming months regarding the log that was
5 posted, the decision that was made, and we're not able to
6 resolve the issue administratively, of course we will bring
7 that back to the Board.

8 I think Beau would have to speak to what happens
9 with awards if that should happen.

10 MR. VASQUEZ: Okay. Beau, you want to say
11 something?

12 MR. ECCLES: Only to say that the awards that
13 are made right now and the designation of the waiting list,
14 this is a final decision by the Board.

15 I think there may be a little bit of room for
16 obvious slight mathematical errors, but the awards and the
17 wait list is pretty much being set here.

18 MR. VASQUEZ: Okay, great. Understood.

19 With that, we've come to the point in the
20 meeting and the year where the chair would entertain a
21 motion on item 6(f).

22 Ms. Thomason, do you want to do the honors?

23 MS. THOMASON: I'm right here. I move that the
24 Board approve the list of recommended applications for
25 final commitment of housing tax credits for the 2021 State

1 Competitive Housing Credit ceiling and the 2021 Housing Tax
2 Credit waiting list, as presented at this meeting and as
3 amended by the Board as a result of appeals that were heard
4 and determined at this meeting, and as conditioned and set
5 out in the Board action request on this item and by the
6 Board at this meeting.

7 MR. VASQUEZ: Thank you.

8 Motion made by Ms. Thomason. Is there a second?

9 MR. BRADEN: Second.

10 MR. VASQUEZ: Seconded by Mr. Braden. 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, the motion carries.

16 Thank you, Marni and staff for all your
17 tremendously hard work, and Bobby and all the team. It
18 takes a lot to get here.

19 And again, thanks to all the constituent
20 participants out there listening and who have been working
21 hard on this. And again, we appreciate your patience. We
22 recognize your frustrations at times, but we got here, and
23 we'll do it all again starting in a month.

24 So this brings us to the point in the meeting
25 where we have addressed all the posted agenda items, and

1 members of the public can raise issues with the Board on
2 matters of relevance to the Department's business or
3 request that we put specific items on future agendas for
4 consideration.

5 Renee, do we have anyone that has indicated
6 they'd like to speak here in public comment?

7 MS. NORRED: Yes, we do. We have Donna
8 Rickenbacker, and we are going to unmute her right now.

9 MR. VASQUEZ: Great.

10 MS. NORRED: Donna, you are self-muted. Will
11 you please unmute yourself? Donna, will you please unmute
12 yourself?

13 MS. RICKENBACKER: One last time for you guys to
14 hear from me. I really just want to thank staff so very
15 much. When we speak on behalf of our clients and on behalf
16 of ourselves, it obviously is to protect our deals in a
17 very competitive process, and I really appreciate how staff
18 has handled all of our comments, our questions, our
19 concerns.

20 They've also been in the middle of this rent
21 relief program and allocating 4 percent deals. It's just
22 been a really tough year on staff. I commend them across
23 the board for all the hard work that they have done this
24 cycle.

25 With respect to next year, given a couple of

1 things that happened this cycle, I really hope that we'll
2 spend some time with not only recognizing tiebreaker
3 calculations from the get-go so that there's no
4 misunderstanding as we get further along in the cycle.

5 I'd also really like to go back and take a look
6 at this occupied development rule and see what we can do to
7 make sure it matches up with what I truly believe is not
8 only based in statute but based on what the intent of that
9 rule was meant to address.

10 I'd like to work with staff to provide some
11 documentation or at least some changes that I think would
12 be more impactful that makes it very, very clear in our
13 rules how everything is supposed to apply so we don't go
14 through this next year.

15 Anyway, once again, thank you very, very much
16 staff and this Board. Well done. Very much appreciate
17 everybody's hard work.

18 MR. VASQUEZ: Great. Thank you, Donna.

19 Renee, do we have anyone else lined up?

20 MS. NORRED: We have no one else lined up for
21 public comment.

22 MR. VASQUEZ: Great. Bobby, do you have any
23 final thoughts?

24 MR. WILKINSON: I'd like to thank staff for
25 working hard on this round, getting it done. We try to get

1 the appeals done, ideally at the early July meeting, for
2 obvious reasons, as today our little kind of fire drill
3 made clear. But anyway, got it done, and thank you,
4 members, for hanging around and working with us.
5 Appreciate it.

6 MR. VASQUEZ: Great. Thank you. And again,
7 thanks to the staff and thanks for everyone participating.
8 We're making a positive impact in Texas.

9 Being that we've completed all of the agenda, do
10 we have a motion to adjourn?

11 MR. BRADEN: So moved.

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

13 MR. BATCH: Second.

14 MR. VASQUEZ: Mr. Batch seconds. All in favor
15 say aye.

16 (A chorus of ayes.)

17 MR. VASQUEZ: None are opposed, I'm telling you
18 that right now.

19 The next scheduled meeting of the Board is
20 September 2, 2021, at a location to be determined in
21 person; at least that's the plan as of today, September 2
22 in person in Austin, so stay tuned for further details.

23 It is 1:07 p.m., and this meeting is adjourned.
24 Thank you all.

25 (Whereupon, at 1:07 p.m., the meeting was

1

adjourned.)

C E R T I F I C A T E

1
2
3 MEETING OF: TDHCA Board
4 LOCATION: Austin, Texas
5 DATE: July 22, 2021

6 I do hereby certify that the foregoing pages,
7 numbers 1 through 146147, inclusive, are the true,
8 accurate, and complete transcript prepared from the verbal
9 recording made by electronic recording by Nancy H. King
10 before the Texas Department of Housing and Community
11 Affairs.

12 DATE: July 28, 2021
13
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17
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19 _____
(Transcriber)

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