

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

John H. Reagan Building
Room JHR 140
105 W. 15th Street
Austin, Texas

June 28, 2018
8:00 a.m.

MEMBERS:

J.B. GOODWIN, Chair
LESLIE BINGHAM ESCAREÑO, Vice Chair
PAUL BRADEN, Member
ASUSENA RESÉNDIZ Member
SHARON THOMASON, Member
LEO VASQUEZ, Member

TIMOTHY K. IRVINE, Executive Director

ON THE RECORD REPORTING
(512) 450-0342

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
CALL TO ORDER	11
ROLL CALL	
CERTIFICATION OF QUORUM	
CONSENT AGENDA	
ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:	12
EXECUTIVE	
a) Presentation, discussion, and possible action on Board meeting minutes summary for April 26, 2018	
LEGAL	
b) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Sunrise Village Phase I (HOME 532336 / CMTS 2722)	
MULTIFAMILY ASSET MANAGEMENT	
c) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement:	
01051 El Dorado Village Brownsville	
01058 Rosemont of Highland Gardens	
Harlingen	
d) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application:	
15121 The Glades of Gregory-Portland	
Gregory	
15410 Aldrich 51 Austin	
e) Presentation, discussion, and possible action regarding Change in Ownership Structure of Development Owner and Developers Prior to Issuance of IRS Forms 8609s for Various Developments	
f) Presentation, discussion, and possible action regarding a Placed in Service Deadline Extensions:	

15185 LaMadrid Apartments Austin

HOUSING RESOURCE CENTER

- g) Presentation, discussion, and possible action on the final 2018 State of Texas Consolidated Plan: One-Year Action Plan

HOUSING CHOICE VOUCHER PROGRAM

- h) Presentation, discussion, and possible action on the Section 8 Program 2019 Annual Public Housing Agency Plan for the Housing Choice Voucher Program
- i) Presentation, discussion, and possible action authorizing the Department to submit a Registration of Interest for U.S. Department of Housing and Urban Development Veterans Affairs Supportive Housing vouchers within Fort Bend and Galveston counties, and if successfully awarded, to operate such program

PROGRAM CONTROLS AND OVERSIGHT

- j) Presentation, discussion, and possible action to authorize the Director of Program Controls and Oversight and his/her designees to assign, transfer and/or sell defaulted single family loans to nonprofit organizations, and units of local governments and through various approaches to otherwise manage, secure and dispose of Department's foreclosed single family assets

ADMINISTRATION

- k) Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions in this regard

NEIGHBORHOOD STABILIZATION PROGRAM

- l) Presentation, discussion, and possible action authorizing amendments to the Neighborhood Stabilization Program 3 Contract and Program Income Reservation Agreement

COMMUNITY AFFAIRS

- m) Presentation, discussion, and possible action on the Program Year 2018 Department of Energy Weatherization Assistance Program

Health and Safety Plan

- n) Presentation, discussion, and possible action on awards for Federal Fiscal Year ("FFY") 2018 Community Services Block Grant Discretionary Funds for education and employment services to Native American and Migrant Seasonal Farm Worker populations

MULTIFAMILY FINANCE

- o) Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer
18419 St. John's Apartments San Antonio
- p) Presentation, discussion, and possible action on Inducement Resolution No. 18-022, Park Yellowstone, for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority on the 2018 Waiting List and a waiver relating to 10 TAC §10.101(b)(8), related to Development Accessibility Requirements
- q) Presentation, discussion, and possible action on staff determinations regarding Application disclosures under 10 TAC §10.101(a)(2) related to Applicant Disclosure of Undesirable Site Features:
- | | | |
|-------|--|-----|
| 18086 | The Village at Overlook Parkway
San Antonio | |
| 18091 | Lavon Senior Villas Garland | |
| 18099 | Waters Park Studios Austin | |
| 18217 | Cypress Creek at Santa Fe
Santa Fe (Pulled) | 12 |
| 18274 | Hill Court Villas Cranbury | 105 |
| 18314 | Reserves at Maplewood
Wichita Falls | |
| 18320 | Seaside Lodge Seabrook | |
| 18370 | Heritage Tower Longview | |
| 18383 | Provision at Lake Houston Houston | |

BOND FINANCE

- r) Presentation, discussion, and possible action on Resolution No. 18-025 authorizing publication of Public Notice for Mortgage Credit Certificate Program

RULES

- s) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.7, Staff Appeals Process, and 10 TAC §1.8, Board Appeals Process; and an order proposing new 10 TAC §1.7, Appeals Process, and directing publication for public comment in the Texas Register
- t) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.10, Public Comment Procedures, and an order proposing new 10 TAC §1.10, Public Comment Procedures, and directing publication for public comment in the Texas Register
- u) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.13, Contested Case Hearing Procedures, and an order proposing new 10 TAC §1.13, Contested Case Hearing Procedures, and directing publication for public comment in the Texas Register
- v) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and an order proposing new 10 TAC §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and directing publication for public comment in the Texas Register
- w) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.17, Alternative Dispute Resolution and Negotiated Rulemaking, and an order proposing new 10 TAC §1.17, Alternative Dispute Resolution, and new 10 TAC §1.12, Negotiated Rulemaking, and directing publication for public comment in the Texas Register
- x) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.18, Colonia Housing Standards, and directing publication for public comment in the Texas Register

- y) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.19, Reallocation of Financial Assistance, and an order proposing new 10 TAC §1.19, Reallocation of Financial Assistance, and directing publication for public comment in the Texas Register
- z) Presentation, discussion, and possible action on an order proposing the read option, without changes, of 10 TAC §1.22, Providing Contact Information to the Department, and directing publication for public comment in the Texas Register
- aa) Presentation, discussion, and possible action on orders adopting amendments to 10 TAC Chapter 23, Single Family HOME Program Rules Subchapter F, Tenant-Based Rental Assistance Program, §23.61 concerning Tenant-Based Rental Assistance ("TBRA") General Requirements, and directing publication in the Texas Register
- bb) Presentation, discussion, and possible action on an order adopting repeal of 10 TAC Chapter 7, Subchapter A, General Provisions, and 10 TAC Chapter 7, Subchapter B, Homeless Housing and Services Program, and an order adopting new 10 TAC Chapter 7, Subchapter A, General Provisions, and 10 TAC Chapter 7, Subchapter B, Homeless Housing and Services Program, and directing publication in the Texas Register

CONSENT AGENDA REPORT ITEMS

- ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS: 12
- a) Quarterly Report on Texas Homeownership Division
 - b) TDHCA Outreach Activities, (May-June)
 - c) 2019 QAP Planning Project Report

ACTION ITEMS

- ITEM 3: REPORTS
- a) Report on the meeting of the Audit and Finance Committee and Action on recommendations of that committee: 13

- i. Approval of the updated Internal Audit Charter
 - ii. Approval of the Annual Operating Budget
 - iii. Approval of the Housing Finance Division annual operating budget
 - b) Report and possible action on guidance related to income averaging for amendments, compliance monitoring, and future Qualified Allocation Plans 15
- ITEM 4: BOND FINANCE
- a) Presentation, discussion, and possible action on Resolution No. 18-023 authorizing the issuance and delivery of Texas Department of Housing and Community Affairs Series 2018 Issuer Note; approving the form and substance of related documents; authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this Resolution; and containing other provisions relating to the subject 22
 - b) Presentation, discussion, and possible action on Resolution No. 18-024 authorizing the issuance, sale and delivery of Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds, 2018 Series A, approving the form and substance of related documents, authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this Resolution, and containing other provisions relating to the subject 26
- ITEM 5: MULTIFAMILY FINANCE
- a) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Riverside Townhomes) Series 2018 Resolution No. 18-026 and a Determination Notice of Housing Tax Credits 32
 - b) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds 35

(Oaks on Lamar) Series 2018 Resolution
No. 18-027 and a Determination Notice of
Housing Tax Credits

- c) Presentation, discussion, and possible 38
action on staff determinations regarding
Undesirable Neighborhood Characteristics:
- | | |
|-----------------------------------|-----|
| 18020 St. Elizabeth Place Houston | 57 |
| 18038 3rd Street Lofts Lubbock | 94 |
| 18053 Alazan Lofts San Antonio | 38 |
| 18054 Piedmont Lofts San Antonio | 38 |
| 18250 Sweetbriar Hills Jasper | 103 |
- d) Presentation, discussion, and possible 105
action on staff determinations
regarding Undesirable Site Features:
- | | |
|--|-----|
| 18095 Retreat West Beaumont Beaumont | 111 |
| 18138 Lancaster Senior Village
Fort Worth | 112 |
| 18162 Guadalupe Villas Lubbock | 117 |
| 18254 Somerset Lofts Houston | 148 |
| 18327 Scott Street Lofts Houston
(Pulled) | 154 |
| 18335 Travis Flats Austin | 154 |
| 18338 The Greenery Houston | 156 |
- e) Presentation, discussion, and possible 163
action on a report of Third Party
Requests for Administrative Deficiency
received prior to the deadline:
- | | |
|---|-----|
| 18000 Evergreen at Garland Senior
Community Garland | 191 |
| 18002 Evergreen at Basswood Senior
Community Garland | |
| 18018 Columbia Renaissance Square II
Senior Fort Worth | |
| 18020 St. Elizabeth Place Houston | |

18026 Maple Park Senior Village
Lockhart

18033 The Miramonte Fifth Street 166

18038 3rd Street Lofts Lubbock

18043 Huntington at Miramonte Fifth 166
Street

18047 Miramonte Single Living Fifth 166
Street

18053 Alazan Lofts San Antonio

18084 Artisan at Ruiz San Antonio

18096 Patriot Park Family Plano

18138 Lancaster Senior Village Houston

18148 Palmview Village Palmview

18162 Guadalupe Villas Lubbock

18166 The Legacy at Buena Vista
San Antonio

18186 Avanti at Greenwood Corpus Christi

18221 Cypress Creek Apartment Homes at
Hazelwood Street Princeton

18223 Harvest Park Apartments Pampa

18261 Fish Pond at Portland Portland

18269 2400 Bryan Dallas

18273 Museum Reach Lofts San Antonio

18274 Hill Court Villas Granbury

18283 Pines at Allen Street Kountze

18288 Village at Greenwood Corpus Christi

18293 Silver Spur Apartments Palmview

18294 The Legacy Palmview

18305 Star of Texas Seniors Montgomery 188

- 18306 Campanile on Commerce Houston
- 18333 Fulton Lofts Houston
- 18347 Avenue Commons Andrews
- 18357 Capella Olmito
- 18358 Ovation Senior Living Olmito
- 18368 The Reserves at Merriwood Ranch
Garland
- 18371 Diboll Pioneer Crossing Diboll
- f) Presentation, discussion, and possible
action on timely filed scoring appeals:
- 18000 Evergreen at Garland Senior 191
Community Garland
- 18057 Granbury Manor Cranbury 208
(Withdrawn)
- g) Presentation, discussion, and possible 208
action to issue a list of approved
applications for 2018 Housing Tax
Credits in accordance with Tex. Gov't
Code §2306.6724(e)
- h) Presentation, discussion, and possible 29
action on a request for waiver of rules:
- 17510 Brook Haven Supportive Housing
Rockdale

APPENDIX
Multifamily Application Logs

PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS	none
EXECUTIVE SESSION	none
OPEN SESSION	--
ADJOURN	211

P R O C E E D I N G S

1
2 MR. GOODWIN: Good morning and welcome to the
3 June 28 Texas Department of Housing and Community Affairs
4 Board meeting.

5 We'll start out with a roll call.

6 Ms. Bingham?

7 MS. BINGHAM ESCAREÑO: Here.

8 MR. GOODWIN: Mr. Braden?

9 MR. BRADEN: Here.

10 MR. GOODWIN: Mr. Goodwin is here.

11 Ms. Reséndiz?

12 MS. RESÉNDIZ: Present.

13 MR. GOODWIN: Ms. Thomason?

14 MS. THOMASON: Present.

15 MR. GOODWIN: Mr. Vasquez?

16 MR. VASQUEZ: Here.

17 MR. GOODWIN: We do have a quorum.

18 I will ask Tim to lead us in the Pledge of
19 Allegiance.

20 (The Pledge of Allegiance and the Texas Pledge
21 were recited.)

22 MR. GOODWIN: We will start with our consent
23 agenda and we have a couple of adjustments to the consent
24 agenda. Under item 1(q) we are pulling for later date
25 consideration file number 18217 Cypress Creek at Santa Fe,

1 and we are moving item 18274 Hillcort Villas to an action
2 item. And I believe that is all the consent agenda items
3 unless anybody else has anything they'd like to see pulled
4 from the consent agenda for discussion.

5 (No response.)

6 MR. GOODWIN: If not, I would take a motion to
7 approve the consent agenda.

8 MS. RESÉNDIZ: So moved.

9 MR. GOODWIN: And a second?

10 MS. THOMASON: Second.

11 MR. GOODWIN: It's been moved and seconded.

12 Any discussion?

13 (No response.)

14 MR. GOODWIN: All those in favor say aye.

15 (A chorus of ayes.)

16 MR. GOODWIN: Opposed?

17 (No response.)

18 MR. GOODWIN: Okay. The consent agenda has
19 passed, consent agenda and report items.

20 We'll move into the action items and we're
21 starting with number 1, a report from our Audit and
22 Finance Committee and the Audit and Finance Committee
23 chairman, Ms. Thomason.

24 MS. THOMASON: Thank you, Mr. Chairman.

25 The Board's Audit and Finance Committee met at

1 7:30 this morning. We received updates on the status of
2 actions to address both prior audit issues as well as
3 status of various ongoing audit activities, both internal
4 and external. We reviewed updates to the Audit Charter to
5 address the fact that this committee has expanded its
6 scope to encompass certain financial matters. The
7 committee also had a report from staff that's leading the
8 efforts to develop the operating budget for the second
9 year of the biennium.

10 The committee has recommended three items for
11 action for this Board. Because they come from a
12 committee, no second will be required. The Audit and
13 Finance staff are here to answer any questions that you
14 may have.

15 The first item is a recommendation to approve
16 the updated Internal Audit Charter, a copy of which can be
17 found at tab 3(a)(i) in your board materials. So we need
18 to vote on that.

19 MR. GOODWIN: Okay. Any discussion, any
20 questions?

21 (No response.)

22 MR. GOODWIN: All those in favor say aye.

23 (A chorus of ayes.)

24 MR. GOODWIN: Opposed?

25 (No response.)

1 MS. THOMASON: The next item will be the
2 approval of the annual operating budget, a copy of which
3 can also be found at tab 3(a)(ii) of your board materials.

4 This is within the appropriate resources set forth in the
5 General Appropriations Act and it reflects a conservative
6 approach to the use of the resources that are entrusted to
7 the agency. It addresses continued management of the
8 salary budget, provisions for updating equipment to ensure
9 information security, and the marketing initiative
10 associated with Texas Homeownership activities. If the
11 Board will vote.

12 MR. GOODWIN: Any questions or discussion?

13 (No response.)

14 MR. GOODWIN: If not, all in favor say aye.

15 (A chorus of ayes.)

16 MR. GOODWIN: Opposed?

17 (No response.)

18 MS. THOMASON: Our last item for approval is
19 the annual Housing Finance Division operating budget, a
20 copy of which can be found at tab 3(a)(iii) of your board
21 materials. This is a subset of the operating budget that
22 we just approved, addressing only those resources tied to
23 the traditional housing finance activities of the
24 Department that are provided for in the Department's
25 appropriations.

1 MR. GOODWIN: Any questions or discussion?

2 (No response.)

3 MR. GOODWIN: All in favor say aye.

4 (A chorus of ayes.)

5 MR. GOODWIN: Opposed?

6 (No response.)

7 MS. THOMASON: That concludes our items.

8 MR. GOODWIN: The next item is item 4, Bond
9 Finance. Did we miss something?

10 MR. IRVINE: 3(b).

11 MR. GOODWIN: Oh, I'm sorry. 3(b), the report
12 and possible action related to income averaging. Marni.

13 MS. HOLLOWAY: Good morning, Chairman Goodwin,
14 members of the Board. The item is report and possible
15 action on guidance related to income averaging for
16 amendments, compliance monitoring and future qualified
17 allocation plans.

18 Out of the 2018 spending bill, we received an
19 increase in our cap for 9 percent credits, 12-1/2 percent,
20 so that's great, and we're getting that for four years.
21 Also in that item was an amendment to Section 42 that
22 creates this income averaging set-aside that owners may be
23 able to access in the future. So any TDHCA commentary on
24 this new concept of income averaging will be based on
25 assumptions regarding how the Internal Revenue Service has

1 previously addressed its oversight of the other elections
2 which is 20 percent of units at 50 percent of AMI or 40
3 percent at 60 percent of AMI. That's all that's been
4 available in the past.

5 We have no ability to say with any authority
6 just how the IRS will ultimately approach any issues that
7 may arise under an income averaging election. Regardless
8 of conclusions and any Board action or rule, if the IRS
9 provides a different interpretation, it is controlling of
10 how we must address any aspects under the Internal Revenue
11 Code. So at present all we have is the statute. The IRS
12 has not issued any guidance regarding income averaging and
13 there's no indication that they're likely to do that soon.

14 Nonetheless, the statute clearly allows an income
15 averaging election to be made now and the IRS has updated
16 its 8609 form to provide for that election. They have not
17 revised the instructions to account for the changed form.

18 We can speculate how the IRS might approach the
19 income averaging election by applying principles employed
20 in the handling of the other two elections and using a
21 reasonable plain reading meaning of the statute creating
22 the new election. This would seem to be an attractive
23 option but it's not our statute to construe. At a
24 minimum, it appears that with respect to monitoring an
25 income averaged election property, we will clearly need to

1 determine that the property's average is at or below the
2 60 percent level. If fewer than 40 percent of the units
3 are in compliance, that's occupied by qualified households
4 at or below their respective rent levels, we will need to
5 report this to the IRS.

6 If an applicant submitted an application in
7 this or an earlier cycle, it would have used one of these
8 previous elections, the 20 at 50 or the 40 at 60 because
9 that's all that was available at application. And they
10 may decide to change course and elect income averaging
11 when they get to their 8609s. In that case, we may need
12 to look at it again in REA to make sure that it remains
13 financially feasible and utilizes no more credits than
14 necessary to ensure feasibility to construct and operate
15 through the credit period. This may entail obtaining more
16 market data to support reasonable capture rates for the
17 new income bands, and depending on the scope of the
18 changes, it may be necessary for the applicant to undergo
19 a formal amendment process. The greater array of income
20 bands may affect the demographics of the eligible tenant
21 population and may require a new assessment of fair
22 housing considerations, including the distribution of
23 accessible units.

24 Regarding future qualified allocation plans,
25 there were questions as to what sorts of income

1 distributions utilizing an income averaging election would
2 further some specific policy objectives and how would
3 those policy objectives rank if they each garnered points.
4 So your board item goes through a series of questions that
5 may come up in the future as policy issues. For example,
6 if a specific market area had a very high percentage of
7 households in the 70 or 80 percent income bands who have
8 great difficulty in finding housing, should that be a
9 policy objective to serve those households, or should we
10 be focusing on 20 percent households. The income
11 averaging item expanded the households that we can serve,
12 expanded the bands, the income bands, so where previously
13 we had generally worked with 30 percent, 50 percent and 60
14 percent, now we're going from 20 percent up to 80 percent
15 in 10 percent increments, so it's a much broader range of
16 households. So we will need to look at how that broader
17 range impacts financial feasibility.

18 We held a roundtable on May 25 to discuss these
19 questions with the development community. As we are able
20 to gain better understanding of income averaging,
21 hopefully with some IRS guidance, we will continue to
22 update the Board.

23 MR. GOODWIN: Questions? Did I understand that
24 this election, once made by the developer, is irrevocable?

25 MS. HOLLOWAY: It is irrevocable, yes, sir.

1 MR. GOODWIN: So we can stand in the situation
2 the IRS has passed this statute but we don't necessarily
3 have an interpretation of how it is going to work, and we
4 have a set of rules that apply to this same thing and how
5 are we going to take our rules and apply it to an IRS
6 statute that's a little unclear.

7 MS. HOLLOWAY: Exactly. Particularly looking
8 at the 2019 QAP, we're looking at how do we incorporate
9 income averaging into that QAP. You know, is it
10 appropriate to do that this year when we don't really know
11 what the long term impact of that would be.

12 MR. GOODWIN: Is this something planned to be
13 taken up with the QAP Committee?

14 MS. HOLLOWAY: Potentially, yes.

15 MR. GOODWIN: Any other questions or comments?
16 Did you want to speak, sir?

17 SPEAKER: I do.

18 MR. GOODWIN: Okay. Please stand up and sign
19 in. We have a rather long agenda today so we're going to
20 strictly enforce our three minute limit.

21 MR. SUGRUE: I'll be brief. My name is Mike
22 Sugrue, Stoneleaf Companies, and I'm here to speak about
23 the income averaging because we have properties in
24 lease-up right now and we're turning people away who are
25 over 60 percent income but under 80 percent income who

1 could qualify. It is a very complicated issue, obviously,
2 of balancing. If I were to get an 80 percent tenant, it
3 does not mean 80 percent rent particularly but it could be
4 mean somewhere between 60 and 80, and what does that do to
5 the other rents and does it give me enough room to dive
6 deeper and get a 20 percent tenant somewhere or not, so it
7 is very complicated.

8 I've had conversations with Patricia and it is
9 an issue that needs to be addressed somewhat quickly, I
10 guess, because the properties that do not have 8609s and
11 are in lease-up are kind of in limbo. The original intent
12 of the law was to use it for existing properties as well
13 as new properties, but we do know that the 8609, once an
14 election is made, is irrevocable, so only those without
15 8609s seem to qualify at the present time.

16 NCSHA has given a lot of guidance and
17 questions, et cetera, and we do believe that the IRS will
18 be somewhat delinquent in their guidance, so if they would
19 respond like we all would like them to respond, give us
20 clear direction, it would be easier for everyone. So now
21 they're leaving it to the states to step out and say,
22 okay, we're going to allow this or we're not going to
23 allow that. So I ask that you please consider it and give
24 us some guidance so those of us in lease-up can take
25 advantage of the law as it exists.

1 Thank you.

2 MR. GOODWIN: Thank you.

3 Any other comments?

4 MR. IRVINE: If I might just address those
5 sentiments and questions. I think that while we can't
6 project what the IRS is going to say definitively about
7 the operation of the election, I think we can say
8 definitively two things. One, whatever you have
9 previously represented to receive an award of an
10 allocation, if in electing the income averaging you would
11 make any changes to what was previously represented, you
12 need to go through an amendment process. If you need to
13 go through an amendment process, that will probably
14 trigger some reduced but still substantial underwriting
15 reassessment, as previously described, probably to
16 substantiate capture rate issues.

17 Assuming that you've got now an approved award
18 of an allocation that lines up with what it is you're
19 proposing to do under an income averaging election, the
20 right to make that election is a federal issue and we
21 can't say yes or no to it. It's simply something that by
22 federal law you have the right to elect it. So the real
23 issue is keeping whatever you're doing in line with
24 whatever this Board has approved.

25 MR. SUGRUE: Sure. And I agree with that, Tim,

1 and I think if you chose X number of 30s, X number of 50s,
2 et cetera, those remain, and because it's 30 or less, a 30
3 may become a 20 or a 50 could become a 20, although I
4 doubt you'd get that deep. But I agree with that, we got
5 points for certain elections, we need to keep those
6 elections the same. We're not looking to open the gates
7 and say go helter-skelter.

8 MR. GOODWIN: Any other discussions?

9 (No response.)

10 MR. GOODWIN: I guess we need a motion to
11 accept this report.

12 MS. BINGHAM ESCAREÑO: So moved.

13 MR. GOODWIN: Second?

14 MR. BRADEN: Second.

15 MR. GOODWIN: It's been moved and seconded.

16 Any further discussion?

17 (No response.)

18 MR. GOODWIN: If not, all those in favor say
19 aye.

20 (A chorus of ayes.)

21 MR. GOODWIN: Opposed?

22 (No response.)

23 MR. GOODWIN: Now we're moving on to item
24 number 4. Good morning, Monica.

25 MS. GALUSKI: Good morning, Mr. Chairman,

1 members of the Board. I'm Monica Galuski, and we are here
2 to discuss item 4(a) which is the presentation, discussion
3 and possible action on Resolution 18-023, authorizing the
4 issuance and delivery of Texas Department of Housing and
5 Community Affairs Series 2018 issuer notes, approving the
6 form and substance of related documents, authorizing the
7 execution of documents and instruments necessary or
8 convenient to carry out the purposes of this resolution.

9 MR. GOODWIN: Let me interrupt you just a
10 second, and let the record reflect that Mr. Braden has
11 left the room.

12 Go ahead.

13 MS. GALUSKI: Thank you.

14 So the Department assists low, very low and
15 moderate income homebuyers through its Single Family
16 Mortgage Loan Program provided through the Texas
17 Homeownership Division. Currently all loans originated
18 under this program receive a fixed rate first mortgage
19 loan and a 30-year zero percent interest non-amortizing
20 second loan, the proceeds of which are used to fund down
21 payment and closing cost assistance for the borrower.
22 Funding this assistance can be a challenge. The
23 Department receives ongoing fees on the first mortgage
24 loans and some repayments on the seconds but receipts do
25 not yet keep pace with the outflow. In a few years there

1 should be enough liquidity in the indentures to self-fund
2 the DPA, the down payment assistance, but in the meantime
3 we look for economic sources for these funds.

4 The Department closed its first issuer note for
5 down payment assistance in September of 2016 through which
6 Woodforest National Bank provided \$10 million for down
7 payment assistance funding. This item seeks approval for
8 three issuer notes, one with Woodforest for \$7.5 million,
9 one with Tolleson Private Bank for \$2.5 million, and one
10 with Hancock Whitney Bank for \$2 million, providing a
11 total of \$12 million for down payment and closing cost
12 assistance.

13 MR. GOODWIN: That was back in 2016?

14 MS. GALUSKI: I'm sorry. What?

15 MR. GOODWIN: That was in 2016?

16 MS. GALUSKI: No. This is what's proposed
17 today.

18 MR. GOODWIN: What's proposed today?

19 MS. GALUSKI: Right. In 2016 we took \$10
20 million and it was all with Woodforest National Bank.
21 This time Woodforest actually syndicated this and brought
22 in two additional lenders who were seeking CRA credit and
23 so we've got a total of \$12 million being provided with
24 the three notes. Interest rate is 3.5 percent paid
25 quarterly over the seven-year term. All principal would

1 be due August 8 of 2025 unless earlier repaid, and there
2 are no prepayment penalties, we can repay it any time.
3 Cost of issuance for the transaction will not exceed
4 \$200,000, and a subordinate lien on the Department's
5 Single Family Mortgage Revenue Bond trust indenture is
6 being pledged as security for the notes.

7 Staff recommends approval of Resolution 18-023,
8 and I would be happy to answer any questions that anyone
9 may have.

10 MR. GOODWIN: Any questions?

11 MS. BINGHAM ESCAREÑO: Monica, when did you say
12 that there would be sufficient liquidity behind it?

13 MS. GALUSKI: It in part depends on our volume
14 which, as you know, has significantly grown, but we're
15 looking at a three to four year period on our projections.

16 MR. GOODWIN: Any other questions?

17 (No response.)

18 MR. GOODWIN: If not, do I hear a motion?

19 MS. BINGHAM ESCAREÑO: Move to approve.

20 MR. GOODWIN: Second?

21 MS. RESÉNDIZ: Second.

22 MR. GOODWIN: All in favor say aye.

23 (A chorus of ayes.)

24 MR. GOODWIN: Opposed?

25 (No response.)

1 MR. GOODWIN: Thank you, Monica.

2 On to item 4(b).

3 MS. GALUSKI: Item 4(b) is presentation,
4 discussion and possible action on Resolution 18-024,
5 authorizing --

6 MR. GOODWIN: Let the record reflect Mr. Braden
7 has rejoined us.

8 MS. GALUSKI: -- authorizing the issuance,
9 sale and delivery of Texas Department of Housing and
10 Community Affairs Single Family Mortgage Revenue Bonds,
11 2018 Series A, approving the form and substance of related
12 documents, authorizing the execution of documents and
13 instruments necessary and convenient.

14 At its May 24 meeting, the Board approved the
15 initiation of a Single Family Mortgage Revenue Bond issue.
16 Both a tax-exempt and a taxable series were contemplated.
17 Based on current market conditions and other factors,
18 staff is not recommending moving forward with the taxable
19 series at this time. With this item, staff is seeking
20 approval for the issuance of Texas Department of Housing
21 and Community Affairs Single Family Mortgage Revenue Bonds
22 2018 Series A. The bonds will be tax-exempt. Total bond
23 proceeds, which is the par amount of the bonds plus any
24 premium realized on the sale of those bonds, will not
25 exceed \$150 million. We expect that at least a portion

1 for the bonds will be sold at a premium.

2 Proceeds will be used to purchase Ginnie Mae
3 mortgage-backed securities which will be backed by newly
4 originated mortgage loans and to fund all or a portion of
5 the related down payment assistance, lender compensation,
6 second loan servicing fees and costs of issuance related
7 to the bonds. The bonds are scheduled to price in late
8 July and to close in mid September. We expect to invest
9 bond proceeds in a guaranteed investment contract, or a
10 GIC, until used to purchase the mortgage-backed securities
11 and to pay the related mortgage loan costs. The
12 unexpended proceeds redemption is July 1 of 2019. That's
13 when you would call bonds related to any bond proceeds you
14 had not used to purchase mortgage-backed securities with,
15 but since we're averaging almost \$50 million a month right
16 now with tax-exempt eligible mortgage loans, we're not
17 expecting to need an unexpended proceeds column.

18 The Department contribution, including amounts
19 to be used for down payment and closing cost assistance,
20 lender compensation, cost of issuance and servicing fees,
21 won't exceed \$12 million, and we're expecting it to
22 actually be about half of that because we're expecting to
23 generate about \$6 million on bond premium. So in that
24 case, bond premium and Department contribution is going to
25 equal the total outflow. You have to remember the down

1 payment assistance and the lender compensation alone is
2 almost \$10 million.

3 The transaction does result in a positive
4 present value benefit to the single family indenture.
5 Staff is recommending approval of Resolution 18-024, and I
6 would be happy to answer any questions that anyone may
7 have.

8 MR. GOODWIN: Any questions? A motion to
9 approve?

10 MR. BRADEN: Move to approve.

11 MR. GOODWIN: Second?

12 MR. VASQUEZ: Second.

13 MR. GOODWIN: All in favor say aye.

14 (A chorus of ayes.)

15 MR. GOODWIN: Opposed?

16 (No response.)

17 MS. GALUSKI: Thank you.

18 MR. GOODWIN: Thank you, Monica.

19 So we're moving on to multifamily action item
20 number 5, we're going to go a little out of order here.
21 We actually had an item on here that was tabled at last
22 month's meeting which was item (h) 17510 Brookhaven
23 Supportive Housing, and we're going to take that first.

24 Do we need a motion to pull it off the table,
25 Beau, since it's posted?

1 MR. ECCLES: No. It's posted.

2 MR. GOODWIN: Okay. All right.

3 MS. HOLLOWAY: Item 5(h) is presentation,
4 discussion and possible action on a request for waiver of
5 rules for Brookhaven Supportive Housing. This is direct
6 loan application number 17510.

7 Brookhaven Limited submitted a direct loan
8 application under the 2017-1 NOFA for the new construction
9 of 30 single family units, known as Brookhaven Supportive
10 Housing in Rockdale. This proposed development is
11 composed of single family homes serving a supportive
12 housing population. The application requests \$1-1/2
13 million in direct loan funds from the supportive housing
14 soft repayment set-aside. They have proposed restricting
15 13 of the 30 units to 30 percent of AMI.

16 The direct loan rule requires an applicant to
17 provide 20 percent equity is the only source of Department
18 funding for the development, as is the case with
19 Brookhaven, so this doesn't have any tax credits
20 associated with it, it's just direct loan and a private
21 lender. This equity requirement prevents over-leveraged
22 developments that would put our funds at risk and assists
23 us in meeting the federal requirement that we determine
24 the borrower's financial capacity.

25 The applicant requested a waiver of the

1 requirement so they could move forward with zero percent
2 equity which was presented at the March 22 meeting. You
3 voted to table the waiver request until Real Estate
4 Analysis had an opportunity to review the application and
5 consider the waiver request as part of their feasibility
6 analysis. REA staff has been unable to reach a clear
7 feasibility conclusion due to inconsistent information
8 regarding proposed construction costs, operating expenses,
9 financing structure and tenant populations. As a result,
10 we informed the applicant on June 1 that a recommendation
11 to deny the waiver request would be presented to the
12 Board.

13 The applicant has asserted that they will meet
14 the 20 percent equity threshold from a property tax
15 exemption, land donation, reduced developer fee and sweat
16 equity. In the materials provided for the board book,
17 they point out the reduced costs that will be available
18 with the nonprofit owner acting as the contractor, thereby
19 saving the contractor fee and sales tax on the materials.

20 All of these resources are important but ultimately they
21 are cost savings provided to the development rather than
22 equity.

23 The waiver rule requires the development owner
24 to establish how the waiver is necessary to address
25 circumstances beyond the development owner's control and

1 how, if the waiver is granted, the Department will better
2 serve the policies and purposes in our statute. The
3 applicant has asserted that good cause for granting the
4 waiver would be to provide affordable housing in an
5 economically disadvantaged area of the state, helping the
6 Department meet its annual CHDO commitment deadline --
7 which would not apply because this loan would be funded
8 with TCAP funds so it's not a CHDO loan -- affirmatively
9 furthering fair housing, and fulfilling Section 504
10 requirements.

11 These assertions do not adequately address the
12 owner equity requirement and a meaningful substitute for
13 owner equity has not been offered which leads staff to
14 recommend denial of the waiver request.

15 MR. GOODWIN: Any questions?

16 (No response.)

17 MR. GOODWIN: Do I hear a motion to approve
18 staff's recommendation?

19 MR. BRADEN: I'll move to approve staff's
20 recommendation.

21 MR. GOODWIN: Second?

22 MS. THOMASON: Second.

23 MR. GOODWIN: Any discussion?

24 (No response.)

25 MR. VASQUEZ: I do have a question. What

1 percentage did the Department calculate as the equity
2 contribution?

3 MS. HOLLOWAY: So at the front-end there's zero
4 owner equity going into this transaction, and the rule
5 requires 20 percent.

6 MR. VASQUEZ: Okay. All right.

7 MR. GOODWIN: Any other discussion, questions?
8 (No response.)

9 MR. GOODWIN: If not, all in favor say aye.
10 (A chorus of ayes.)

11 MR. GOODWIN: Opposed?
12 (No response.)

13 MR. GOODWIN: Okay. Moving on with item 5(a).

14 MS. HOLLOWAY: Item 5(a) is presentation,
15 discussion and possible action regarding the issuance of
16 Multifamily Housing Revenue Bonds for Riverside Townhomes.
17 This is Series 2018, Resolution 18-026, and a
18 determination notice of housing tax credits.

19 Riverside Townhomes is located in Austin. This
20 is the acquisition and rehabilitation of 128 units serving
21 a general population. The property was originally
22 constructed in 1970. All of the units will be rent and
23 income restricted at 60 percent of AMI with the exception
24 of one employee-occupied unit. Currently all of the units
25 are covered by Project Based Section 8 HAP contract.

1 Riverside Townhomes is located in a census
2 tract that exceeds a 40 percent poverty rate for
3 individuals. The poverty rate for the census tract has
4 exceeded 40 percent since 2012 and is at 58.2 percent
5 currently. The neighborhood surrounding the property has
6 substantial new development and redevelopment is expected
7 in a city experiencing a boom period. Home values have
8 been increasing since 2000 in this Montopolis area. New
9 projects in the area include the Oracle Flagship campus,
10 luxury apartments and restaurants. Staff believes that
11 this new development supports a conclusion that the
12 development site should be considered eligible.

13 This transaction involves a Fannie Mae
14 multifamily pass-through mortgage-backed security. The
15 mortgage loan will be originated by the Department to the
16 borrower on the closing date and funded with the bond
17 proceeds. Simultaneously with the closing the loan will
18 be assigned to the Fannie Mae lender and funds used by the
19 lender to acquire the loan will be deposited into the
20 collateral account to secure the bonds. In this respect
21 the transaction mirrors prior FHA 221(d)(4) multifamily
22 transactions where the project will be 100 percent cash
23 collateralized at all times, thus offering protection for
24 the bondholders.

25 Approximately 10 to 15 days from the closing

1 date, Wells Fargo Multifamily Capital will assign the loan
2 to Fannie Mae and in exchange Fannie will deliver the
3 mortgage-backed securities to the trustee. The trustee
4 will use the funds in the collateral account to purchase
5 the mortgage-backed securities which will be used to
6 secure the bonds from this point forward. Payment on the
7 bonds will be guaranteed by Fannie Mae.

8 Under the proposed structure, the Department
9 will issue tax-exempt fixed rate bonds in an amount not to
10 exceed \$20 million. It's currently sized at \$19 million.

11 The bonds will have an interest rate that mirrors the
12 pass-through rate on the mortgage-backed securities,
13 currently estimated to be 3.6 percent, which does not
14 include servicing or guarantee fees. The loan will have a
15 term of 16 years and a 35-year amortization. The bonds
16 will have a maturity date of December 31, 2036 and are
17 anticipated to have a AAA rating by Moody's.

18 EARAC has reviewed the applicant's compliance
19 history and the REA report associated with this
20 development and has made a positive recommendation. So
21 staff makes the following recommendations regarding this
22 item: we recommend that the site for Riverside Townhomes
23 be found eligible; we recommend that the issuance of up to
24 \$20 million in tax-exempt Multifamily Housing Revenue
25 Bonds be approved; we recommend that the issuance of a

1 determination notice of \$1,025,043 in 4 percent housing
2 tax credits, subject to previous participation and
3 underwriting, be approved; and we recommend that the Board
4 accepts the conditions of the issuance, including the
5 previous participation conditions, and affirms that
6 failure to fulfill these conditions may subject the
7 applicant to penalties, including debarment.

8 I'll be happy to take any questions.

9 MR. GOODWIN: Questions?

10 (No response.)

11 MR. GOODWIN: If not, do I hear a motion?

12 MS. BINGHAM ESCAREÑO: Move staff's
13 recommendation.

14 MR. GOODWIN: Second?

15 MR. VASQUEZ: Second.

16 MR. GOODWIN: We have a motion, moved and
17 seconded. All in favor say aye.

18 (A chorus of ayes.)

19 MR. GOODWIN: Opposed?

20 (No response.)

21 MS. HOLLOWAY: Item 5(b) is presentation,
22 discussion and possible action regarding the issuance of
23 Multifamily Housing Revenue Bonds for Oaks on Lamar, this
24 is Series 2018, Resolution 18-027, along with a
25 determination notice of housing tax credits.

1 Oaks on Lamar is in Austin. It is the
2 acquisition and rehabilitation of 176 units serving the
3 general population. The property was originally
4 constructed in 1966. All of the units will be rent and
5 income restricted at 60 percent of AMI, with the exception
6 of one employee-occupied unit. Currently 74 units are
7 covered by a Project Based Section 8 HAP Contract and
8 another 22 vouchers are expected to be received from the
9 Marble Falls Housing Authority. With the additional
10 vouchers the development will be substantially financed
11 with federally subsidized funding, and therefore, lends
12 itself to the waiver provision under Section 42 to qualify
13 for the acquisition credits considering that the
14 development has not been held by the same owner for at
15 least 10 years. This is discussed in greater detail in
16 the Real Estate Analysis report.

17 The financing structure for this transaction is
18 identical to the Riverside Townhomes structure that we
19 just discussed, with the exception that while the
20 Department will issued tax-exempt fixed rate bonds in an
21 amount not to exceed \$20 million, it is currently sized at
22 \$16 million.

23 So staff makes the following recommendations:
24 that the issuance of up to \$20 million in tax-exempt
25 Multifamily Housing Revenue Bonds for Oaks on Lamar,

1 Series 2018, Resolution 18-027 be approved; that the
2 issuance of a determination notice of \$979,784 in 4
3 percent housing tax credits, subject to the previous
4 participation and underwriting conditions, be approved;
5 and that the Board accept the conditions of this issuance,
6 including the conditions for the previous participation
7 and underwriting, and affirm that failure to fulfill these
8 conditions may subject the applicant to penalties,
9 including debarment.

10 I'll be happy to take any questions.

11 MR. GOODWIN: Any questions?

12 (No response.)

13 MR. GOODWIN: Do I hear a motion to approve
14 staff's recommendation?

15 MS. THOMASON: I move.

16 MR. GOODWIN: So moved. Do I have a second?

17 MR. BRADEN: Second.

18 MR. GOODWIN: It's been moved and seconded.
19 Any further discussion?

20 (No response.)

21 MR. GOODWIN: All in favor say aye.

22 (A chorus of ayes.)

23 MR. GOODWIN: Opposed?

24 (No response.)

25 MR. GOODWIN: Moving on to item 5(c), and

1 Marni, as I understand on 5(c) we're going to take the two
2 San Antonio first, that's 18053 and 18054.

3 MS. HOLLOWAY: Yes. We have received a request
4 to put those at the top of our item today.

5 MR. GOODWIN: Okay.

6 MS. HOLLOWAY: So this is presentation,
7 discussion and possible action on staff determinations
8 regarding undesirable neighborhood characteristics.

9 So under the Multifamily Rules related to
10 undesirable neighborhood characteristics, if a development
11 site has any of the characteristics described in the rule,
12 the applicant must disclose the presence of those
13 characteristics at the time the application is submitted
14 and present documentation of mitigating factors that
15 support the determination that there is a high probability
16 and reasonable expectation that the undesirable
17 characteristic will be sufficiently mitigated or
18 significantly improved by the time the development is
19 placed in service.

20 Under the rule the Board has final decision-
21 making authority in making an affirmative determination or
22 finding the site ineligible. Should the Board make the
23 determination that the site is ineligible based on this
24 report, the termination of the application resulting from
25 that action is not subject to appeal.

1 Staff is unable to make a determination that
2 acceptable mitigation for undesirable neighborhood
3 characteristics was submitted for applications 18020 St.
4 Elizabeth Place, 18038 3rd Street Lofts, 18053 Alazan
5 Lofts, and 18054 Piedmont Lofts. Staff is therefore
6 unable to make a recommendation regarding site eligibility
7 and requests the Board's determination. In addition,
8 because acceptable mitigation, as described in the rule,
9 was submitted for application 18250 Sweetbriar Hills,
10 staff will be recommending that the Board find that
11 development site eligible. I'll be telling you about that
12 one when we get there.

13 So we have received this request that
14 applications 18053 and 18054 be taken up first, so I'll
15 get started. Alazan Lofts is located in San Antonio.
16 This application proposes the new construction of 88 units
17 serving general population. The census tract in which the
18 development site is located has a poverty rate of 67.6
19 percent which is nearly 75 percent higher than the
20 threshold limit of 40 percent. The rules regarding
21 mitigation of poverty require evidence that the poverty
22 rate has decreased over the five-year period preceding the
23 date of the application or that the census tract is
24 contiguous to a census tract with a poverty rate below 20
25 percent.

1 The applicant reasons that the high poverty
2 rate stems from the fact that the residents of the current
3 public housing development comprise much of the census
4 tract's population and therefore deeply skew the poverty
5 rate. The applicant claims that opportunities for upward
6 mobility and self-improvement abound in the area and
7 residents of the Avenida Guadalupe neighborhood currently
8 have access to the services of several nonprofits and
9 social organizations that have the intent to promote
10 economic mobility, to bolster housing stability and to
11 reduce poverty in the neighborhood. The cite close
12 proximity to high income areas and jobs in downtown San
13 Antonio, being within a 20-minute driver of over 213,000
14 high paying jobs, and active work with community
15 stakeholders by the San Antonio Housing Authority. They
16 also cite the housing authority's application for Choice
17 Neighborhoods grants.

18 A third party request for administrative
19 deficiency related to this application indicates that the
20 San Antonio Housing Authority will not receive the HUD
21 Choice Neighborhoods grant that is critical to the
22 revitalization of the community. The RFAD states that the
23 poverty rate in the census tract has actually worsened
24 over a five-year period and property values in the census
25 tract have increased in value over the last five years at

1 a rate much less than the city as a whole, indicating that
2 gentrification is not a factor.

3 In response to the RFAD, the applicant states
4 that area revitalization does not depend solely on the
5 Choice Neighborhoods grant, as the area is located in a
6 City of San Antonio tax increment reinvestment zone whose
7 funding was documented during our review of the concerted
8 revitalization plan, so we've accepted that TIRZ funding
9 is available in that area through the concerted
10 revitalization plan. The response outlined core
11 competencies and recent accomplishments of the housing
12 authority that focus on resident self-sufficiency.

13 The applicant believes that replacing the
14 current development with a mixed income development will
15 result in increased incomes and a lower poverty rate for
16 the census tract. Census data on poverty rates and median
17 incomes for the tract suggest that little has changed
18 regarding these indicators, both have remained at nearly
19 the same levels with no clear trend of improvement. The
20 demolition and reconstruction of the existing public
21 housing calls for the inclusion of 13 market rate units
22 which may help to increase incomes but is unlikely that a
23 poverty rate over 62 percent will quickly decrease to the
24 threshold of 40 percent or below.

25 Staff is unable to determine that the poverty

1 rate will be sufficiently mitigated or significantly
2 improved by the time the development is placed in service
3 and cannot make a recommendation regarding this item.

4 As regards crime, the Part 1 violent crime rate
5 for this census tract is 37.09 incidents per 1,000 people,
6 according to Neighborhood Scout; our threshold is 18. The
7 applicant states that the actual crime rate is much lower
8 and provided data from the San Antonio Police Department
9 that indicates the crime rate is at 16.48 percent in 2015
10 and 22.7 percent in 2016; no data for 2017 was provided.

11 In response to the RFAD and administrative deficiency, the
12 applicant provided a letter from San Antonio Police
13 Department Chief William McManus that includes crime data
14 for 2017, indicating a violent crime rate of 12.2 percent.

15 The letter attributes the decrease in crime to
16 initiatives undertaken by the police department.

17 Because evidence of a positive trend and
18 continued improvement in the crime rate has been provided,
19 staff recommends that the site be found eligible regarding
20 the crime.

21 Regarding blight, the applicant disclosed that
22 the development site is located within 1,000 feet of two
23 vacant commercial properties and three boarded up homes.
24 According to the applicant, much of the blight will be
25 mitigated through the development of the site because

1 Alazan Lofts encompasses the bulk of the remaining vacant
2 property in the neighborhood that has become overgrown and
3 encouraged neglect. Staff conducted a site visit and
4 confirmed this statement, noting that the development
5 itself would indeed remove blight. There are some
6 blighted properties outside of the development footprint
7 but the structures do not meet the description in rule
8 regarding blight, so staff believes that no mitigation is
9 required for blight at this site.

10 Regarding schools, Tafolla Middle School has an
11 Improvement Required rating since 2014. The application
12 does not include documentation from a school official with
13 oversight of the school explaining how the school will
14 progress towards meeting the goals and objectives of the
15 campus improvement plan. So under our rule, any school in
16 the attendance zone that has not achieved Met Standard for
17 three consecutive years and has failed by at least one
18 point in the most recent year, unless there's a clear
19 trend indicating imminent compliance shall be unable to
20 mitigate due to potential for school closure as an
21 administrative remedy pursuant to Chapter 39 of the Texas
22 Education Code.

23 The RFAD correctly states that neither the
24 application or the campus improvement plan identify
25 improvements made over the last year and the

1 accountability summaries indicate the school is falling
2 further and further behind each year. In response to the
3 RFAD, the applicant provided a letter from San Antonio
4 Independent School District chief innovation officer
5 describing the resources and initiatives that have been
6 directed to the school, including a targeted improvement
7 plan, a campus turnaround plan, and over \$25 million in
8 2016 bond funds allocated to the school. The letter
9 states that the school's Index 2 student progress scores
10 which increased from 26 in 2015 to 29 in 2017 is just one
11 point below the target score and that the middle school is
12 within only four points of meeting its target score for
13 three of the four indices. The letter also mentions after
14 school programs and other initiatives.

15 The letter from the school official provides
16 information indicating a high level of investment in the
17 school by the school district, however, because no
18 evidence of a positive trend and continued improvement has
19 been provided, and because the school has had an
20 Improvement Required rating for four years, staff is
21 unable to recommend eligibility regarding this issue.

22 The applicant requested a waiver of the
23 presence of undesirable neighborhood characteristics rule
24 but the waiver request did not include the documentation
25 required by the rule. So we are discussing poverty and

1 schools. Staff is not able to make a recommendation on
2 those items. We did find the mitigation acceptable for
3 blight and crime.

4 I'd be happy to take any questions.

5 MR. GOODWIN: Any questions?

6 MS. HOLLOWAY: It's a bunch of information.

7 MR. GOODWIN: It is a bunch of information. So
8 realistically, this discussion here this morning is over
9 whether this site is eligible based on the poverty issue
10 and the school issue.

11 MS. HOLLOWAY: Yes.

12 MR. GOODWIN: There's no reason to hear
13 testimony about crime or blight at this stage.

14 MS. HOLLOWAY: Exactly.

15 MR. GOODWIN: So I think we have people that
16 want to speak, so before we do that, I'll hear a motion to
17 entertain comments.

18 MS. BINGHAM ESCAREÑO: So moved.

19 MR. GOODWIN: Second?

20 MS. RESÉNDIZ: Second.

21 MR. GOODWIN: All in favor say aye.

22 (A chorus of ayes.)

23 MR. GOODWIN: Opposed?

24 (No response.)

25 MR. GOODWIN: Okay. We will take comments.

1 Again, I would remind you that we've got a three-minute
2 limitation.

3 MR. ARECHIGA: Hello. My name is Jason
4 Arechiga with the NRP Group and I will try to make this as
5 quick as possible. I am actually going to discuss just
6 very briefly both deals, Alazan and Piedmont, which is
7 next on the list. The 18054 has a similar issue with
8 schools and staff may have a similar comment to that too,
9 so I'll discuss them both and try to make it as quick as
10 possible. In both cases staff is recommending denial of
11 the mitigation measures. These concern, of course, the
12 middle schools that we were discussing, Tafolla in the
13 case of Alazan and Poe in the case of Piedmont Lofts.

14 A brief history of San Antonio. There were
15 nine applicants this year in San Antonio for full
16 application. Of these, six are in the urban core, and of
17 the urban core deals, five have poorly performing middle
18 schools. Four of these were required to submit an
19 undesirable characteristic request RFAD. Village of
20 Roosevelt, Artisan at Ruiz, Alazan Lofts and Piedmont
21 Lofts, those are the four. All of these projects had
22 similar issues with schools which is to say that at least
23 one of the three zoned schools did not meet standard. The
24 middle schools in particular failed to meet standard in
25 2017 and the two preceding years, so that's Poe Middle

1 School with Piedmont and Page Middle School with
2 Roosevelt, they failed for the two. Tafolla, which is for
3 Alazan, has failed for four years, as Ms. Holloway
4 mentioned, and Irving for the Artisan at Ruiz has failed
5 for five years, so notably most middle schools in San
6 Antonio's urban core have not met standard in 2017 and
7 many did not meet standard in 2016 and 2015, and as a
8 results, SAISD is wholesale restructuring all of these
9 schools.

10 TDHCA staff has determined that that two of the
11 four urban core projects have successfully mitigated their
12 educational issues, and those are the Village at Roosevelt
13 and the Artisan at Ruiz. These two developments had
14 schools that failed to meet standard longer than the
15 schools at Alazan and Piedmont, and in a nutshell the
16 SAISD plan for these schools are very similar to the plans
17 for Alazan and Piedmont, save for a potential option of
18 closing the school and sending the children to a charter,
19 magnet or different school. Perhaps that's the
20 difference, but I don't see how closing a school mitigates
21 that school, the solution is unclear.

22 The two developments before you this morning,
23 that is Alazan and Piedmont, Alazan specifically with this
24 item, were not found to mitigate the school issues even
25 though the schools have not been performing poorly for as

1 long as the other school and the others schools that did
2 receive mitigation, and SAISD has a robust mitigation plan
3 in place for each, just like they did for the two that
4 were approved, and in fact, one of ours has the same staff
5 person overseeing the turnaround plan as the school that
6 was approved.

7 I'll finish this comment with saying I think
8 it's fair to assume that SAISD will be providing the same
9 level of expertise and resources across the district and
10 would not implement a plan that is likely to fail at any
11 of its schools. And we simply wish to see consistency
12 among the rules, we're not asking for the other
13 application to be terminated as well.

14 MR. GOODWIN: Does somebody else want to speak
15 to this? If not, do we hear any questions from the Board?

16 (No response.)

17 MR. GOODWIN: If not, we will accept a motion
18 about 18053.

19 MR. VASQUEZ: Can we clarify what the ultimate
20 staff recommendation is on this?

21 MS. HOLLOWAY: Staff is recommending -- staff
22 is not able to make a recommendation that this site should
23 be found eligible because of the poverty rate and because
24 of the schools.

25 MR. VASQUEZ: Again, just so I understand, this

1 is to continue the eligibility, this isn't an award or
2 anything at this point.

3 MS. HOLLOWAY: This is not, but if the site is
4 found ineligible then --

5 MR. GOODWIN: The application is terminated.
6 Right?

7 MS. HOLLOWAY: Yes.

8 MR. VASQUEZ: So if we were to approve the site
9 as eligible?

10 MS. HOLLOWAY: If you were to determine it was
11 eligible, then it would move forward in the process.

12 MR. VASQUEZ: It just gives it continued life
13 at this point.

14 MS. HOLLOWAY: Uh-huh.

15 MR. IRVINE: I'd make one other comment,
16 though. I think with regard to the issue of the treatment
17 of other schools and other applications, I think it's
18 important to look at what is in this application that
19 specifically addresses mitigation for the circumstances on
20 this deal.

21 MR. VASQUEZ: I guess one more question, as far
22 as the schools with this Alazan Lofts, is it just the
23 middle school that we're concerned about?

24 MS. HOLLOWAY: Yes.

25 MR. VASQUEZ: And in the materials it talks

1 about these bond initiatives with \$25 million of funding
2 going to Tafolla Middle School.

3 MS. HOLLOWAY: Right. I believe it was a 2016
4 bond issue.

5 MR. VASQUEZ: So there's obviously a lot of
6 money going that's going into it.

7 MS. HOLLOWAY: Absolutely there appears to be a
8 good deal of resources going into this school based on the
9 information that's received. What was missing for us was
10 evidence of that trend of improvement.

11 MR. GOODWIN: And we also have the poverty
12 issue as well.

13 MS. HOLLOWAY: And we have the poverty issue as
14 well.

15 MR. GOODWIN: Do I hear a motion?

16 MR. VASQUEZ: Well, I would like to make a
17 motion to determine that the site is eligible to continue.

18 MR. GOODWIN: Do I hear a second?

19 (No response.)

20 MR. GOODWIN: I hear no second. Do I hear
21 another motion?

22 MR. BRADEN: I'll make a motion that not enough
23 indication has been shown at this time for the site to be
24 found eligible.

25 MR. GOODWIN: Do I hear a second for that?

1 MS. BINGHAM ESCAREÑO: I'll second that.

2 MR. GOODWIN: So that motion has been made and
3 seconded. Any further discussion?

4 (No response.)

5 MR. GOODWIN: If not, all in favor -- did you
6 want to speak, ma'am?

7 SPEAKER: I did.

8 MR. GOODWIN: You'll need to speak to the
9 motion.

10 SPEAKER: Oh, to the motion? Well, I would
11 like to state that I believe you should --

12 MR. GOODWIN: We need to know your name.

13 MS. ANDRÉ: Sure. That threw me. Sarah André,
14 and I am a consultant to the NRP Group on these mitigation
15 plans.

16 I would like to speak to the motion. I think
17 that you should deny this motion. I believe that the San
18 Antonio Independent School District has put in place the
19 same level of effort, the same level of money, and rather
20 than shutting down the middle schools related to the
21 projects, they are continuing to improve them with
22 restructuring, new programs, additional staff, and I don't
23 understand how -- I do understand how it would be
24 difficult in reading all these plans to make the
25 determinations, I definitely feel the level of intensity

1 that the staff has to go through, but you're talking about
2 four sites, all of which had letters from the same
3 superintendent, the same school district, the same types
4 of mitigation plans and two were found to be eligible and
5 two were not. We're not trying to get these deals up to
6 the top, they are not winners, we're not trying to push
7 anybody out, we're asking for consistency in the rulings
8 on these mitigation plans.

9 Thank you.

10 MR. GOODWIN: Thank you.

11 Any other discussion?

12 (No response.)

13 MR. GOODWIN: If not, I'll call for a vote.

14 All those in favor of the motion signify by saying aye.

15 (A chorus of ayes.)

16 MR. GOODWIN: Opposed?

17 MR. VASQUEZ: Nay.

18 MR. GOODWIN: Okay. Moving on to item 18054.

19 MS. HOLLOWAY: Application 18054 for Piedmont
20 Lofts. This is a new construction development which will
21 serve the general population with 55 units. It is located
22 within the urban core of central San Antonio.

23 The applicant disclosed that the development
24 site is located within 1,000 feet of a single structure
25 that could be considered blighted and provided evidence

1 that the residence was recently deeded to a new owner in
2 November of 2017. Staff conducted a site visit and found
3 the reported structure vacant but only blighted in the
4 sense that the landscaping needed attention. Because the
5 structure has been deeded to a new owner, staff is able to
6 determine that there is a high probability that the blight
7 will be sufficiently mitigated or improved by the time the
8 development is placed in service and we are recommending
9 eligibility based on this issue.

10 The Poe Middle School had an Improvement
11 Required rating for 2016 and 2017, it did have a Met
12 Standard rating for 2015. The application included no
13 documentation from a school official, and in response to
14 an administrative deficiency, the applicant provided a
15 letter from the director of the San Antonio Independent
16 School District Office of School Improvement. The letter
17 states that the status of the targeted improvement plan
18 for the school is reviewed on a quarterly basis and the
19 most recent review indicates the school is on track to
20 meeting the benchmarks laid out in the campus targeted
21 improvement plan.

22 The deficiency response also included a letter
23 from San Antonio Independent School District chief
24 innovation officer describing the school's progress in
25 meeting goals of the targeted improvement plan and the

1 2017 campus turnaround plan. The letter states that the
2 team's goal is for the school to achieve a Met Standard
3 rating by 2020 which is when the development will be
4 placed in service. In the letters from the school
5 officials, information is provided indicating a high level
6 of investment in the school by the school district,
7 however, because no evidence of a positive trend and
8 continued improvement has been provided, staff is unable
9 to make a recommendation regarding eligibility.

10 The applicant requested a waiver for the
11 presence of undesirable neighborhood characteristics on
12 this application also but did not include the
13 documentation required by the rule.

14 I'd be happy to take any questions?

15 MR. GOODWIN: Any questions?

16 MS. BINGHAM ESCAREÑO: So, Marni, the blight is
17 not an issue.

18 MS. HOLLOWAY: The blight is not. It was one
19 structure that was recently sold and when Shay and Patrick
20 went and looked at it, they decided it was just
21 landscaping.

22 MS. BINGHAM ESCAREÑO: And then the school
23 issue, so they met standard 2015 and then need improvement
24 '16 and '17?

25 MS. HOLLOWAY: Yes.

1 MS. BINGHAM ESCAREÑO: And that's for the
2 middle school?

3 MS. HOLLOWAY: Yes.

4 MR. GOODWIN: Is there anyone that wants to
5 speak to this application? Before you do that, I need a
6 motion to accept comments on this application.

7 MS. BINGHAM ESCAREÑO: So moved.

8 MR. GOODWIN: Second?

9 MR. BRADEN: Second.

10 MR. GOODWIN: Moved and seconded. All in favor
11 aye.

12 (A chorus of ayes.)

13 MR. GOODWIN: Opposed?

14 (No response.)

15 MR. GOODWIN: Okay.

16 MR. ARECHIGA: I'll just speak from the hip on
17 this one. We had already discussed the Piedmont one.
18 This one has not met standard for two years. Again for
19 the record, my name is Jason Arechiga with the NRP Group.
20 This one has not met standard for two years, it's Poe
21 Middle School, and there are a couple of other middle
22 schools, again, in the urban core that I know it's hard to
23 compare schools to schools but the same turnaround plan
24 that has been accepted, again, for Page Middle School and
25 for Irving Middle School which have not met standard for

1 five years and also for two years, were accepted by staff.

2 So Alazan had four years and it had some
3 poverty issues that perhaps we couldn't address,
4 obviously, to the Board's satisfaction, that is something
5 hopefully we may be able to address next year, but in this
6 case with this one I'd like to establish a precedent that
7 SAISD has obviously a similar turnaround plan to the other
8 schools in the area and they have been accepted by staff,
9 and again, this has met standard in the past three years,
10 it has not met standard the past two years, we understand
11 that, but we see that trend to improve hopefully because
12 of the investment that's going to be going into the school
13 for this particular one in this particular area.

14 Thank you.

15 MR. GOODWIN: Thank you.

16 Any questions?

17 MS. BINGHAM ESCAREÑO: I have a question. Just
18 out of curiosity, as a board we're familiar with this area
19 of San Antonio and I think we've demonstrated commitment
20 despite a lot of obstacles and I think the staff have too.

21 I'm a little curious why we aren't hearing from a school
22 district person today, and it may just be the Board may
23 have other perspectives on this, but typically when
24 there's something that's kind of such an obvious
25 challenge -- and I appreciate the letters -- it's always

1 good to hear from somebody from the school district about
2 what the plan is.

3 MR. ARECHIGA: They couldn't make it today. We
4 had asked to be heard at the next meeting for this one and
5 staff had said because of the applications, because of the
6 awards, they stressed that we do it today. So they said
7 they could make it to the next one but not to this one.

8 MS. BINGHAM ESCAREÑO: I'd like to make a
9 motion to find this application, this site eligible.

10 MR. BRADEN: Second.

11 MR. GOODWIN: Motion made and seconded. Any
12 further discussion? Any additional questions?

13 (No response.)

14 MR. GOODWIN: All those in favor say aye.

15 (A chorus of ayes.)

16 MR. GOODWIN: Opposed?

17 (No response.)

18 MR. GOODWIN: Okay. Moving on, Marni, to
19 18020.

20 MS. HOLLOWAY: Application number 18020 for St.
21 Elizabeth Place. The application proposes the adaptive
22 reuse of the historic St. Elizabeth Hospital and Convent
23 in Houston and will include one newly constructed
24 building. It will serve the general population with 110
25 units in the Fifth Ward of Houston. The application was

1 the subject of a third party request for administrative
2 deficiency that questioned the sufficiency of the
3 mitigation provided by the applicant.

4 So to start, the development site is located in
5 a census tract that has poverty rate of 51 percent and
6 the income falls in the fourth quartile. Median household
7 incomes in the census tract have increased by 30 percent
8 since 2011 but with the most recent indicators at \$16,912
9 per household annual income, it remains remarkably low.

10 According to the applicant, St. Elizabeth Place
11 will preserve housing affordability for residents who are
12 at risk of being displaced due to gentrification and the
13 rising costs of maintaining a home in the city's urban
14 core. The continued high poverty level and low incomes
15 seem to indicate that gentrification is not present in
16 this or the surrounding census tracts. The applicant
17 points to new developments between the proposed
18 development location and downtown Houston with those homes
19 priced between \$200,000 and \$400,000. It is important to
20 note that this new development is not in close proximity
21 to St. Elizabeth Place.

22 The RFAD for this application provided
23 information regarding the historic poverty rates for the
24 census tract and contiguous census tracts. None of the
25 contiguous census tracts are below the 20 percent poverty

1 rate required as a threshold for mitigation under the rule
2 and the poverty rate has trended up over the last five
3 years. The applicant noted that the poverty rate declined
4 from 51 percent in 2015 to 46.8 percent in 2016 and stated
5 that 2015 represented a tipping point in the neighborhood.

6 Without several years of data, it's impossible to know if
7 this decreasing poverty level will continue.

8 Multiple resources have been invested in this
9 neighborhood, including a continuing tax increment
10 reinvestment zone. Along with the area's proximity to
11 market rate development projects in downtown Houston, a
12 decrease in the poverty rate would seem reasonable,
13 however, the neighborhood and immediately surrounding area
14 continue to experience deeply rooted poverty.

15 Because no evidence of a positive trend and
16 continued improvement in the poverty rate has been
17 provided, staff is unable to make a recommendation
18 regarding eligibility.

19 Regarding crime, the Part 1 violent crime rate
20 for the census tract is at 40.51 incidents per 1,000
21 persons, according to Neighborhood Scout. The applicant
22 claims that through various municipal and Houston Police
23 Department efforts, the Fifth Ward is expected to see a
24 reduction in crime but has not provided evidence of a
25 reduction. The RFAD pointed out that information provided

1 in the application did not include information based on
2 trends, the 2016-2017 crime data, or a letter from the
3 Houston Police Department. While the rule provides that
4 evidence of mitigation may include but is not limited to
5 those items, the RFAD claims that crime in the police beat
6 contained in the development site is trending upward based
7 on public crime data from HPD.

8 In response to the deficiency, the applicant
9 described programs and initiative in the neighborhood.
10 The response states that the Houston Police Department
11 will likely have more accurate data as it relates to crime
12 reporting than the nationwide Neighborhood Scout crime
13 data. The applicant claims they have mapped each
14 individual violent crime in Police Beat 7C10 and found
15 that for the census tract containing St. Elizabeth Place
16 in 2016 the crime rate was 18.24 crimes per 1,000 persons
17 and in 2017 it was 20.79 crimes per 1,000 persons. The
18 response did not include evidence of the data described
19 and it should be noted that the applicant's statement
20 indicates the crime rate actually increased from 2016 to
21 2017.

22 Because no evidence of a positive trend and
23 continued improvement in the crime rate has been provided,
24 staff is unable to make a recommendation regarding
25 eligibility.

1 Regarding blight, the rule looks for multiple
2 vacant structures that have fallen into significant
3 disrepair, overgrowth and/or vandalism that they would
4 commonly be regarded as blighted or abandoned within 1,000
5 feet of the development site. The applicant disclosed
6 that the site is within 1,000 feet of what the applicant
7 recounts as one minor instance of blight. Staff conducted
8 a site visit and determined that the structure that is the
9 subject of the disclosure is a house that is empty and is
10 boarded up but otherwise appears to be in good condition.

11 Because the blight is just one property that is
12 not in significant disrepair, staff recommends that this
13 site be found eligible as regards this issue.

14 Regarding schools, the development site is
15 located in the attendance zone of Wheatley High School
16 which has had an accountability rating of Improvement
17 Required since 2012. There has been recent news about the
18 possibility of a waiver from the Texas Education Agency
19 for schools impacted by Hurricane Harvey. If granted, the
20 waiver would apply to the 2018 accountability rating so
21 would not apply to this application. The applicant states
22 that over the past three years the high school has
23 received an Improvement Required rating from the Texas
24 Education Agency but has seen steadily rising scores on
25 the student achievement and closing performance gaps

1 indices and describes other efforts on the campus,
2 including a new principal.

3 The RFAD points out that per House Bill 1842,
4 since the high school has failed to achieve a Met Standard
5 rating for six consecutive years, the Houston Independent
6 School District will no longer have control of the
7 school's administration. Because HISD will either be
8 relinquishing control of Wheatley High School or closing
9 it down, with no indication of what actually might be
10 happening from the applicant, staff is unable to determine
11 that the problems at the school will be sufficiently or
12 significantly improved by the time the development is
13 placed in service in 2020 and cannot make a recommendation
14 regarding eligibility.

15 The applicant requested of the undesirable
16 neighborhood characteristics rule but did not include the
17 information required to support that request.

18 I'd be happy to answer any questions.

19 MR. GOODWIN: Any questions?

20 (No response.)

21 MR. GOODWIN: We obviously have folks that want
22 to speak to this so I'll take a motion to hear comments.

23 MS. BINGHAM ESCAREÑO: So moved.

24 MR. GOODWIN: Second?

25 MS. THOMASON: Second.

1 MR. GOODWIN: All in favor say aye.

2 (A chorus of ayes.)

3 MR. LYTTLE: Mr. Chairman, I have a legislative
4 letter on this one.

5 MR. GOODWIN: Okay. Would you read it into the
6 record, Michael?

7 MR. LYTTLE: Thank you.

8 The letter is directed to Mr. Irvine from State
9 Representative Carol Alvarado. It reads:

10 "Dear Mr. Irvine: I am pleased to reaffirm my
11 support to the Fifth Ward Community Redevelopment
12 Corporation's redevelopment of St. Elizabeth Place.
13 Albeit outside of the 145th District, the historic Fifth
14 Ward community and the ongoing redevelopment is worthy of
15 recognition and appreciation in improving the quality of
16 life for the residents of the community.

17 "The proposed development will revitalize the
18 architecturally and culturally historic gem in the Fifth
19 Ward and bring much needed affordable housing to the
20 community, particularly after the devastation caused by
21 Hurricane Harvey. I commend this effort to provide safe,
22 quality and affordable by the Fifth Ward Community
23 Redevelopment Corporation.

24 "Please feel free to contact me if you have any
25 questions.

1 "Sincerely, Carol Alvarado, State
2 Representative, District 145, Texas State House of
3 Representatives."

4 MR. GOODWIN: Thank you.

5 And we have comments. Sir, you need to come up
6 here and state your name and sign in for us, please.

7 MR. CLEMONS: Yes. Harvey Clemons, Jr. with
8 TIRZ#18 in Houston.

9 I just wanted to say that the president of the
10 board of HISD schools was scheduled to be here, missed her
11 plane, but she did send a letter, so if it's all right,
12 can we have that read into the record as well?

13 MR. GOODWIN: You have the letter? Is it
14 already in our board book?

15 MS. BINGHAM ESCAREÑO: Dated February 27?

16 MR. CLEMONS: No. This is new. She sent it
17 this morning when she couldn't get here.

18 MR. LYTTLE: The letter reads as follows:

19 "This will serve as testimony in support and
20 for information regarding the St. Elizabeth project in
21 Houston, Texas. I humbly submit the education statistics
22 enclosed. The details of the enclosed documentation will
23 show stability as well as an upward growth trajectory of
24 the schools in the Fifth Ward area.

25 The district has invested over \$90 million in

1 two new elementary and one middle/high school over the
2 last five years. This has increased enrollment in those
3 formerly under-enrolled campuses resulting in more funding
4 and higher achievement. Last school year two of the five
5 schools received Unacceptable rating; this year all five
6 schools, as the preliminary documentation indicates, will
7 receive Acceptable ratings and some will have achievement
8 distinctions. In addition, the surrounding area schools
9 will have similar ratings or receive a pause in
10 accountability for Harvey related reasons.

11 "Given the district's continued investment in
12 the Achieve 18 Program, which is \$56 million to date which
13 was implemented three years ago and has been funded for
14 the upcoming year, the social and emotional and classroom
15 supports that lead to these increased scores will continue
16 to lend itself to increases in data. Houston ISD will
17 issue an RFP in August of 2018 for House Bill 1882
18 partnership entities to ensure a robust slate of choices
19 for any future schools that develop a need through House
20 Bill 1842. This year no schools are projected to need
21 partnerships as 100 percent of our campuses will receive a
22 waiver or have met accountability. One campus in the area
23 may receive both.

24 "As to the issue of closure, the district has
25 not closed a public campus since 2014 and is not projected

1 to do so. There would be no conditions this year that
2 would mandate closure and there are multiple other choices
3 available before closure would occur if a need arose. It
4 is the goal of the board and the administration to
5 continue to invest the resources required in the Fifth
6 Ward area schools to ensure they thrive and continue the
7 upward trajectory of achievement and graduation rates.
8 The creation of new housing is directly aligned with
9 helping us to accomplish this goal, and so it is my hope
10 that this project is given the consideration it requires
11 to go forward.

12 "Thank you for your time and attention to this
13 matter. Humbly submitted, Rhonda Skillern Jones."

14 MR. GOODWIN: Other discussion, comments?
15 Anybody else want to make another comment?

16 MS. ANDRÉ: Good morning. Once again, my name
17 is Sarah André, and I am honored to speak on behalf of St.
18 Elizabeth Place. This is exactly the kind of development
19 that made me want to go into this field of work. It has
20 accomplishments well above and beyond just providing
21 affordable housing, which should be enough, but this
22 project does many more things.

23 What's most important to me today and what I'd
24 like to address with you is the timing of St. Elizabeth.
25 You know, communities have a life cycle, industries

1 change, buildings age, households change, you start out
2 with families with young children and then end up with an
3 area filled with retirees. What was once shiny and new
4 becomes a little bit more like the Velveteen Rabbit, worn
5 and well loved, and that is the time when transformation
6 takes place. Investors and entrepreneurs can sniff out a
7 good deal, they know that these central city neighborhoods
8 are undervalued and they know that that proximity to
9 downtown and all the amenities and opportunities that go
10 along with that are ripe for the picking, and they begin
11 to tear down the old and bring in the new. And that's a
12 good thing, we want new investment, we want new residents,
13 we want positive growth.

14 But what we don't want to do is throw out the
15 people who have already lived in that neighborhood out
16 during this process, we want to keep them in the
17 neighborhood that they have known and loved. And in my
18 opinion, today, right now 2018, this is the right time to
19 capitalize on the changing nature of the area and to stake
20 a claim for those people, but if we wait, the opportunity
21 will most definitely be gone. Staff stated that they
22 didn't believe gentrification was taking place, and that
23 is just absolutely not true. I have walked this area
24 numerous times, I have driven this area, I have worked on
25 project like this over and over, maybe I just see

1 gentrification a little further out than other people but
2 if we wait until we start getting a new Starbucks on the
3 corner and a place that serves wrap sandwiches, it will be
4 too late and the St. Elizabeth Place will be Houston's
5 newest in-town luxury living.

6 We've disclosed a number of facts about
7 poverty, crime and education, that they aren't at the
8 TDHCA standards and we've told staff why we think they'll
9 improve. You know, the standard is that there's clearly a
10 reasonable expectation that mitigation will take place by
11 the time this deal is operational which will be 2-1/2
12 years from now. I think it is very clear that that
13 mitigation will take place. Incomes increased 30 percent
14 between 2011 and 2016. We don't have 2017 and 2018 data
15 yet. New construction in this neighborhood is going for
16 \$300,000 and up. There were so many houses being torn
17 down and built that after an hour I quit taking pictures,
18 it's astounding.

19 Today you approved on item 5(a) an area here in
20 Austin with poverty higher than this area that staff said
21 was gentrifying. St. Elizabeth is clearly right there.
22 You're going to hear from other people, the crime data
23 form Neighborhood Scout is incorrect, crime is going down,
24 the schools are improving.

25 Thank you for your time and attention to this

1 today.

2 MR. GOODWIN: Any questions?

3 (No response.)

4 MR. CLEMONS: Good morning, Chairman Goodwin
5 and to Irvine and to the Board. Let me just begin by
6 saying to you I have a deep appreciation and admiration
7 for your sitting here today. I sat on this Board for 7-
8 1/2 years and so I understand the dilemma and the
9 pressures involved, and let me just tell you thank you for
10 serving.

11 The other thing I'd like to say is that we're
12 here, myself and some leaders from the community,
13 residents from the community, and with your permission,
14 Mr. Chairman, may I just have them stand and be
15 recognized?

16 MR. GOODWIN: Sure.

17 MR. CLEMONS: And in case you don't know what
18 that sign means, it means please approve St. Elizabeth
19 Place.

20 MR. GOODWIN: I couldn't read from that
21 distance but I suspected that might be the case.

22 (General laughter.)

23 MR. CLEMONS: Twenty years ago this Board
24 approved a 9 percent tax credit deal which was 165 units
25 of senior housing just two blocks from St. Elizabeth

1 Place. It was said that that 165 units of senior housing
2 was the first new wood in Fifth Ward in over 40 years in
3 terms of multifamily housing. But that project was the
4 spark that started what will ultimately be known as the
5 Lyons Avenue Renaissance, a 22-block renovation of the
6 main corridor that runs east to west through the Fifth
7 Ward community. Over that 20 years we've built and
8 rehabbed over 1,200 homes and so over this last 20 years
9 Legacy Healthcare has built a new office complex opened
10 last year, a new CVS just opened a month ago, the DeLuxe
11 Theater, which was for African Americans back when
12 segregation was in, has been refurbished and now it is a
13 120-seat house for performing and venue arts in
14 collaboration with Texas Southern University as an
15 educational component to teach and to train back of the
16 house events.

17 This project, St. Elizabeth, was a hospital
18 back in the '40s and the '50s when African Americans
19 needed prenatal care. It served our community then, it
20 moved from after having closed by the Sisters of Charity,
21 moved into a drug treatment facility, it closed and it has
22 been abandoned for the last five years. We purchased the
23 property three years ago to turn it into another purpose
24 that will make this community viable and we would beg that
25 you would consider this project and approve it.

1 Thank you so very much.

2 MR. GOODWIN: Thank you.

3 Are there other people that wanted to speak?

4 MR. CLEMONS: Yes, sir, there are.

5 MR. GOODWIN: Okay. Come on up, if you would.

6 MR. SIMMONS: Good morning. My name is Warren
7 Simmons. I'm a lieutenant for the Harris County
8 Constable's office, Precinct 6.

9 At the constable's office we're a little unique
10 because we deal in both civil and criminal. On the
11 criminal aspect, it allows us to go after the criminals
12 who are doing the drug activity, drive-by shootings. On
13 the civil aspect, it allows us to find that owner of that
14 property who sometimes nobody knows who it belongs to, it
15 gives us an opportunity to get those people to sign a
16 sworn affidavit to give us probable cause to kind of clean
17 up that activity.

18 At the beginning of this year we elected a new
19 constable, Sylvia Treviño, who has brought some great
20 things, great ideas as far as combating it, one of which
21 is we have guys on foot patrol, we walk around, we have
22 bike patrol, we have special operations response team.
23 The stats from the Houston Police Department, because
24 we're a county entity, is separate. Their stats are going
25 to be a lot different than ours as far. As far as

1 physical numbers, I don't have that data with me today
2 because this was such short notice.

3 Part of our problem is not just the vacant
4 lots, it's the vacant buildings where it's not only a
5 safety hazard, it's also a health hazard, this also allows
6 us to go after that. Affordable housing would eliminate
7 that as far as criminal activity where guys are going in
8 and because it's a building, they're taking out the
9 plumbing, they're taking out the wiring, drug addicts, to
10 sell. Allowing that to be affordable housing, that kind
11 of takes away a building that they can use.

12 It's also historic. I grew up in the Fifth
13 Ward. I've patrolled it for the past 15 years where I've
14 been an employee at the Precinct 6 Constable's. I'm
15 asking because I personally get out, I'm not just a sit
16 behind the desk type of person, I work beside my officers,
17 I don't ask them to do anything that I wouldn't do or have
18 not done. I am asking the Board to please allow this
19 development as far as affordable housing. The crime
20 statistics, because we're involved, they're spiraling
21 down, not upward, there's a decrease, and you can only get
22 personally involved to decrease these things.

23 In reference to developers, we're starting to
24 see that some of it is a money issue. To get these people
25 involved in the community such as these people here, we

1 could do great things but we can't do it if we're knock it
2 before we try it.

3 Thank you.

4 MR. GOODWIN: Thank you.

5 Any questions?

6 (No response.)

7 MR. GOODWIN: Any additional people wanting to
8 comment?

9 MR. MILLER: Good morning, Chairman and Board
10 members. My name is Ray Miller. I am executive staff
11 analyst/assistant director of the City of Houston's
12 Housing and Community Development Department. I prepared
13 a letter but instead of reading it word for word, I'll
14 just give you the highlights.

15 To start off, regarding the St. Elizabeth Place
16 application, the city by resolution provided three motions
17 of support, including a resolution of support, a
18 resolution identifying this transaction as contributing
19 most towards the Fifth Ward's TIRZ#18, and finally, a
20 waiver for the one-mile three-year rule.

21 In addition to the resolutions of support, the
22 city housing department has also announced an award of \$5
23 million of CDBG proceeds to be allocated towards the
24 renovation of this development, with the leveraging also
25 with the 9 percent credits that's under application at

1 this point.

2 In addition to the current level of support
3 that the city has issued, we also want to identify several
4 other projects along the Lyons Avenue corridor which the
5 city has financed over the number of years, one of which
6 being a \$5.3 million renovation of the DeLuxe Theater,
7 located just blocks away from the development, a \$3.1
8 million renovation of the Pleasant Hill Senior Living
9 facility, a \$4.3 million renovation of Cleme Manor, an
10 affordable housing development within the Fifth Ward area,
11 and finally, an \$835,000 grant for the financing of
12 grocery store equipment to be located within blocks away
13 of this development. All of these investments, again,
14 will be located within a mile of the proposed development.

15 So I will provide this letter for your review
16 and if you have any questions, I'll be happy to take them.

17 MR. GOODWIN: Any questions?

18 MR. VASQUEZ: I have a couple of questions, Mr.
19 Miller. I don't know if you mentioned, isn't there a
20 brand new CVS being built half a mile away.

21 MR. MILLER: Correct. And I only mentioned the
22 investments that our particular department has made, but
23 yes, there has been a brand new CVS new construction just
24 blocks away at the corner of Rockwood and Lyons. In
25 addition, we would also identify Bruce Elementary being

1 removed off of the IR list as a notable point of
2 educational improvement within the area. There have been
3 other substantial investments within the area and I
4 apologize I didn't have time to list them in order here,
5 I only was able to culminate the investments that our
6 department has made just recently.

7 MR. VASQUEZ: And your position with city and
8 housing, is there not a concern that if we don't put in
9 affordable housing in these areas, it's going to jump
10 directly from not qualifying straight to gentrification
11 and all these expensive townhomes?

12 MR. MILLER: I am happy to tell you that within
13 the department we are identifying several proposed
14 housing -- looking at several single family housing
15 developments within the Kashmere and Fifth Ward
16 neighborhoods because the department is identifying, first
17 of all, this is an area of opportunity where we can get in
18 and preserve affordability, especially on the single
19 family and multifamily side. But in light of the three-
20 story townhomes going for \$300-, \$350,000, they seem to be
21 an increasing trend within those neighborhoods.

22 MR. VASQUEZ: And can you help describe how
23 close in this location is to downtown?

24 MR. MILLER: If I were to tell you can make it
25 from your home to downtown within 15-20 minutes in Houston

1 traffic, that should probably be a good visual for you.

2 MR. VASQUEZ: I bet you can make it in 5-10
3 minutes from this location.

4 MR. MILLER: Probably.

5 MR. GOODWIN: Other questions? I've got a
6 question for you. You sound like you do the same thing
7 within the City of Houston as we do within the state to
8 some degree. Do you have characteristics like this that
9 you're evaluating on as to which areas you're spending
10 your money on?

11 MR. MILLER: Yes, sir, we do. So earlier this
12 year we set out the criteria for the city's requirements
13 for 9 percent resolutions of support. I'll have to go by
14 memory because I wasn't prepared to answer on this, but
15 one of those items was the poverty concentration and we
16 actually set the threshold at 25 percent for poverty
17 concentration within the area. The exceptions were made
18 for concerted revitalization areas which this does qualify
19 as TIRZ#18 and as a CRAV and identified back in the
20 previous Ike study plan. But yes, we do, but those
21 exceptions were made based on those criteria.

22 MR. GOODWIN: So you have some of these same
23 categories that you're looking into to determine where
24 you're going to invest your resources?

25 MR. MILLER: We do, sir, yes.

1 MR. GOODWIN: Okay.

2 MR. BRADEN: I have a question. In connection
3 with that, do you also have a category connected with
4 crime when you look at the areas?

5 MR. MILLER: A crime index? Our department has
6 not implemented a crime index at this point. What we have
7 identified, especially when our department levers its
8 money with tax credits, we do tend to defer with the TDHCA
9 at times, especially when our money is being levered with
10 the agency, so the standard is if you make TDHCA
11 standards, you will meet ours.

12 MR. GOODWIN: Any other questions?

13 (No response.)

14 MR. GOODWIN: Thank you.

15 Does anyone else want to speak?

16 MR. DAVIS: Good morning. I'm sorry, I'm a
17 former teacher, so when I say good morning, I like the
18 people to say good morning.

19 (A chorus of good mornings.)

20 MR. DAVIS: Sorry about that. I'm Jerry Davis
21 with the City of Houston. Actually I serve as the
22 District Council Number 4. This area which is District B,
23 and when my constituents told me to come up here, I knew I
24 had to do it. So I also serve as the vice mayor pro tem
25 of the City of Houston, so on behalf of my 15 colleagues

1 on council and the mayor, I'm here to represent them.

2 One of the things that I've heard today -- and
3 I think the staff for their hard work -- but there's a few
4 things that they did miss that's not going to come up on
5 paper. When I was elected in 2012, I told my constituents
6 that I would do what I need to do as a business owner and
7 as a former educator to make sure our kids get a better
8 education and as well as we have development in our
9 community. But I was also asked to help slow down
10 gentrification in the Fifth Ward. And I appreciate Mr.
11 Miller coming up telling about the things that have been
12 done and it made me feel better about my time in office
13 because all those items were done on my watch, the
14 investment in my district.

15 And you can get to downtown Houston on a bike
16 from this location in about 10 minutes. My family has
17 owned restaurants in the city and I do own property in the
18 city, I own duplexes and small affordable homes. We need
19 a place for our people to go to work, close down your
20 bars, close down your restaurants, clean your place of
21 residence as well as cleaning your office space and not to
22 have to drive 30-40 minutes out in the suburbs where homes
23 are affordable. When they're getting off at two o'clock
24 and twelve o'clock, ten o'clock, nine o'clock, they have
25 kids too, they want to see their kids and spend quality

1 time, just like you and I do. So we need this facility in
2 Fifth Ward, we need affordable residence because, yes,
3 right behind St. Elizabeth about two blocks there's a
4 \$285,000 house, two houses that are being built on less
5 than a 5,000 square foot lot.

6 Gentrification is here, it's not coming, it's
7 here, and where my grandmother grew up, that house is no
8 longer a small shack, it's a vacant lot that's going to be
9 bought, that has been bought and someone is just cutting
10 the grass waiting on someone to purchase it or develop it.

11 We need this facility in the City of Houston, and as they
12 say, in Fifth Ward, Texas. We can't wait because we must
13 provide this opportunity for our kids and our families.

14 Yes, our school system is in the news but we're
15 helping. I just got back from LA two weeks ago, the mayor
16 sent me out there to look at what they're doing with the
17 unified system in Los Angeles because the City of Houston
18 may have to take over some of the schools. But we want to
19 not to but whatever is in the best interests of our
20 children and our families, we're going to do that.

21 So I ask for you to support this, it's so
22 important, the St. Elizabeth Hospital -- excuse me --
23 facility, it used to be the hospital. Thank you.

24 MR. GOODWIN: Thank you.

25 Any questions?

1 (No response.)

2 MR. GOODWIN: Anyone else want to speak?

3 SPEAKER: Board members and staff.

4 Mr. Vasquez, I appreciate you bringing to our
5 attention the proximity of downtown Houston and what that
6 means for our ability to be able to help the residents of
7 the Fifth Ward.

8 And so we've talked a lot about crime, we've
9 talked a lot about --

10 MR. GOODWIN: We need your name.

11 MS. FLANAGAN PAYTON: I'm sorry. Kathy
12 Flanagan Payton. I'm the president and CO of Fifth Ward.

13 And what we want to talk about there today is
14 the balance of passion and the balance of science.

15 MR. GOODWIN: That was a quick three minutes.

16 (General laughter.)

17 MS. FLANAGAN PAYTON: That was a quick three
18 minutes.

19 To give you a picture and a visual of the
20 balance of passion and science. We've talked about the
21 issues of gentrification, and I want to give you some
22 statistical data. Today under construction in the Fifth
23 Ward within six blocks of that community there are
24 approximately 34 houses under construction. Of those 34
25 units under construction, only two of those units are

1 affordable housing. The same plans that are under
2 construction today, two years ago sold for \$180,000, today
3 they're selling for \$260,000.

4 We're looking for opportunities to provide
5 housing opportunities for many of the families who were
6 devastated by Hurricane Harvey. Admit that those who
7 survived Ike and survived Allison a couple of years ago
8 who have still not recovered from that storm were in a
9 position now where they were faced with yet another storm,
10 and so we're having to provide opportunities for these
11 people to receive jobs.

12 Today in our audience we've brought members of
13 our team who provide employment services, who provide
14 workforce training and development opportunities, who
15 actually place our people on jobs. We also brought
16 members of our team today who are interns in the Fifth
17 Ward and each day they have to look at and come to the
18 office and work and help provide housing opportunities and
19 case management. But you know what their question is to
20 me? How will I be able to afford after I return from
21 college to live in the community in the place that I call
22 home?

23 Because you see, to these young people, our
24 community does not have undesirable characteristics where
25 the glass is half empty, the glass is half full because

1 these young people are going out and getting higher
2 education degrees, they're getting master's degrees and
3 doctorates and coming home and want to come and be
4 employed and return to the community where they can go and
5 help support their family. That opportunity is not
6 available for them today, there's nowhere for young people
7 to come and return to this community, have a place to call
8 him and be able to afford affordable housing in Fifth Ward
9 with close proximity to the largest workforce in the City
10 of Houston which is downtown and other parts of the city.

11
12 Given our proximity and location, we're 15
13 minutes from either airport, we're 15 minutes from
14 anywhere in the city, and our people in Fifth Ward are not
15 looking for higher opportunities in any of the lands,
16 Sugar Land, Woodlands and any other lands in the area,
17 they want to say inner city, close to home, and help make
18 a difference and continue to transform that community that
19 they love.

20 Thank you.

21 MR. VASQUEZ: For the record, 15 minutes to the
22 airport is a bit of an exaggeration.

23 MS. FLANAGAN PAYTON: Well, they said 20
24 minutes to downtown. Thank you. It depends on how fast
25 you drive.

1 (General laughter.)

2 MR. GOODWIN: Anyone else that's going to
3 comment, if you'll come up.

4 MR. KILDAY: Chairman Goodwin and Board, I
5 appreciate the opportunity to speak to you. My name is
6 Les Kilday with Kilday Operating in Houston. We were the
7 ones that submitted the RFAD on the St. Elizabeth
8 development.

9 We are also sponsors of a development called
10 Campanile on Commerce which is in the historic Second Ward
11 of Houston, and it would provide 120 units, 15 of which
12 would be market rate units for seniors in the Second Ward
13 area where there's a huge need for senior housing. This
14 development scored well enough to be funded but it is
15 within two miles of the St. Elizabeth development, so
16 because of the two mile rule, they scored higher than we
17 did because of the historic nature of what they're trying
18 to do.

19 And I'll start out by saying there was an old
20 legal saying that if you have the law, you pound the law,
21 if you have the facts, you pound the facts, if you don't
22 have either, you pound the table. And I think in this
23 case the table is the support and they're pounding on
24 support of this development which I think the efforts are
25 great for this development but I don't want the Board to

1 lose sight or be clouded by the facts on this development.

2 In the rules under undesirable neighborhood
3 characteristics there's four items, three of which this
4 development violates. A census tract has a poverty rate
5 over 40 percent. In American FactFinder over the last
6 five years from 2012 to 2016, which is the data we have,
7 it's been over 40 percent the whole time and from 2012 to
8 2016 the '16 rating is higher than the 2012 rating, so
9 it's trending higher, that's just the fact.

10 Second is being in a census tract with a
11 violent crime rater greater than 18 per 1,000 persons
12 annually. At the application time Neighborhood Scout
13 showed this at 40, 18 was the threshold, it showed it at
14 40 for violent crime. Also for overall crime,
15 Neighborhood Scout scored this a zero, and to understand
16 what that means is it's saying this neighborhood is safer
17 than zero percent of U.S. neighborhoods. That's
18 Neighborhood Scout information. I will also say in
19 looking at the HPD beat for the past two years, not the
20 Harris County but the HPD beat for that area, there have
21 been no calls to this hospital, none that have been
22 reported that show on their rolls.

23 The third one would be the school, the school
24 doesn't have Met Standard, we talked about that. It's
25 been six years and I'll say this, from the TEA reporting

1 from 2013 to 2017, the average graduation rate for
2 Wheatley High School is 16.67, that's 1-6.67 percent.
3 It's deeply rooted in poverty. Wheatley has had problems
4 for years.

5 MR. GOODWIN: We'd ask you to wrap it up.

6 MR. KILDAY: So we have the same support from
7 the city and the housing community development, we have
8 the same that this development has. We don't believe it's
9 prudent or responsible for this Board to approve this deal
10 because of so many negative factors and to ignore the
11 rules. Thank you very much.

12 MR. GOODWIN: Any questions?

13 (No response.)

14 MR. GOODWIN: Anybody else that wants to speak?

15 MS. BAST: Good morning. I am Cynthia Bast of
16 Locke Lord, representing Campanile on Commerce, the
17 development cited by Mr. Kilday.

18 Over the past several years I have represented
19 a number of clients, both seeking eligibility and opposing
20 eligibility of sites in neighborhoods that have what this
21 rule calls undesirable characteristics, and it is not easy
22 to navigate this rule and it's not supposed to be easy to
23 navigate this rule. This rule is there for a very high
24 purpose which is to ensure that we're siting our housing
25 in areas that provide the residents with opportunity and

1 choice.

2 As counsel, what I try to do is help clients
3 look at the available facts objectively and apply them to
4 the rule, and conclude whether it is reasonable to say
5 that this particular site should be deemed eligible, and
6 in doing this we are bound by that overarching condition
7 that you've heard from your staff and others which is a
8 five-pronged consideration. Is there a high probability
9 that there's a reasonable expectation that whatever the
10 condition is will be sufficiently mitigated or
11 significantly improved prior to placement in service in
12 2020 and there's a positive trend? And so when you dig
13 into the mitigation that's been provided in this
14 application, that's what you have to look at.

15 And as Mr. Kilday said on the poverty, the rule
16 says that in order to mitigate a poverty rate in excess of
17 40 percent, you must show evidence that the poverty rate
18 in the census tract has decreased over five years. Well,
19 the evidence that's available right now does not support
20 that. It shows that the poverty rate from 2012 to 2016,
21 which is the years we have available, has gone up and is
22 above the 40 percent standard in your rule.

23 On crime, the rule says that in order to
24 mitigate an excessive crime rate evidence must show that
25 the crime rates are decreasing which must include

1 incidents reported during the entire 2016 and 2017
2 calendar years. The applicant didn't include this but our
3 client did drill down and drilled down to the HPD beat
4 level instead of using Neighborhood Scout. We recognize
5 Neighborhood Scout may be inflated but even at the beat
6 level, it shows that for '16 and '17 violent crimes
7 increased from '16 to '17, and the data shows that the
8 amount is still above 18 per 1,000 even if you drill to
9 the beat level.

10 Finally on the schools, so in addition to that
11 five-pronged consideration, there's another consideration
12 on schools if the school has not met standard for three
13 consecutive years, and that is the rule says that the
14 applicant cannot mitigate unless there's a clear trend
15 indicating imminent compliance. Now, we acknowledge that
16 some of the scores have increased over the last three
17 years but as recently as May 2018 -- I'll make my last
18 statement -- there was an article in the Houston Chronicle
19 where the Texas Education Agency said that at the end of
20 this year they're going to have to make a hard decision to
21 either close schools or take over the HISD Board. And
22 Wheatley is potentially on that closure list. With that
23 uncertainty, you cannot say that you can be confident that
24 there's going to be an imminent compliance for that
25 school.

1 I have tremendous respect for the Fifth Ward
2 CDC. They've been in business since I've been in business
3 and I've watched their efforts and I have great
4 understanding of their history.

5 MR. GOODWIN: Please wrap it up.

6 MS. BAST: But the rules are what I'm asking
7 you to look at here, and if they don't meet the rules this
8 year, that doesn't mean they won't meet the rules in the
9 future. So please apply the data you have to your rules
10 to make your decision. Thank you.

11 MR. GOODWIN: Thank you.

12 New people who want to speak and then we'll go
13 back to people who have already spoken that want to add
14 something.

15 MR. PALMER: Hello. I'm Barry Palmer with
16 Coats Rose. We represent the Fifth Ward CDC on this
17 project.

18 And I'd like to point out that this is not the
19 first time that the Board has had to consider whether to
20 award tax credits in the Fifth Ward neighborhood. In
21 2014, Cleme Manor came before you, Ms. Bast was
22 representing them, asking for an award of tax credits.
23 Cleme Manor is a mile away from this site and the Board
24 granted those credits. In 2015, Pleasant Hill Seniors,
25 which had been funded as an original 9 percent award 20

1 years ago, came back asking for a new award of 4 percent
2 credits to rehabilitate. The Board and staff reviewed
3 these same factors and awarded tax credits to Pleasant
4 Hill which is just several blocks away from St.
5 Elizabeth's.

6 And since then what's happened? Well, what's
7 happened is there's been a 30 percent increase in incomes
8 in the neighborhood, there has been a big upsurge in
9 development of high-end condos and townhouses and houses
10 around this site, so all of the evidence points to the
11 fact that, and anybody who is familiar with the Fifth Ward
12 can tell you that it is a gentrifying neighborhood and
13 this is one of the last chances that we'll have to put
14 affordable housing but a year or two or three years from
15 now land is going to be too expensive to be used as
16 affordable housing, so this may be the last chance for the
17 Fifth Ward.

18 So you know, the opponents talk about following
19 the rules. Well, the rules aren't all that set and fast,
20 they're kind of more guidelines than rules. This 40
21 percent poverty, you just approved a project at 58 percent
22 poverty in the Riverside area of Austin without any
23 discussion, and here Fifth Ward is at 51 percent and by
24 all accounts it's going down, so how can that be a reason
25 to turn this project down.

1 You know, crime, the Neighborhood Scout
2 statistics are notoriously misleading. We've had an
3 officer who patrols the beat there in Houston and has for
4 a number of years, is a lieutenant there who supervises
5 the beat there, telling you the crime statistics are
6 coming down in the neighborhood and that the best thing we
7 could do to keep them coming down would be to do something
8 about this vacant building, St. Elizabeth's.

9 Thank you.

10 MR. GOODWIN: Thank you.

11 Is there anybody new to speak? Anybody have
12 anything new to offer that has already spoken?

13 MS. ANDRÉ: Thank you. Once again, Sarah
14 André.

15 I just want to very quickly point out that this
16 project scored a 161. That is not the highest score in
17 Region 3, that is the highest score in Texas by numerous
18 points. This proposal clearly meets QAP policy and
19 intent. It does everything the QAP says it wants from a
20 project.

21 Mr. Kilday, by his own admission, is only here
22 today because this project bumps his out of the round.
23 He's in the Second Ward. I don't know what the schools
24 are like there, but because he's a senior deal, he doesn't
25 have to disclose that. So this isn't about this area not

1 being good enough for a development, the Second Ward is
2 apparently good enough, I believe it's also a central
3 neighborhood, this is about competition.

4 Thank you.

5 MR. GOODWIN: Thank you.

6 Anybody have anything new they want to add?

7 MS. MYRICK: Good morning. My name is Lora
8 Myrick and I'm going to sign in before I forget. The
9 memory is not what it used to be.

10 My name is Lora Myrick and I am with BETCO
11 Consulting and I work with Campanile on Commerce so I work
12 with Mr. Kilday on this application, and I am equally just
13 excited and full of pleasure that I've had the opportunity
14 to work in this Second Ward endeavor. And we also have
15 had a lot of support on this development and there's been
16 a lot of community support and there's been a lot of
17 community improvements that have been made in the Second
18 Ward, just as much as it has in the Fifth Ward. There is
19 a lot of need for senior housing, and they're right,
20 Sarah's comment is correct, because we have seniors we
21 don't have to deal with the educational component of it,
22 but we did have to deal with blight, we did have to deal
23 with poverty and we did have to deal with crime, and at
24 the last Board meeting staff found that our site was
25 eligible and that's what was passed at the last Board

1 meeting.

2 So we do feel that their application is worthy,
3 so is ours, and we have seniors that we are also trying to
4 house in an area where it also seeing lots of skyrocketing
5 prices on land. This is probably one of the last pieces
6 of land in the Second Ward that will be able to produce
7 multifamily housing because a group called Midway is
8 buying everything up to do redevelopment, and so housing
9 opportunities are very scarce in the Second Ward. And I
10 agree with Sarah also, timing is very important. As we
11 are seeing some of these skyrocketing prices, the Second
12 Ward may not have the opportunity again to come back and
13 propose an elderly development that is just as needed in
14 the Second Ward as there is needed housing in the Fifth
15 Ward.

16 Thank you.

17 MR. GOODWIN: Something new that we haven't
18 already heard?

19 MR. CLEMONS: Yes, Mr. Chairman. Closing with
20 this, I just want to rebut what Mr. Kilday said. I know
21 them, I know their family and I know the work that they
22 do, but the fact really remains that the only reason why
23 they're fighting this is because they're just out and
24 we're in.

25 I want to say to you that he made the statement

1 that they have the same support that we have. The city
2 didn't come to support their deal, it came to support
3 ours. HISD came to support our deal. Board member said
4 earlier that on something this important she'd like to see
5 the people here to speak on their behalf. The people are
6 here to speak on our behalf.

7 Thank you so very much for your consideration.

8 MR. GOODWIN: To all of you I would say I think
9 we all understand on this Board that when we approve one
10 application, something else gets left out, so I understand
11 the concern and the competition but I think we readily
12 understand up here that when we make these decisions
13 somebody else is either going to move up a slot or move
14 out.

15 Marni, any additional comments?

16 MS. HOLLOWAY: I have nothing else.

17 MR. GOODWIN: Okay. Any questions from any
18 Board members?

19 (No response.)

20 MR. GOODWIN: If not, I will entertain a motion
21 if a Board member is so inclined.

22 MR. VASQUEZ: Mr. Chairman, I'd like to first
23 make a statement. I sincerely wish we could figure out a
24 way to do both the Second Ward and Fifth Ward projects,
25 but with that, I would like to make a motion that we find

1 this site eligible.

2 MS. BINGHAM ESCAREÑO: I'll second.

3 MR. GOODWIN: We have a motion and a second to
4 find 18020 St. Elizabeth Place eligible. Any discussion?

5 (No response.)

6 MR. GOODWIN: All those in favor say aye.

7 (A chorus of ayes.)

8 MR. GOODWIN: Opposed?

9 (No response.)

10 MR. GOODWIN: Okay. Moving on to 18038 3rd
11 Street Lofts.

12 Thank you all for coming.

13 I think we're at 18038, 3rd Street Lofts,
14 Lubbock.

15 MS. HOLLOWAY: 3rd Street Lofts in Lubbock.
16 The proposed development is new construction for general
17 population and will provide 72 units.

18 MR. GOODWIN: Hold on, Marni, just a second.

19 MS. HOLLOWAY: Okay. Application number 18038
20 for 3rd Street Lofts in Lubbock is a proposed development
21 for new construction serving general population, will
22 provide 72 units. The development site is located within
23 1,000 feet of neighboring census tracts that have Part 1
24 violent crime rates that exceed 18 per 1,000 and the
25 proposed development is in the attendance zone of a school

1 without a Met Standard rating. This application was the
2 subject of a third party request for administrative
3 deficiency that questioned the sufficiency of the
4 mitigation provided by the applicant.

5 Regarding crime, one census tract has a crime
6 rate of 20.07 crimes per 1,000, the other has a crime rate
7 of 18.83 crimes per 1,000. The applicant has provided
8 information that describes the area as in transition and
9 points out that a new police substation will be less than
10 a half mile from the development, and the RFAD points out
11 that the new substation will be one block closer than the
12 current substation.

13 In response to the RFAD, the applicant attests
14 that most of the crime in the census tract is far from the
15 development site. The applicant provided data from
16 Neighborhood Scout showing the change in crime rate among
17 the three applicable census tracts. The applicant states
18 that Neighborhood Scout data for 2018 covers a wide area
19 and is misleading with respect to the development site.
20 Staff notes that this may have been true in the past but
21 Neighborhood Scout now bases its data on census tracts and
22 not on a wider area.

23 The applicant provides data from the City of
24 Lubbock Police Department that purports to show the crime
25 is trending down. While the data indicates a reduction in

1 total crimes from 2016 to 2017, the reduction depicted for
2 2018 is based on data extrapolated for 12 months based on
3 the January 1 to April 30 period. The response included
4 an email from the assistant chief of the Lubbock Police
5 Department, and we note that per the email, the data
6 provided by Assistant Chief Brewer is not based on the
7 census tract but on an area of interest. Maps provided in
8 the response indicate more instances of violent crime
9 within a half mile radius of the development in 2017 than
10 in 2016.

11 Because no evidence that a positive trend and
12 continued improvement in the crime rate has been provided,
13 staff is unable to make a recommendation that the site be
14 found eligible based on this issue.

15 Regarding schools, the Cavasos Middle School
16 had an Improvement Required rating for 2017. The school
17 met standard in 2015 and 2016. Cavasos failed to meet
18 standard on all four measures and student achievement
19 shows a downward trend from 2015 to 2017. A campus
20 improvement plan was provided but there was no letter from
21 a school official explaining Cavasos's current situation
22 and the school's goals.

23 In response to the RFAD, the applicant provided
24 a letter from the superintendent which stated that the
25 current rating for the school is uncharacteristic in that

1 2017 is the only year that the campus has not received
2 acceptable ratings from the Texas Education Agency in the
3 past 10 years. Because evidence that a positive trend and
4 continued improvement in school performance was provided
5 in the form of the letter from the superintendent, the
6 staff is able to determine that there is a high
7 probability and reasonable expectation that the
8 performance of Cavazos Middle School will be sufficiently
9 mitigated or improved by the time the development is
10 placed in service.

11 The applicant requested a waiver on the
12 undesirable characteristics rule but failed to provide the
13 documentation specifically required by the rule. So on
14 this one we're just dealing with the crime rate.

15 MR. GOODWIN: Okay. Any questions?

16 (No response.)

17 MR. GOODWIN: Do I hear a motion it hear
18 comments?

19 MS. BINGHAM ESCAREÑO: So moved.

20 MR. GOODWIN: Second?

21 (Unable to hear who seconded the motion.)

22 MR. GOODWIN: Moved and seconded. All in favor
23 say aye.

24 (A chorus of ayes.)

25 MS. ANDRÉ: Hello again. In case you don't

1 remember, my name is Sarah André. This has been the best
2 day of my life. I'm here to speak on behalf of 18038 3rd
3 Street Lofts, and I'm truly sorry that you all have to
4 listen to all of this. When I read the write-up on this
5 project I was just baffled. I don't understand why this
6 is an issue.

7 Crime, you know, that we're supposed to
8 disclose if the crime in your census tract is greater than
9 18 incidents per 1,000 people and the date for that is
10 pre-application, January 8, or maybe the opening of the
11 application acceptance period which I believe would be
12 January 4, and at that time the crime rate in the census
13 tract for this project, and it's the same census tract
14 that our competition sits in, was 8.41, according to
15 Neighborhood Scout, way below the threshold.

16 Now, you're also required to submit a
17 disclosure on the crime in any census tract that's in
18 1,000 feet of your site. I think we may have been the
19 only applicant that did this this year, I haven't seen any
20 others, but in an effort to follow the guidelines, we
21 disclosed that two census tracts within 1,000 feet of our
22 site had crime rates of 20.07 and 18.83 per 1,000
23 citizens. Now, those are just barely over these
24 thresholds and they're not in our census tract.

25 One of these tracts has a barrier. TDHCA

1 defines sort of barriers between census tracts and an
2 interstate freeway is one of those barriers, and I'm not
3 talking about Avenue Q if we need to get into that, but
4 you know, if a census tract has a barrier between you,
5 you're not allowed to take on the good characteristics of
6 that census tract, you don't get credit for its high
7 income rate or great schools or anything like that, so I
8 would argue that likewise you shouldn't get penalized for
9 their negative factor of higher crime.

10 In addition to that, the assistant chief of
11 police has written and provided a bunch of local data that
12 shows crime is much lower than what Neighborhood Scout
13 says, and the Department criticized that information that
14 we sent saying that it wasn't in the same area. They're
15 correct, it wasn't for our census tract, they went ahead
16 and used all three census tracts that were disclosing and
17 used within a half mile of this site. And so their charts
18 and data showed a decline in three of the four criminal
19 acts that you're supposed to report on, and as I said, I'm
20 puzzled why this is an issue. This clearly is not a high
21 crime area and certainly areas with much higher crime have
22 been approved.

23 Thank you.

24 MR. GOODWIN: Thank you.

25 Any questions?

1 (No response.)

2 MR. GOODWIN: Are you going to speak, sir?

3 MR. SAILLER: Good morning. My name is Dan
4 Sailler. I'm with DS Ventures, one of the developers in
5 this census tract, we are the developer for this
6 particular project.

7 I wanted to expand a little bit on what the
8 police department has told us and has put in writing with
9 respect to crime in this area and this particular census
10 tract. This is included as an exhibit in your board
11 packet at page 899, but it's important to note that people
12 with boots on the ground, the police department, are aware
13 of what's going on in their area and have graciously come
14 forward to provide us with the information we need to
15 bring to you about what the current status of the crime in
16 that area is.

17 I want to read briefly from the letter that was
18 submitted, which again is in your board packet, and the
19 assistant chief of police states that for the years 2016,
20 2017 and the first quarter of 2018 the crime is relatively
21 stable with respect to violent crimes which include rape,
22 aggravated assault and arson, but has substantially
23 declining in number of robberies. This includes 2018,
24 extrapolated out for the year the trend is downward for
25 most crime in this area.

1 The way that the police department is
2 addressing crime is by dividing the city into three
3 sections, north, south and east, and what they do is they
4 move officers around to particular areas, as crime is
5 determined to be increasing or decreasing, they'll move
6 them out, and that's what they've done here. And they're
7 creating substations which will include a substation near
8 this proposed development that will be operational over
9 the next three years that will move officers between
10 substations and these substations will act as their own
11 police department, essentially separately from the other
12 two substations.

13 We believe that crime is in fact trending
14 downward in this census tract and we believe that the
15 people who know, the people that are there, the police
16 department, believe that as well.

17 Thank you.

18 MR. GOODWIN: Any questions?

19 (No response.)

20 MR. GOODWIN: Anyone else going to speak to
21 this application? Sorry. If you're going to speak, in
22 the future, if you would, sit up in these first two rows.
23 For anybody else that wants to speak, if you'd sit up in
24 these first two rows, we'd appreciate it.

25 MR. SALINAS: Hello. My name is Gilbert

1 Salinas, and I first want to say thank you for the process
2 and opportunity to provide public comment. I'm a resident
3 of Lubbock and I grew up in a neighborhood close to this
4 development.

5 I'm primarily not here for this project but I
6 do want to mention that I'm in tune with what's going on
7 and this applicant has been really communicative with the
8 community, with us, and has told us what's going on,
9 versus the other applicant in the same area that we live
10 in. I just wanted to mention that.

11 And the crime, I live there, I can attest that
12 it's not as bad as it seems and it is trending in a
13 plosive direction.

14 Those are my only comments.

15 MR. GOODWIN: Thank you, sir.

16 MR. SALINAS: Thank you.

17 MR. GOODWIN: Anyone else want to comment?

18 (No response.)

19 MR. GOODWIN: If not, we'll entertain a motion.

20 MR. BRADEN: I'll make a motion to find the
21 site eligible.

22 MR. GOODWIN: Okay. Do I have a second?

23 MS. THOMASON: Second.

24 MR. GOODWIN: So we have a motion and a second
25 to find the site eligible. Any further discussion?

1 (No response.)

2 MR. GOODWIN: If not, all in favor say aye.

3 (A chorus of ayes.)

4 MR. GOODWIN: Opposed?

5 (No response.)

6 MS. HOLLOWAY: Our final undesirable
7 neighborhood is actually a little bit happier. We just
8 hadn't gotten to a determination by last month's meeting
9 so this one didn't make it on that agenda. Application
10 number 18250 for Sweetbriar Hills Apartments in Jasper.
11 This is the proposed acquisition and rehabilitation of a
12 60-unit development serving the general population just
13 outside of downtown Jasper.

14 The undesirable neighborhood characteristics
15 report submitted in response to an administrative
16 deficiency indicates that Parnell Elementary had an
17 Improvement Required rating for 2017. The school achieved
18 Met Standard in 2015 and 2016. The deficiency response
19 included an update to the 2017-2018 campus improvement
20 plan and a letter from the superintendent of the Jasper
21 Independent School District. The letter states that the
22 current update to the improvement plan clearly indicates
23 improvement in each goal stated in the plan. There are
24 several areas in the plan that do not indicate
25 improvement, however, the majority of those areas will not

1 take place until the end of the school year. Per the
2 update there has been progress made on many of the goals
3 in the plan.

4 Because evidence that a positive trend and
5 continued improvement in school performance was provided
6 in the form of a letter from the superintendent, staff is
7 able to determine that there is a high probability and
8 reasonable expectation that the performance of Parnell
9 Elementary School will improve, staff recommends that the
10 site be found eligible.

11 MR. GOODWIN: Any discussion?

12 (No response.)

13 MR. GOODWIN: If not, do I hear a motion?

14 MS. RESÉNDIZ: So moved.

15 MR. GOODWIN: It's been moved and the motion
16 seconded to approve staff's recommendation.

17 MS. THOMASON: Second.

18 MR. GOODWIN: The motion has been moved and
19 seconded. Further discussion?

20 (No response.)

21 MR. GOODWIN: If not, all in favor say aye.

22 (A chorus of ayes.)

23 MR. GOODWIN: Opposed?

24 (No response.)

25 MR. GOODWIN: Moving on to 5(d).

1 MS. HOLLOWAY: Item 5(d), remember we had the
2 item that was requested to be pulled off of the consent
3 agenda that was an undesirable site.

4 MR. GOODWIN: And that was 18383.

5 MS. HOLLOWAY: No. 18274.

6 MR. GOODWIN: 18274. So we add 18274 to this
7 list?

8 MS. HOLLOWAY: Yes.

9 MR. GOODWIN: Okay. Do you want to start with
10 18274?

11 MS. HOLLOWAY: Sure, I can do that. Let me go
12 through this introductory piece.

13 Under the undesirable site features rule,
14 development sites within applicable distance of any of the
15 identified undesirable features will be considered
16 ineligible unless it is determined by the Board that
17 information regarding mitigation of the undesirable site
18 feature is sufficient and supports site eligibility. The
19 Department's Governing Board has final decision-making
20 authority in making an affirmative determination or
21 finding the site ineligible. Pursuant to the rule, if the
22 Board determines that a development site is ineligible
23 based on this item, the termination of the application
24 resulting from that Board action is final and is not
25 subject to further appeal.

1 Application number 18274 for Hill Court Villas
2 in Granbury, the development site is approximately 8-1/2
3 miles from the Comanche Peak nuclear power facility. Our
4 rule requires a 10-mile separation. The rule also
5 includes a provision that where there is a local ordinance
6 that regulates the proximity of the undesirable feature
7 that has a smaller distance than those in the rule, then
8 the smaller distances will be used. The application
9 included a City of Granbury ordinance that allows the
10 construction of multifamily developments funded with low
11 income housing tax credits within the city limits of
12 Granbury but no closer than five minutes from the nuclear
13 plant.

14 Based on that ordinance, staff is recommending
15 that this site be found eligible.

16 MS. BINGHAM ESCAREÑO: Move staff's
17 recommendation.

18 MR. GOODWIN: We have a motion moving staff's
19 recommendation. A second?

20 MS. THOMASON: Second.

21 MR. GOODWIN: Moved and seconded. Any
22 discussion?

23 (No response.)

24 MR. GOODWIN: Any comments?

25 MR. RHODES: Good morning. Devin Rhodes with

1 Wheatland Investments Group.

2 MR. GOODWIN: If you don't mind, will you state
3 whether you're speaking in favor of staff's
4 recommendation?

5 MR. RHODES: I am not speaking in favor.

6 MR. GOODWIN: You're speaking against staff's
7 recommendation?

8 MR. RHODES: Correct.

9 MR. GOODWIN: Okay.

10 MR. RHODES: Once again, my name is Devin
11 Rhodes and I'm with Wheatland Investments Group. We are
12 in Granbury as well this year.

13 Thank you, first, for taking this off the
14 consent agenda. I feel it's important to draw your
15 attention to what you're slated to approve this morning.
16 Hill Court Villas is proposed on a site that has a
17 significant undesirable site feature, proximity to a
18 nuclear plant. Since 2006, the rules have had a means by
19 which TDHCA can reject a site due to undesirable
20 characteristics. In 2015, proximity to nuclear facilities
21 was specifically called out and the distance from them
22 steadily increased since then. The current standard is 10
23 miles. There are only two power plants in Texas, one in
24 the north and one near Cranbury.

25 We worked in Granbury last year, we love the

1 area, we love the market, and we wanted to be there again,
2 but we were also aware that there was a nuclear power
3 plant nearby. We even consulted with staff prior to
4 looking for sites on how and where to select a site so
5 that we would be in compliance with the rules. The
6 emergency planning zone for the plant extends to the
7 southern part of Granbury so we looked for a site a little
8 further north. Ironically, we actually looked at this
9 Hill Court Villas site, but we explained to the city how
10 the rules are written and decided not to pursue it.

11 When a local ordinance that is more permissive
12 than TDHCA rules does make an undesirable site feature
13 potentially acceptable to TDHCA, the rule regarding this
14 goes on to state the following: "If a state or federal
15 agency would require a new facility under its jurisdiction
16 to a minimum separation from housing, the Department will
17 defer to that agency and require the same separation for a
18 new housing facility near an existing regulated or
19 registered facility."

20 On October 9, TDHCA provided a staff
21 determination that the United States Nuclear Regulatory
22 Commission defines a plume exposure pathway emergency
23 planning zone consisting of 10 miles, which would include
24 housing, so we believe that this federal agency limitation
25 supersedes a local ordinance.

1 Thank you.

2 MR. GOODWIN: Thank you.

3 Any questions?

4 (No response.)

5 MR. GOODWIN: Anyone else going to comment?

6 MS. BAST: Good morning. Cynthia Bast of Locke
7 Lord. We represent Hill Court Villas, number 18274.

8 The Comanche Peak Nuclear Power Plant was
9 installed in 1990 and there are approximately 30,000
10 residents within a 10-mile radius of the plant. The City
11 of Granbury itself only has about 10,000 residents, and
12 the truth is most of the City of Granbury is within a 10-
13 mile radius of the plant. If you draw that 10-mile radius
14 with the plant in the center, there's single family
15 housing, and then there is this proposed site nearer to
16 the 10-mile radius, and then there are 10 medical
17 facilities, two grocery stores, six childcare centers,
18 three big box stores, four schools, just to name a few,
19 and most of those have been approved since the plant was
20 operational, because the City of Granbury clearly has
21 identified what they believe the safety zone to be and
22 they in fact have an ordinance that says for affordable
23 housing that a five-mile radius is sufficient.

24 And why is that? Our competitor here is trying
25 to muddy the water. What the rule says is that you defer

1 to the local ordinance. We have a local ordinance that
2 says five-mile radius is sufficient. You only look to the
3 state or federal cognizant agency if they have rules that
4 would require a new facility under their jurisdiction to
5 have a minimum separation from housing. The United States
6 Nuclear Regulatory Commission does not regulate the
7 distance from housing to a nuclear plant, they address the
8 area for evacuation in the event of an emergency, and
9 their rules say that you evacuate in a two-mile radius,
10 you can evacuate in an up to five-mile radius if you're
11 downwind from the facility or there's other factors that
12 require that kind of evacuation.

13 So under the rule, we don't look to the state
14 or the federal cognizant agency because it is not
15 regulating this issue, the local ordinance is regulating
16 this issue. The City of Granbury has clearly developed
17 itself with this plant in existence for 28 years and
18 placed many new developments more than a five-mile radius,
19 they are comfortable with more than a five-mile radius,
20 and that is why your staff has recommended approval of
21 this, and that's why we appreciate your upholding the
22 staff recommendation.

23 MR. GOODWIN: Any questions? Any other
24 speakers?

25 (No response.)

1 MR. GOODWIN: Not hearing any other questions
2 or any other speakers, we have a motion and a second to
3 approve staff's recommendation. All those in favor say
4 aye.

5 (A chorus of ayes.)

6 MR. GOODWIN: Opposed?

7 (No response.)

8 MS. HOLLOWAY: The next application is 18095,
9 this is the Retreat West Beaumont in Beaumont. The
10 applicant did not disclose but staff determined for the
11 environmental site assessment that several pipelines
12 traverse the property proposed for the development. Per
13 that assessment, no spills or releases were on record with
14 TCEQ or with the emergency response notification system
15 for the pipelines. Phase Engineering, which is the group
16 that prepared that assessment, has the opinion of impact
17 that based on lack of reported spills, it appears the
18 subject property has not been impacted by the pipelines.

19 In your materials we've made a recommendation
20 that this site be found ineligible because the pipeline
21 crosses the property rather than lying in an adjacent
22 easement, which is allowed in our rule. After publication
23 for the board book, the applicant provided clearer
24 documentation of the development site which uses a portion
25 of the property and shows that the pipelines are in that

1 adjacent easement. Based on this information, staff is
2 withdrawing the published recommendation and now
3 recommends that the site be found eligible.

4 MS. BINGHAM ESCAREÑO: Moves to approve staff's
5 current.

6 MR. GOODWIN: Revised recommendation?

7 MS. BINGHAM ESCAREÑO: Revised recommendation.

8 MR. GOODWIN: Okay. Do I hear a second?

9 MS. RESÉNDIZ: Second.

10 MR. GOODWIN: Any comments?

11 (No response.)

12 MR. GOODWIN: All those in favor say aye.

13 (A chorus of ayes.)

14 MR. GOODWIN: Opposed?

15 (No response.)

16 MR. GOODWIN: You knew what you were going to
17 get. Smart.

18 MS. HOLLOWAY: Application 18138, this is
19 Lancaster Senior Village. The applicant did not disclose
20 but staff determined from the environmental site
21 assessment that an above-ground valve station owned by
22 CenterPoint Energy is on the southern boundary of the
23 property. According to HUD guidelines, the valve station
24 appears to conform to the HUD definition of an explosive
25 hazard, which means any stationary container which stores,

1 handles or processes hazardous substances of an explosive
2 or fire-prone nature. Because it is not known how much
3 natural gas is present in the valve station at any given
4 time, HUD blast zone calculations could not be completed.

5 Per the ESA, CenterPoint Energy has been
6 contacted for further information about the valve station,
7 including the pressure of gas in the valve. No response
8 had been received at the time of application submission
9 and no further information has been provided.

10 It is not clear that mitigation is required.
11 The pump station lies within a pipeline easement and will
12 be located outside of the development site, so staff is
13 recommending that the Board find the site eligible with
14 the condition that any award will be conditioned on the
15 provision of evidence from the applicant that the
16 requested information regarding the pump station has been
17 received from CenterPoint Energy and the HUD blast zone
18 calculations have been completed and they are found to be
19 acceptable by the Department.

20 MS. BINGHAM ESCAREÑO: Move staff's
21 recommendation.

22 MR. GOODWIN: Second?

23 MR. BRADEN: Second.

24 MR. GOODWIN: Moved and seconded. Any
25 discussion? Did you want to speak to this?

1 MS. SAAR: Kathryn Saar. I have a quick
2 disclaimer. For those of you who don't know me, I
3 previously ran the 9 percent tax credit program and in
4 that capacity I was subject to the two-year prohibition
5 against representing an applicant under 2306.6733, but
6 that period expired in October of 2017.

7 I would like to thank staff for their
8 recommendation of site eligibility. The only thing I
9 would like to discuss today is the actual condition that
10 will be placed in the underwriting report. At this time
11 it's premature to write that recommendation. We have been
12 in talks with CenterPoint from day one and it appears that
13 there is no mitigation that needs to be done, but we are
14 in those talks.

15 Furthermore, as far as the blast zone
16 calculation, that calculation actually contemplates a
17 stored facility, and given that this is a natural gas
18 valve station so it's flowing constantly and the rate and
19 pressure could fluctuate at any given time, and based on
20 what we've been told, it's not clear that a HUD blast zone
21 calculation could ever be completed. So I fully
22 anticipate that there will be a condition placed on this
23 award, should we be lucky enough to have that happen, I
24 just think that we need a little bit more information
25 before we actually codify what that condition will be.

1 MR. GOODWIN: Any questions? So it sounds to
2 me like you would like for this to pass without any
3 conditions?

4 MS. SAAR: No. I fully expect there to be a
5 condition, I just don't know what that condition should be
6 at this time.

7 MR. GOODWIN: Because you don't have enough
8 information from the pipeline company.

9 MS. SAAR: Correct. We are in talks with
10 CenterPoint. They have not indicated that there is any
11 issue with our development and we are still trying to
12 figure out the best way to proceed, and like I said, given
13 the nature of the calculation that's being recommended in
14 the condition, I still don't know if that calculation
15 could ever be completed because of the fixed nature of a
16 storage facility versus a pipeline valve station, if that
17 makes sense.

18 MS. BINGHAM ESCAREÑO: So we're looking for
19 maybe an "or" on the end of the condition, maybe an "or"
20 with an alternative.

21 MR. IRVINE: Or you could, instead of posing a
22 condition, you could direct staff to work with the
23 applicant to develop an appropriate condition and to
24 provide the Board a report on that for its acceptance.

25 MR. GOODWIN: Would that be acceptable?

1 MS. SAAR: That would be acceptable to the
2 applicant.

3 MR. GOODWIN: Would that be acceptable to the
4 motion-maker?

5 MS. BINGHAM ESCAREÑO: Absolutely.

6 MR. IRVINE: Would that work for the staff?

7 MS. HOLLOWAY: If I may, we could revise what I
8 read as the condition and just say HUD blast zone
9 calculations, if necessary, have been completed, and just
10 do it that way. Is that acceptable?

11 MR. GOODWIN: Is that acceptable to the motion-
12 maker?

13 MS. BINGHAM ESCAREÑO: I mean, is it the
14 company that makes that determination? Who determines
15 that it's necessary.

16 MR. GOODWIN: I would say if staff determines
17 it's necessary.

18 MS. BINGHAM ESCAREÑO: Okay. Then I'm good
19 with that.

20 MS. HOLLOWAY: Through the underwriting
21 process, because we would have to do some more research
22 through that process.

23 MS. BINGHAM ESCAREÑO: Yes.

24 MR. GOODWIN: So we have a motion as amended.

25 MS. THOMASON: Second.

1 MR. GOODWIN: Everybody comfortable with that?
2 And we have a second. All in favor say aye.

3 (A chorus of ayes.)

4 MR. GOODWIN: Opposed?

5 (No response.)

6 MS. HOLLOWAY: Next up is application 18162,
7 Guadalupe Villas, this is in Lubbock. This development
8 site is within 500 feet of an active railroad track. The
9 applicant relies first on a Board ruling at the July 13,
10 2017 meeting. Per the applicant, that ruling allowed a
11 city interpretation that a local zoning ordinance that is
12 silent on a required distance from a railroad easement can
13 be interpreted as evidence of the rule allowance for a
14 local ordinance that regulates the proximity to the -- I'm
15 sorry. Basically, your ruling on July 13, 2017 was that,
16 per the applicant they're saying that because there was no
17 local ordinance, because it was silent, then that means
18 that there is no required distance from the railroad
19 easement.

20 That ruling relied on a city council resolution
21 that stated: "Mistletoe Station is located adjacent to a
22 railroad and its associated easement, and the city
23 planning and zoning codes and ordinances provide that a
24 development located adjacent to such an easement is
25 permitted with zero feet of required setback." We didn't

1 have an ordinance but we had a resolution that spoke to
2 the ordinance, and going back to the transcript, that was
3 sort of the pivot for that ruling by the Board on that
4 date.

5 Failing that, the applicant relies on a ruling
6 of the Governing Board at the January 18 meeting where a
7 development site less than 500 feet from a railroad track
8 was found eligible subject to mitigation based on HUD
9 standards for noise. In that case the proposed
10 development was 450 feet from the track and commercial
11 development was planned in between.

12 The applicant's engineer has conducted a noise
13 study and includes a statement that says: "The
14 development is being designed to distance the units from
15 the railroad easement as much as possible. The nearest
16 cottage unit on the proposed site plan is approximately
17 250 feet from the railroad easement, and the nearest two-
18 story unit is approximately 260 feet from the railroad
19 easement. The development is also proposing a solid
20 barrier between the railroad and the development site.
21 Detention will create a barrier between the road and the
22 units, and if noise levels above 65 decibels but not
23 exceeding 75 decibels are indeed found, we will provide
24 noise attenuation through certain building design and
25 construction techniques."

1 As evidence of mitigation provided for the
2 proximity of the railroad relies solely on previous
3 determinations made by the Board, staff defers to the
4 Board's current determination on this issue. Should the
5 Board find the development site eligible, staff suggests
6 that compliance with HUD standards for noise abatement and
7 control be a condition for any award.

8 MR. GOODWIN: So you have no recommendation?

9 MS. HOLLOWAY: Because we have these previous
10 rulings on this same issue, different circumstances but
11 same issue, we don't have one.

12 MR. GOODWIN: Okay. Do I hear a motion to
13 accept comments? There are obviously some people that
14 want to speak to this.

15 MS. BINGHAM ESCAREÑO: So moved.

16 MR. GOODWIN: Second?

17 MS. RESÉNDIZ: Second.

18 MR. GOODWIN: All in favor say aye.

19 (A chorus of ayes.)

20 MR. GOODWIN: Okay. We're ready to start
21 hearing those of you who would like to speak.

22 MS. RICKENBACKER: So before we get started, by
23 the way, Beau, are just illustrations of what was already
24 included in our application and what's made part of your
25 board books. Is that okay?

1 MR. IRVINE: If these actual things are in the
2 board materials, it's permissible.

3 MS. RICKENBACKER: Thank you.

4 MR. IRVINE: Just for general information, when
5 people do bring things like this, it's always better to
6 also have a version to show the audience.

7 MS. RICKENBACKER: Good morning. My name is
8 Donna Rickenbacker with Marque and we're consultants to
9 Kent Hance, the applicant of Guadalupe Villas. Guadalupe
10 Villas is a proposed senior development that's going to be
11 located in northeast Lubbock. The site is within 500 feet
12 of a railroad track which is deemed an undesirable site
13 feature in your own rules.

14 First, I want to commend staff for their
15 summary that they provided to this Board. They've
16 correctly stated that we did rely on the Board's previous
17 rulings regarding railroad proximity, recognizing that the
18 site's eligibility is the Board's determination, and we
19 respect your prior decisions. We also looked at your
20 prior rulings to determine what information to include in
21 our application to support eligibility. Given that rule
22 does not explicitly define such documentation but gives
23 "such as" examples.

24 As stated by other applicants that have come to
25 the Board with similar site features, there are two parts

1 to the rules: disclosure and regulation or mitigation.
2 With respect to disclosure, we did disclose that we're
3 within 500 feet of a railroad track. Relating to
4 regulation, the rule allows the applicant to provide
5 evidence that the city adopted a railroad quiet zone or
6 evidence that the city regulates the proximity of such
7 feature to a multifamily development that is smaller
8 distance such as an ordinance. We actually provided both
9 in our application.

10 The site is approximately 1,700 feet from the
11 nearest roadway at grade railroad crossing located at
12 Avenue P that's in the Guadalupe neighborhood. In 2008
13 the city passed and approved the installation of and
14 currently maintains a wayside horn at that intersection.
15 The wayside horn technology is acceptable to be used as a
16 quiet zone by the Federal Railroad Commission. There are
17 others that will be here to speak to the technology, but
18 the point is that the city has adopted a quiet zone
19 technology and shows their intent in controlling noise
20 pollution in the Guadalupe neighborhood.

21 Second, the rule also allows the applicant to
22 provide evidence of a regulation adopted by the city that
23 establishes the smaller distance. We provided a letter
24 from the director of development stating the city does not
25 have any setback requirements relating to housing

1 development's proximity to a railroad track. In prior
2 decisions, this Board recognizes that the rule states
3 "such as an ordinance" and gives the Board discretion in
4 accepting alternative forms of evidence in support of a
5 smaller distance. We believe that the director of
6 development is a qualified city official to interpret
7 local ordinances and believe that their confirmation that
8 there's no separation required is proof of zero distance.

9 Lastly, relating to regulation, this site was
10 rezoned to multifamily housing. We got the site rezoned
11 to multifamily housing and the city council specifically
12 looked at the Guadalupe Villas layout where we were
13 proposing it and its proximity to the railroad tracks in
14 connection with getting the site rezoned.

15 Lastly, an alternative to regulation is
16 mitigation. We did provide a noise study in our
17 application. The rule doesn't require us to provide a
18 noise study.

19 MR. GOODWIN: I'll ask you to wrap it up.

20 MS. RICKENBACKER: Yes, sir. I think somebody
21 is yielding time.

22 MS. DULA: Tamea Dula with Coats Rose. I would
23 like to speak but cede my time to Ms. Rickenbacker.

24 MR. GOODWIN: If she leaves any time left for
25 you.

1 (General laughter.)

2 MS. RICKENBACKER: Yes, sir. I'm almost
3 finished. We did provide a noise study in our
4 application. We did recognize that a portion for the
5 property is located next to a railroad track and the
6 Marsha Sharpe Freeway. We did agree in our application to
7 mitigate any noise that is above whatever levels to HUD
8 standards. You all have approved a prior applicant that
9 came before you and allowed them to move forward in spite
10 of their proximity to railroad tracks because they did
11 agree to mitigate based on HUD standards, and we fully
12 intend to do so as well.

13 MR. GOODWIN: Okay. Thank you.

14 MS. WATSON: Good morning. My name is Tracy
15 Watson and I'm with Phase Engineering. We're the
16 environmental consulting firm that has done the
17 environmental noise study for the Guadalupe Villas
18 property site.

19 So to talk on my experience, I've been working
20 on doing HUD or TDHCA compliance projects for over 10
21 years. I specialize in these types of reviews. Our
22 company does a large amount of these reviews to meet all
23 the compliance in regards to HUD as well as TDHA. I've
24 gone through multiple training sessions under specifically
25 TDHCA and HUD for many years, so I'm very well versed on

1 what is required and how to complete these types of
2 reviews.

3 So a little bit of background and to explain
4 how you do one of these types of studies in order to meet
5 the requirements to HUD is you go to the noise guidebook
6 as well as regulations found in 24 CFR Part 51. So the
7 standard classifies noise environment for any ambient area
8 below 65 decibels or less is being considered acceptable
9 for residential development. If the noise is between 65
10 to 75 decibels, it's considered mitigateable to down to 65
11 by using various types of designs, senders, noise barriers
12 or what's most commonly used is selecting building
13 materials that provide noise attenuation to allow for an
14 acceptable interior noise level of at least 45 decibels.
15 So this project and what we found in our study that the
16 results were found to be typical of an urban environment
17 and within the 65 to 75 decibel range.

18 So when we address the noise, we look at
19 different noise sources of what contributes to that
20 environment. So of course we have the railroads nearby,
21 it's along the southwest boundary. You can see on some of
22 these maps the proximity to our project site. And when
23 you calculate the noise only specifically from this
24 railroad, it is just only slightly above the acceptable
25 range, right at about 66 decibels if you consider just the

1 railroad on its own. We also have to notice that there's
2 a freeway to the south, that's Marsha Sharp Freeway. The
3 Marsha Sharp Freeway actually provides a larger noise
4 impact, closer to about 69 decibels. There's two other
5 major roads that we also have to take in consideration,
6 but due to their low traffic counts, they provide very
7 minimal noise impact.

8 So the way we do a noise assessment, you look
9 at two major noise assessment locations you measure from
10 and you measure to the closest point to the noise sources.

11 So in our review we felt that they were pretty
12 conservative considering when we count traffic counts we
13 project it out to 10 years, and as well as we believe that
14 the impact from the freeway is a little bit elevated and
15 due to that the freeway is not at the same elevation as
16 the project site, it's elevated, so we expect that there's
17 going to be a variance there.

18 One of the greatest problems I wanted to just
19 throw in before if finish here is that the impact from the
20 train, you consider either the rail noise itself as well
21 as train horn noise. When we conduct noise surveys, which
22 is completed based on the guidance that HUD provides, is
23 that when you're closer to a crossing, so within a quarter
24 mile of a crossing is when you consider train noise to
25 even be a consideration on your site. This property is

1 beyond the quarter mile boundary to the closest at grade
2 crossing, and that particular crossing, if it came into
3 consideration, is installed with a wayside horn. The
4 purpose of a wayside horn is that as the approaching train
5 is coming, there are horns that are affixed to the
6 crossing itself and it directs noise directly down the
7 roadway with limiting impacts to the adjacent properties
8 along the road. So with the purpose of having that
9 wayside horn, in addition to the crossing distance from
10 our project site, we found that the use of the train
11 horn's impact on this site was not even a consideration
12 which was able to bring down our noise impacts to well
13 within the normally acceptable range of mitigation.

14 MR. GOODWIN: If you can wrap up.

15 MS. WATSON: That's my comments. Thank you
16 very much.

17 MR. GOODWIN: Questions?

18 MR. VASQUEZ: Sort of a technical question. So
19 if the highway is basically 70 and the train is 70, isn't
20 that 140?

21 MS. WATSON: No, you don't combine it in
22 addition necessarily. There's a math that gets into it.
23 HUD guidelines has these calculations built into it where
24 you count for a percentage comes from this source and a
25 percentage comes from this and you determine a combined

1 input. So usually the combined amount is higher than both
2 separately but they're not.

3 MR. VASQUEZ: It wouldn't put them over 75?

4 MS. WATSON: No. It still comes under the 75
5 mark because the other levels are not quite into that
6 point. It just kind of bumps up the number just a little
7 bit more.

8 MR. GOODWIN: Any other questions?

9 (No response.)

10 MR. GOODWIN: Is someone else going to speak?

11 MR. HANCE: My name is Kent Hance. Mr.
12 Chairman and members of the committee, thank you very much
13 for your service. I'll be relatively fast on this.

14 We hired Phase Engineering when we started to
15 do a study for us, and she just talked about the study.
16 Our opposition, 3rd Street Lofts, they hired someone out
17 of Louisiana and they said no, and then Phase came back
18 and they did a study to say that no, we were correct. And
19 so I then went out and hired another group, another
20 individual and we have that, a professor, head of the
21 graduate department of mechanical engineering at Texas
22 Tech, and he says in his letter he agreed with Phase
23 Engineering, I have complete confidence in the overall
24 calculations done by Phase Engineering. So we studied it
25 and studied it closely.

1 We also have some neighbors here that are the
2 closest and they're going to say a few words in a few
3 moments. But the directional solution that the city came
4 up with in '08 has worked well and it's there where the
5 crossing is so you don't have the train moving with the
6 noise problem. And we have talked about this when we had
7 notices. We had a meeting in the neighborhood, I had
8 another meeting in a restaurant and invited everyone for
9 lunch, we had about 75 people there with about 40 of them
10 were from the area. But we tried to make sure that
11 everybody is knowledgeable about this.

12 And this is a piece of property that has been
13 vacant for over 50 years and the people that live across
14 from it are very supportive and they are familiar with the
15 train and the rails.

16 Thank you very much.

17 MR. GOODWIN: Thank you.

18 Any questions?

19 (No response.)

20 MR. SAILLER: My name is Dan Sailer. I spoke
21 to you a little while ago, as well, on this project. We
22 are the competitor to this project.

23 I'm interested to hear some of the comments
24 that were just made. This property has been vacant, which
25 I didn't know, for 50 years and there's a reason for that.

1 This is on a railroad. Nobody wants to live next to a
2 railroad.

3 I was also interested to hear that there's
4 support for their noise study. There are holes in the
5 noise study that they provided. We've got a noise study
6 that we have submitted as well that's in your packet, and
7 the author of that, Mr. Jim Howell, is here today to tell
8 you where the holes are in that, and the major holes are
9 the study that was provided to you by the applicant does
10 not take into account the train horn or the crossing horn
11 that is at that site. When those are taken into account,
12 this property exceeds the 75 decibel level that is
13 ineligible under HUD.

14 I'm going to now turn it over to Jim to talk to
15 you about what his study shows with respect to this
16 property. Thank you.

17 MR. HOWELL: I'm Jim Howell with Gibco
18 Environmental, and as was stated, we did a noise
19 assessment on this site and also reviewed the one
20 performed by the applicant's engineer, Phase Engineering.

21 I agree with everything in the previous report
22 except for the issue of horns, horns and whistles. The
23 HUD noise assessment guidelines are very standardized and
24 you actually use a web-based tool to calculate what the
25 decibel levels are once you input all the information.

1 There's a question on the form that says, Are there
2 railway whistles or horns? And that's a yes or no
3 question that you have to answer. The form itself asks it
4 and when you check yes or you check no, the results are
5 higher or lower. It's already stated that there is a
6 wayside horn at the P Street crossing, so that, in our
7 opinion, should mean that you answer the question yes and
8 you let the HUD forms calculate what the effect of that
9 is.

10 The P Street crossing, though, is not the only
11 crossing that you need to consider. The 3rd Street
12 crossing, which does have traffic on it, as shown by the
13 email from BNSF that's in the application packet, that is
14 the spur that serves Purina that is less than one-tenth of
15 a mile wide and the train would be required to blow its
16 horn when it has to head up that spur. So again, you have
17 to check yes. If you check yes on railway whistles and
18 horns, we calculated 79.5294 as the decibel level which is
19 at a speed of 10 miles an hour, but at any of the speeds
20 listed, it's still going to be over the unacceptable
21 threshold of 75.

22 So in my opinion, HUD would reject the
23 conclusions in the Phase Engineering assessment and they'd
24 conclude that another assessment would need to be done,
25 and in my opinion, it would be showing to be unacceptable.

1 Thank you.

2 MR. GOODWIN: Any questions? I have a
3 question. You mentioned two crossings. Did you say P
4 Street is one? Because I thought I understood the first
5 consultant to say that it was more than a quarter of a
6 mile away.

7 MR. HOWELL: P Street is .33 miles away, 3rd
8 Street is less than a tenth of a mile away. It's shown on
9 their map that's in your book there as 502 feet, I
10 believe, away. And that's it.

11 MR. GOODWIN: Any other comments? Any new
12 comments from anybody that hasn't already spoken that
13 wants to speak? If you haven't spoken on this and you
14 want to speak, we'd like to hear from you.

15 MR. SALINAS: Again, good morning and thank
16 you.

17 So I'm a resident and I grew up there, I
18 currently live there, and I've actually been delegated by
19 the majority of the neighborhood to come out here. We
20 couldn't charter a bus but in the future we might think of
21 doing that if something comes up.

22 MR. GOODWIN: Your name, sir?

23 MR. SALINAS: My name is Gilbert Salinas, sir.
24 Thank you.

25 And so we feel strongly that the site is too

1 close to a railroad track and the noise from the train and
2 the horns will not be beneficial for the seniors that will
3 be living there. We're really looking out for the seniors
4 living there.

5 There are zones where they shouldn't blare the
6 horn, that's true, that's been mentioned, but it's not
7 always followed. And there was mention that there's a
8 spur. Well, we live closer to a railroad track. There's
9 actually two railroad tracks that come together in a
10 triangle fashion and we live closer where I live to one of
11 them, and some nights you will get a new operator that
12 comes through and he blares the horn. It's been mentioned
13 that -- or it hasn't been mentioned but there are
14 vagrants, there's a highway there, sometimes there's
15 vagrants and homeless people and if a barrier, a noise
16 wall is put up, there will probably be even more of a home
17 for people to go there. And then if these vagrants do get
18 on the track, there's going to be more horns honking. So
19 that's another issue that we would have for these seniors
20 that will be living there.

21 So I mentioned the zones that they shouldn't be
22 honking in but they don't always follow that, and I live
23 less than a thousand feet away. And the seniors shouldn't
24 be exposed to this type of noise, they should be able to
25 sleep.

1 There's plenty of land in the City of Lubbock.
2 It's not like a concentrated city like Dallas-Fort Worth
3 where you can only build in certain areas. You can spread
4 out the apartment complexes and we're seeing a
5 concentration of actually low income housing complexes in
6 this area. If you go two miles this way there's one, two
7 miles this there's another one, but that's a separate
8 issue.

9 Also to be noted, the City of Lubbock is
10 building a state of the art Buddy Holly Performing Arts
11 Center less than 1,500 feet south of the proposed
12 development and there's a food truck park and a music park
13 that's going be developed there. This will also provide
14 more noise on top of the horns.

15 It was mentioned that it was rezoned from
16 highway commercial to multifamily and they had that
17 changed. Well, I agree with the first zoning that it
18 should be highway commercial, I disagree with the city
19 council's vote there. We went to city council and
20 actually city council, two members of the city council
21 went to a similar project that's already developed in
22 Lubbock with low income housing tax credits by Mr. Kent
23 Hance, and that place -- two city council members visited
24 that place and said it's unsafe and the Better Business
25 Bureau has a rating of F for the management company that's

1 there and we're concerned for the safety of these seniors.

2 MR. GOODWIN: I need for you to kind of wrap it
3 up.

4 MR. SALINAS: Yes, sir.

5 So looking out for our seniors, we beg you to
6 consider this application ineligible based on this
7 undesirable site characteristic. Thank you.

8 MR. GOODWIN: Okay.

9 MS. THOMASON: I have a question.

10 MR. GOODWIN: Yes.

11 MS. THOMASON: So your opposition is because of
12 the noise level.

13 MR. SALINAS: That's correct. The noise level,
14 the horns blaring. There's not always the same operators
15 that go through there or if somebody gets on the track
16 there's going to be noise in that area, and so my
17 opposition is to the characteristic of the noise level.

18 MS. THOMASON: And so from the map that we have
19 in our book there are obviously multiple single family
20 residences, and I guess you live there?

21 MR. SALINAS: So I actually live further up
22 here on the map, so here's Avenue L, I live right up here
23 on Avenue L and there's another railroad track that makes
24 a triangle like this, so this one goes here and there's
25 another one here and they meet in a triangle. I live

1 closer to this railroad track and even closer to the track
2 than these people live to this track. I live probably
3 less than 900 feet to the track and we hear the noise.
4 And we're normalized to it but if we're having already
5 trouble sleeping at night, it does impact us, and these
6 seniors will be impacted.

7 MR. GOODWIN: Did hear you say you live less
8 than 900 feet from the track?

9 MR. SALINAS: Yes. We live actually I would
10 say --

11 MR. GOODWIN: Inside 500 feet to the track.

12 MR. SALINAS: I'd say less than a 1,000 feet,
13 definitely less than 1,000, maybe 900. Yes, definitely.

14 MS. THOMASON: And you also stated city council
15 did approve the zoning for the multifamily project.

16 MR. SALINAS: That's right, I mentioned that.
17 They approved the zoning to multifamily but that I
18 disagree with that. I think the interstate highway
19 commercial that it was originally zoned as, it should have
20 been kept as that. A gas station would be better there in
21 that area possibly, something that wouldn't affect
22 seniors. And maybe the noise from the gas station would
23 but it's something that should have been evaluated, the
24 noise and the blaring of the horns for the seniors.

25 MS. THOMASON: Thank you.

1 MR. GOODWIN: Anybody new that hasn't spoken
2 that wants to speak?

3 MR. KROTCHTENGEL: I'm Zachary Krotchtengel.
4 I'm a representative of the developer as well.

5 I'd like to point out a few things. Policy for
6 these projects has changed and it has really encouraged
7 urban core development, and with that comes urban core
8 problems such as noise. We're looking at this project in
9 holistic view, and I think if you're just looking at it
10 from a distance point of view and saying anything within
11 500 feet no go is just the wrong way to look at it because
12 the HUD noise model takes into account a lot of different
13 variables.

14 When the Board approved a site in one of the
15 previous applications that's 427 feet away from the
16 railroad, they didn't just create a new standard that
17 anything that's 427 feet away would rule, they said that
18 the HUD DNL calculator was the correct way to look at
19 this. And I think it's appropriate to look at these
20 previous Board agenda items, and especially look at how
21 Marni spoke of the 500 foot distance. Five hundred feet
22 from a suburban grade crossing creates noise, that's from
23 the Board book talking about HUD attenuation. And when
24 you look at that 500 foot crossing, you're looking at
25 something called the Federal Railroad Administration horn

1 noise dissipation model. I know that's a long blurb, but
2 basically a train horn is about 90 to 110 decibels; this
3 wayside horn which is all focused in one area towards the
4 street does not dissipate noise in the same way which is
5 why it is a quiet zone technology.

6 In our application we included the Federal
7 Railroad Administration noise dissipation model showing
8 that from 1,700 feet away with a 78 decibel horn, which is
9 the wayside horn in Lubbock, the noise at the site would
10 be 36 decibels using that wayside horn model. That was
11 included in our application to show that this is not a
12 major source of noise on our site.

13 Now, the other thing you have to look at is
14 speed, and when we're looking at speed through all of our
15 calculations you will see that the wayside horn, which
16 takes out the horn noise in the HUD DNL calculator, allows
17 for this site to fall under the 75 decibel level.

18 I'd also like to just read a portion of a
19 letter from Steve O'Neal, who is the director of
20 development services for the City of Lubbock, and he's
21 just kind of talk to you about the wayside horn.

22 "On September 25, 2008, Lubbock City Council
23 approved the use of quiet zone technology at the
24 intersection of Avenue P north of 2nd Street. They
25 appropriated approximately \$150,000 for the purpose,

1 installation and maintenance of a wayside horn at Avenue P
2 in the Guadalupe neighborhood. The quiet zone technology
3 has significantly improved the safety of motorists and
4 pedestrians at this railroad crossing while dramatically
5 reducing noise pollution created by train horns in the
6 adjacent neighborhood."

7 This is showing that the City of Lubbock
8 anticipated this kind of development in this area and
9 mitigated the noise before we even got to that development
10 site.

11 Thank you.

12 MR. GOODWIN: Thank you.

13 Anyone else that has not spoken want to speak?

14 MR. BREWER: I'm Stewart Brewer. I live
15 directly across the street. On the ground my boots are
16 every day. Let's get down to the brass tacks.

17 MR. GOODWIN: Across which street, Stewart?

18 MR. BREWER: I'm across 3rd Street but the
19 building proposed is directly across the street from me.
20 I mean, it's my front yard across the street.

21 Down to brass tacks. Yes, the quiet zone is in
22 place. Very rarely do I hear trains, very rarely. They
23 do not blast their horns coming across. They used to,
24 yes, I admit it. They put in the quiet noise technology,
25 cut it completely out. I can sit in my house and not even

1 know that there's a train going by, and that is on the
2 front lines.

3 We want this development to be there, we want
4 the improvement to our community, to my community. I'll
5 specify it to me because there's a lot of people that do
6 not want this because of heritage and different things.
7 That's not addressing what we're talking about. As far as
8 noise factor is concerned, it is nonexistent. Every once
9 in a while a train comes down a side and you hear a bump-
10 bump, and that's it, that's all that happens.

11 As far as disturbing the seniors, no. Mr.
12 Hance has talked to us about it and he says if you see
13 anything wrong that's not working, let me know. But as
14 far as not approving his grants and everything, the noise
15 should not even be considered to give him his money.

16 Thanks.

17 MR. GOODWIN: Anybody else want to speak who
18 hasn't spoken?

19 MS. ANDRÉ: Hi. Thank you again. I'm Sarah
20 André.

21 Just two very quick clarifications. The city
22 in this case is very unofficially using the term
23 "federally recognized quiet zone." It is not a federally
24 recognized quite zone. There's a procedure for going
25 through that and being designated that way, so that's an

1 unofficial use of this term.

2 And then just want to point out once again
3 that, you know, the City of Lubbock has issued a letter
4 saying they don't have any regulations prohibiting this.
5 That's not the standard that we've been held to in the
6 past, it's that there needs to be an official public
7 action allowing it.

8 So I just wanted to point those two items out.
9 Thank you.

10 MS. THOMASON: I have one question.

11 MR. GOODWIN: Sarah.

12 MS. ANDRÉ: Yes, ma'am.

13 MS. THOMASON: So city council approving the
14 zoning, you don't recognize that as an action that it
15 would be permitted to construct that close to the
16 railroad?

17 MS. ANDRÉ: It's not an action that -- yes,
18 they're allowing construction of a development. That I
19 not something cited in our TDHCA Multifamily Rules
20 specifically allowing construction next to a railroad
21 zone.

22 Thanks.

23 MR. PALMER: Barry Palmer with Coats Rose,
24 representing the developer.

25 So we've heard some competing testimony from

1 the experts as to how much noise there is here, but I
2 think there are two really compelling factors here, one of
3 which the Board just touched upon in that last question is
4 the city just considered this in the rezoning and said,
5 Yes, this is an appropriate spot for seniors. But the
6 most compelling was the gentleman who got up who lives
7 across the street from where the development is going to
8 be and he told you that the train is not a problem with
9 the new quiet zone technology with the horns that they're
10 using, and that's really, to me, the most compelling
11 testimony that we've heard on this today.

12 And as long as the project is going to be built
13 within the HUD noise level standards, which could be a
14 condition of the award, I see no reason to find this
15 property ineligible, particularly I view of some of the
16 past precedents where the Board has considered all of
17 these factors, not just the flat 500 feet but a number of
18 factors.

19 So I would urge the Board to find this site
20 eligible.

21 MR. GOODWIN: Any questions for Barry?

22 (No response.)

23 MR. GOODWIN: Anybody else that wants to speak
24 that hasn't spoken?

25 MS. BREWER: Good morning. My name is Sonya

1 Brewer, and I am Stewart Brewer's wife, I live across the
2 street.

3 I was born and raised in this neighborhood,
4 have lived there except for 16 years of my life in that
5 neighborhood. When we built our home, the community
6 development led us to believe that there would be a lot of
7 new community development and we have lived there across
8 this empty lot for 26 years. It's a beautiful
9 neighborhood, a well established neighborhood, but the
10 consensus has been to fight this project, and I believe in
11 my heart of hearts that this concern for seniors and the
12 noise is a last ditch effort to stop this project.

13 It's a very unique plot of land that is
14 surrounded by that railroad track. We live across the
15 street. Mr. -- I don't remember his name at the moment --
16 he lives further into the neighborhood which there is
17 another adjacent little running track where they don't
18 blow the horns. The place they blow the horns is on
19 Avenue P and 2nd Street which is by the park and a
20 commercial site, so it blows directed into the
21 neighborhood but not along the back of those houses.

22 I believe you would an injustice if you denied
23 this application to the City of Lubbock to the
24 neighborhood of Guadalupe. As has been stated, we went
25 through four meetings, rezoning, the council approved at

1 two meetings, and really he can say that a gas station
2 would be okay across the street because he doesn't have to
3 live across the street from it, we would. And I think
4 seniors would be a great addition to our neighborhood. I
5 think the longevity, the experience, all the things that
6 seniors could bring to our neighborhood would be a huge
7 plus. Not to mention that this area of Lubbock had not
8 had construction, has not had development, has not had any
9 kind of economic growth in many, many, many years.

10 It was mentioned that downtown Lubbock is
11 becoming revitalized, the new Buddy Holly Center is being
12 built. The seniors could walk from their home to the new
13 Buddy Holly Center, they could walk to the downtown area,
14 and I'm serious, you could walk within 10 minutes and be
15 in downtown Lubbock from this project.

16 So I urge you with all diligence, please pass
17 this request. Thank you so much for your time.

18 MR. GOODWIN: Thank you.

19 Anybody else that has not spoken want to speak?

20 MR. SAILLER: My name is Dan Sailer.

21 Appreciate the time today, guys.

22 I have a simple statement that I think can be
23 shown in the easiest way possible. This site is closer to
24 the railroad, the property is closer to the railroad than
25 I am from you. Are we now building on railroads? There's

1 250 feet of pond between it and the first building, but
2 we're now going from the 500 feet to 120 feet at Mistletoe
3 Station and 450 feet at the Residence of Georgetown,
4 we're now down to zero feet. Let's just get rid of the
5 rule if we're not going to follow the 500 foot rule.

6 Thanks.

7 MR. GOODWIN: Anyone else wish to speak that
8 hasn't spoken? At one time somebody wanted to come back
9 and I'm not sure. Is this going to be something new? Are
10 we going to try to resolve reputation between one
11 consultant and another? Because that's not going to
12 happen.

13 MS. WATSON: Well, again I'm Tracy Watson. I
14 just wanted to clarify a couple of statements that were
15 made earlier.

16 So there was mention that there's a closer spur
17 to the site, however, when you look at the data that you
18 collect and you're trying to consider the impact of that
19 spur to the property, the Federal Railroad Administration
20 has in their information the most up to date information
21 and it says there's zero train operations completed on
22 that train spur. In addition, there is no public at grade
23 road crossing within the distance appropriate to our
24 property, so that doesn't really come into consideration
25 and that's why it doesn't have an impact on our property.

1 In addition to the discussion on whether or not
2 the train horns, if they happen to blow their horns, if
3 there's a conductor coming through that's not familiar
4 with the wayside horn at that crossing, the Federal
5 Railroad Administration regulations state that they must
6 blow their horns as they're approaching within a quarter
7 mile of a crossing. As we've already stated, the property
8 is beyond a quarter of a mile, so even if they started
9 blowing the horns, they would have already passed the
10 property before they start blowing their horns, so there's
11 very minimal impact from train horns if that was to even
12 occur.

13 And in most cases when we're conducting these
14 noise assessments, if a property is at that distance, we
15 don't consider horn noise, and that has been accepted by
16 every noise study we've ever done that has been approved
17 by HUD, and that's a lot.

18 And I also want to point out that when we use
19 the HUD noise calculator, and HUD can attest to this, that
20 when they developed it, it's meant to make the process
21 simpler because there's very detailed calculations.
22 Before they created this web-based program, we had to do
23 these by hand kind of charts, and so HUD explained and
24 they put into the documentation there are a lot of
25 limitations and assumptions that go into play in that

1 calculator, so you have to consider some of the specifics
2 of your particular property, and I understand that based
3 on my direct guidance I've received from HUD through the
4 training I've experienced.

5 So I just want to take that into consideration,
6 to let you know that, yes, if you put a horn into the
7 calculator, we're going to be well over the limit,
8 however, it doesn't come into consideration based on many
9 factors that we've already spoken about.

10 Thank you.

11 MR. GOODWIN: Thank you.

12 Any other questions? Anybody else that wants
13 to speak that's already spoken or anybody new who wants to
14 speak?

15 MR. SALINAS: So I just do want to just to
16 clarify and give detail to my comment about the gas
17 station. My point with that was it's not made for human
18 occupancy. That area is so close to the railroad tracks.

19 And they're saying they live across the street but the
20 seniors are going to be living feet from the track. And
21 then building any noise barrier would just provide a home
22 for vagrants that are already in the area.

23 Thank you.

24 MR. GOODWIN: Thank you.

25 MR. HANCE: Kent Hance again. I'll make this

1 real quick.

2 The spur is closed and for someone to get up
3 and say the train track is going to be the distance
4 between you and me, that's absurd. 254, that's 85 yards,
5 that's almost a football field. And the zoning and
6 planning, they had one negative vote, I think it was
7 either five to one or six to one, and the city council was
8 give to two, the Downtown Lubbock Development supports
9 this. So I just want to clarify some of those things.

10 Thank you.

11 MR. GOODWIN: Okay. Marni.

12 MS. HOLLOWAY: If I may provide a final
13 reminder regarding our rules. As regards measurements, we
14 go from property line to property line to easement. The
15 horn is not what triggered this rule. What triggered is
16 that if you look at any of these pictures the development
17 site is remarkably close to the railroad tracks and that's
18 what's triggering the rule.

19 MR. GOODWIN: So it's time for a motion from a
20 Board member as it relates to the eligibility of this
21 site.

22 MS. THOMASON: Mr. Chairman, I'd like to make
23 a motion.

24 MR. GOODWIN: Okay.

25 MS. THOMASON: And I would like for the Board

1 to find this site eligible subject to mitigation based on
2 HUD standards.

3 MR. GOODWIN: We have a motion. A second?

4 MR. VASQUEZ: Second.

5 MR. GOODWIN: So we have a motion and a second.

6 Now discussion. Any discussion?

7 (No response.)

8 MR. GOODWIN: If not, all those in favor say
9 aye.

10 (A chorus of ayes.)

11 MR. GOODWIN: Opposed?

12 (No response.)

13 MR. GOODWIN: We found the site eligible.

14 We'll move on. 18254, Marni.

15 MS. HOLLOWAY: Yes. 18254 Somerset Lofts, this
16 is in Houston. The development site is within 500 feet of
17 an active railroad track.

18 MR. GOODWIN: What a surprise.

19 (General laughter.)

20 MS. HOLLOWAY: The applicant relies on that
21 same ruling from July 13 regarding local ordinance,
22 stating that if a local ordinance is silent on a required
23 distance, then that can be interpreted as evidence of a
24 rule allowance for that smaller measure.

25 The application included a resolution from the

1 City of Houston, passed on February 28, which states:

2 "The City Council finds that the city's land development
3 regulations would not require a multifamily development to
4 be a minimum distance from an active railroad track, so
5 that the proposed construction of each community on its
6 development site would not be prohibited based solely on
7 its proximity to a railroad track." I note that this is a
8 resolution, this is not the ordinance that's called for in
9 our rule.

10 The applicant states that their engineer has
11 produced an initial noise study and that they will use
12 appropriate noise mitigating construction techniques. As
13 the evidence of mitigation provided for the proximity of
14 the railroad relies solely on previous determinations made
15 by the Board, staff defers to the Board's current
16 determination on this issue. Should the Board find the
17 site eligible, staff suggests that compliance with HUD
18 standards for noise abatement and control is a condition
19 for any award.

20 Additionally, it was disclosed that the
21 development site is within 300 feet of a junkyard. Per
22 the applicant, the development site is located near a
23 metal recycling facility. The applicant states that based
24 on the definition of a junkyard as stated in the
25 Transportation Code, which is quoted in our rule, and the

1 definition of recycling business, the metal recycling
2 facility is not a junkyard. Staff agrees with the
3 applicant that the Gulf Coast Scrap Metal facility does
4 not meet the criteria of a junkyard and mitigation is not
5 required, so we're only discussing the railroad.

6 MR. GOODWIN: Any questions for Marni?

7 (No response.)

8 MR. GOODWIN: I assume we have people that want
9 to speak to this so we'll have a motion to hear comments.

10 MR. BRADEN: So moved.

11 MR. GOODWIN: Second?

12 MR. VASQUEZ: Second.

13 MR. GOODWIN: All in favor say aye.

14 (A chorus of ayes.)

15 MR. GOODWIN: Let the record reflect Ms.
16 Bingham has left the dais.

17 MS. RICKENBACKER: Good morning again -- I
18 guess it's afternoon at this point.

19 MR. GOODWIN: It's still morning.

20 MS. RICKENBACKER: Is it still morning? Donna
21 Rickenbacker with Marque.

22 I'm wearing a little different that on this
23 one, I'm going to be the owner of Somerset, and I'm
24 privileged enough to still be working with Kent Hance, who
25 is going to be a developer partner.

1 Again, I'm really excited about this
2 development. It's in the City of Houston, it's a proposed
3 development that's going to be located on Hempstead Road
4 at 11th, and as stated by staff, this site is within 500
5 feet of a railroad track. That railroad track is actually
6 across on the other side of Hempstead Road.

7 I'm a rule geek, as Tim can probably tell you,
8 so I'm going to go back to what the rule said. So we did
9 disclose that we're within 500 feet. With respect to
10 regulation, we did provide a city council resolution that
11 did speak to the fact that they do not have an established
12 setback or specific distance requirements between
13 residential development and railroad tracks.

14 Lastly, with respect to regulation, the city
15 council did pass a resolution of support to our
16 development and took the site's location and its proximity
17 to railroad tracks into consideration, granting their
18 support.

19 On the mitigation side, similar to Guadalupe
20 Villas, we fully intend to mitigate any sources of noise
21 to HUD standards. The City of Houston has awarded \$6
22 million in CDBG funding to Somerset, so we're fully
23 committed to lessening any noise impact, which based on
24 our noise study, again, that we did include in our
25 application -- you're not required to do that, we did --

1 the noise is not derived from our proximity to the
2 railroad track. The majority of the noise is derived from
3 the fact that we are right up against Hempstead Road, but
4 again, we fully intend to mitigate all sources of noise to
5 HUD standards if there's anything that's unacceptable.

6 I also want to say in closing about this is
7 that this site is actually right in front of a gated
8 subdivision of \$550,000-plus homes. On the other side of
9 Hempstead Road, which is where the railroad track is, is a
10 brand new \$500,000-plus townhome subdivision that's
11 already in place, up and operational. Those homes are
12 running between \$700,000 and more in price points over on
13 that side which is closest to the railroad track. We are
14 in a first quartile census tract in the city of Houston.
15 There's no affordable housing in the census tract and
16 there's no affordable housing within the nine contiguous
17 census tracts around our development.

18 We're in a ready to proceed area, we're ready
19 to go, the city is fully supporting this development, so
20 we very much would appreciate you deeming this site
21 eligible.

22 Thank you very much.

23 MR. GOODWIN: Any other speakers?

24 MR. MILLER: Good morning again. Just to
25 restate, my name is Ray Miller. I'm with the City of

1 Houston Housing and Community Development Department
2 within the Multifamily Division.

3 As I did earlier, I want to reiterate the
4 city's support of this transaction by both a resolution of
5 support and by resolution of what we call the railroad
6 waiver within our department, and also, in addition to the
7 \$6 million of funding support that we provided for this
8 transaction.

9 Primarily, I will state here that I do not
10 speak for the planning department but we did, through our
11 legal review, attest that there were no setback ordinances
12 for railroads for housing development, and it's quite
13 evident as you drive through many areas of town, there are
14 residential uses all up along railroads throughout the
15 city.

16 So I'll leave this letter in record, and oh, by
17 the way, our city seal has a train on it, just to give you
18 an example that it is an acceptable use that we live with
19 within the city limits.

20 So thank you very much.

21 MR. GOODWIN: Thank you.

22 Any other comments?

23 (No response.)

24 MR. GOODWIN: If not, I'll entertain a motion.

25 Do you have any other things you want to say?

1 MS. HOLLOWAY: I have nothing additional.

2 MR. BRADEN: I'll move to approve to find the
3 site eligible with the conditions.

4 MR. GOODWIN: Conditions of mitigation.

5 MS. THOMASON: Second.

6 MR. GOODWIN: We have a motion and second. Any
7 further discussion?

8 (No response.)

9 MR. GOODWIN: All in favor say aye.

10 (A chorus of ayes.)

11 MR. GOODWIN: Opposed?

12 (No response.)

13 MR. GOODWIN: Moving on to 18327.

14 Kent, good to see you again. There are
15 properties that are away from railroads.

16 MR. GOODWIN: I have a question mark on 18327
17 Scott Street Lofts in Houston.

18 MS. HOLLOWAY: Did we pull Scott Street, 18327?

19 MR. GOODWIN: It shows next on our agenda.

20 MS. HOLLOWAY: Yes.

21 MR. GOODWIN: So next one would be 18335 Travis
22 Flats in Austin, I would guess it's near a railroad.

23 MS. HOLLOWAY: Located within 500 feet of
24 active railroad tracks.

25 The application did not include evidence that

1 the city or community has adopted a railroad quiet zone
2 which is accepted as mitigation. The documentation
3 provided indicates that the railroad is used for more than
4 just commuter or light rail uses. Staff found
5 documentation of proposed interlocal agreement to
6 establish railroad quiet zones, but we were not able to
7 find evidence that the agreement was actually executed.

8 Staff is recommending that the Board find this
9 development site eligible. Any award will be conditioned
10 on the provision of evidence from the applicant that the
11 city or community has adopted a quiet zone and compliance
12 with any applicable HUD standards for noise abatement.

13 MR. GOODWIN: Do I hear a motion to accept
14 staff's recommendation to find the site eligible?

15 MS. BINGHAM ESCAREÑO: Move to approve.

16 MR. GOODWIN: Do I have a second?

17 MS. RESÉNDIZ: Second.

18 MR. GOODWIN: Did you want to speak to that?

19 MS. SISAK: Yes. Good morning. Janine Sisak,
20 DMA Development Company.

21 We have put our hands on that interlocal
22 agreement fully executed and submitted it to staff, I
23 believe on Monday or Tuesday. So we will accept the
24 recommendation with condition but we would prefer a
25 recommendation for approval without the condition. We

1 received confirmation from Shay that she received it but I
2 don't know if they've had sufficient time to review it.
3 So either way, I just wanted to point out that we've
4 provided the required documentation.

5 MR. GOODWIN: I'm pretty comfortable with
6 saying if you've got it, what does the condition matter.
7 I'll leave that to the maker of the motion. If we've just
8 recently gotten it and reviewed it. Hadn't reviewed it
9 yet?

10 MS. HOLLOWAY: Have we looked at it.

11 MR. GOODWIN: I don't see that that really
12 makes a big deal of difference.

13 MS. HOLLOWAY: If it's fully executed.

14 MR. GOODWIN: So unless you want to modify the
15 motion, unless there's anybody else to speak, we would go
16 ahead and vote on the motion.

17 MS. BINGHAM ESCAREÑO: I'll just let it stand.

18 MR. GOODWIN: So the motion stands as made.

19 All in favor say aye.

20 (A chorus of ayes.)

21 MR. GOODWIN: Opposed?

22 (No response.)

23 MS. HOLLOWAY: Next is 18338 The Greenery in
24 Houston.

25 The applicant did not disclose but staff

1 determined from the environment site assessment that a
2 250-gallon above ground diesel storage tank is located on
3 the south adjacent property as part of a cellular tower,
4 approximately 87 feet from the southern property boundary.

5 Per the environmental site assessment, the potential
6 blast zone for the tank was calculated using HUD's
7 acceptable separation distance electronic assessment tool.

8 The acceptable separation distance for thermal radiation
9 for people was determined to be 155.23 feet from the
10 location of the tank, which includes the most southern 61
11 feet of the development site. Mitigation will be required
12 with the construction of a barrier of adequate size and
13 strength to protect the project.

14 The application does not address the above
15 ground storage tank or provide information regarding
16 mitigation to protect residents. Staff is recommending
17 that the Board find the site ineligible.

18 MR. GOODWIN: I have a question. Where is the
19 nearest railroad track?

20 MS. HOLLOWAY: Probably runs right through the
21 middle of it.

22 (General laughter.)

23 MR. VASQUEZ: You said diesel?

24 MS. HOLLOWAY: Yes. It's fuel for a generator
25 for the cellular tower.

1 MR. VASQUEZ: But it's diesel?

2 MS. HOLLOWAY: I'm just going from what the ESA
3 says. I'm not an expert, I'm just quoting the ESA.

4 MR. GOODWIN: Do you want to speak to this,
5 sir?

6 SPEAKER: Yes, please.

7 MR. GOODWIN: Let me get a motion first to hear
8 comments.

9 MS. BINGHAM ESCAREÑO: So moved.

10 MR. GOODWIN: And a second?

11 MR. BRADEN: Second.

12 MR. GOODWIN: All in favor say aye.

13 (A chorus of ayes.)

14 MR. GOODWIN: Okay, sir. Please state your
15 name and sign in, if you would.

16 MR. DeLEON: Sure. Good morning, Board. Val
17 DeLeon, DMA Development.

18 My first request actually is just to have this
19 item tabled or postponed till next month. This
20 application hasn't been reviewed by staff, we haven't been
21 given the opportunity to disclose and work with staff on
22 how we would mitigate any kind of potential environmental
23 hazard to the site.

24 Currently as it stands, we are not in the money
25 but obviously the decisions that are made by this Board

1 today, that's a ripple effect through Region 6 that goes
2 all the way down to where our site is at the very end of
3 the scoring. So I don't know that we need to really waste
4 a lot of this Board's time on litigating whether or not
5 the site should be found eligible today, but in the event
6 that you guys would like to discuss it today, I'm willing
7 to discuss it as much as I can.

8 MR. GOODWIN: A little bit because of the
9 scheduling of things, the further we get back to the
10 award, the more workload it creates to take that approach
11 and that attitude, so we've got the topic up today and I
12 think we need to address it today.

13 MR. DeLEON: Sure. And I would just ask that
14 we have the opportunity to work with staff on what that
15 mitigation would be. In the rule there's items (a)
16 through (k) which are undesirable site features, this
17 above ground storage tank is not in item (a) through (j),
18 it's in item (k) which is any other item that staff feels
19 rises to the level of an environmental hazard or it would
20 be a detriment to the residents. So that's one of the
21 reasons why it wasn't disclosed. It's an item that I feel
22 like is very easily mitigated.

23 Our site plan is not included in your board
24 materials but I've provided copies of that where you can
25 see that the most southern portion of our site is

1 detention pond, so once you factor in that blast zone
2 radius of what would happen in the event that this backup
3 generator, diesel tank were to explode, the radius of that
4 would only affect what our detention pond would be which
5 is kind of sunk in the ground. So if this tank were to
6 explode and one of our residents happened to be for a walk
7 into our detention pond, it might actually be the most
8 safe place for them because it's kind of sunken in. And
9 anything else would have to through a fence and any other
10 mitigation that we work with staff to deem as acceptable.

11 So I have that for you to review, I have copies
12 for everyone, if you guys would like to see it.

13 MR. GOODWIN: You can give the materials to our
14 legal counsel and then we'll let him decide.

15 Marni, I've got a question for you if somebody
16 else doesn't have a question.

17 MS. THOMASON: How big is this diesel tank?

18 MR. GOODWIN: It says 250 gallons.

19 Would you address the kicking it down the road
20 situation?

21 MS. HOLLOWAY: As you mentioned, now that we're
22 at the end of June and we're making awards next month,
23 anything we push out has the potential to get us into the
24 late July meeting with the list still being -- I've lost
25 my words, I'm sorry -- with still having some questions

1 about the list, about the awards list, and that creates
2 the opportunity for errors that I would very much prefer
3 that we avoid. Sure, we could go to the early July
4 meeting, and that, of course, would be within the Board's
5 purview to make that decision.

6 I would point out that the environmental site
7 assessment that includes this information has a date on it
8 of February 22, and that the applicant was informed that
9 we would be bringing this item to the Board with this
10 recommendation long before the board book was published --
11 or not long before, probably a week before.

12 MR. GOODWIN: Okay.

13 MR. VASQUEZ: Marni, again, I just wanted to
14 clarify the obvious here. This is not a gas tank, it's
15 not a propane tank, this is not a gasoline tank, it's not
16 a propane tank, it's not a natural gas tank, it's a 250
17 gallon diesel tank which I'm sure it's required as
18 containment for leaks and everything like that as well.

19 MS. HOLLOWAY: I'm not prepared to speak to
20 that at all. All I am able to do is relay to the Board
21 what the environmental site assessment says. We haven't
22 conducted any further investigation.

23 MR. VASQUEZ: And the building structures are
24 not 87 feet from the tank, it's from the layout that's
25 just described, there's an additional retention pond.

1 MS. HOLLOWAY: I have not looked at the issue
2 from that perspective because the concern here is that the
3 hazard was not disclosed and we don't have anything in the
4 application that describes that distance as a mitigating
5 factor.

6 MR. IRVINE: So just to move it along, there
7 seem to me to be at least three options. One would be to
8 table it, one would be to vote it up or down, eligible or
9 ineligible, and one would be to determine it was
10 conditionally eligible subject to providing the mitigation
11 and having staff review it. That would give staff the
12 opportunity to review the technical sufficiency of the
13 mitigation offered.

14 MR. GOODWIN: Do you like option 3?

15 MR. VASQUEZ: I'd be happy to make a motion for
16 option 3.

17 MR. GOODWIN: Okay.

18 MR. VASQUEZ: I'd like to make a motion that we
19 approve the site subject to staff's satisfactory
20 evaluation of any mitigation, if necessary.

21 MS. RESÉNDIZ: Second.

22 MR. GOODWIN: We have a motion and a second.

23 Any further discussion?

24 (No response.)

25 MR. GOODWIN: Did you want to speak?

1 (No response.)

2 MR. GOODWIN: All in favor say aye.

3 (A chorus of ayes.)

4 MR. GOODWIN: Opposed?

5 (No response.)

6 MR. GOODWIN: Moving on to item 5(e).

7 MS. HOLLOWAY: 5(e) is a report of third party
8 requests for administrative deficiency under 10 TAC 11.10
9 of the 2018 Qualified Allocation Plan that were received
10 prior to the deadline.

11 With a third party request for administrative
12 deficiency, or an RFAD, an unrelated person or entity may
13 bring new material information about an application to
14 staff's attention and ask that staff consider whether an
15 application should be the subject of an administrative
16 deficiency. Staff reviews the request and proceeds as
17 appropriate under the applicable rules. Where we are
18 recommending that an RFAD result in the loss of points or
19 other action, the applicants have already been notified
20 and given the opportunity to appeal staff determination.
21 We have also provided notice of the result of the request
22 to the requester.

23 This Board item is limited to a report on the
24 requests received and how staff has resolved just the
25 RFAD, not anything that may have come from it. The RFAD

1 requester may not formally appeal the result but any party
2 who wishes to may provide testimony to the Board. The
3 Board may direct staff to reconsider action taken in
4 response to any RFAD or may accept the report as
5 presented.

6 Due to the large number of third party
7 requests, I propose that we allow everyone a moment to
8 gather up here in the speakers' row that would like to
9 comment on any of them, and I will present only on those
10 that someone would like to comment on so we don't have to
11 go through the whole list, just in the interest of time.

12 MR. GOODWIN: So this is not an appeal, this is
13 just a requirement of you reporting to us. These RFADs
14 have been received, you have dealt with them, the person
15 submitting may or may not have liked the way we dealt with
16 them.

17 MS. HOLLOWAY: Yes. And the Board may direct
18 us to go back and reconsider or the Board may just accept
19 the report as it is.

20 MR. GOODWIN: Okay. There are just three
21 people that want to speak to any of this here, to any of
22 these. If you would, when you come up, get on the first
23 row if you would, when you come up, state the number, give
24 us a little opportunity to find that number, and then
25 we'll hear your maximum three minutes of comments.

1 MS. HOLLOWAY: Okay. This is 18038 3rd Street
2 Lofts in Lubbock. The request asks if the applicant
3 appropriately notified the superintendent of the Lubbock
4 Independent School District. Staff issued an
5 administrative deficiency and the response included a
6 letter from Dr. Kathy Rollo, superintendent of the Lubbock
7 Independent School District, stating that she was provided
8 the notification upon her hire. Staff determined that the
9 part of the rule that requires notification of newly
10 elected or appointed officials does not apply because Dr.
11 Rollo was not elected but was hired by the Lubbock
12 Independent School District. Staff is considering the
13 issue posed.

14 MR. GOODWIN: Any action necessary?

15 MR. HANCE: Kent Hance again. You thought you
16 got rid of me, but I'll make this fast.

17 MR. GOODWIN: No railroads in this.

18 MR. HANCE: No railroad.

19 Here's what happened. They're playing on word
20 saying hired. Every school superintendent in the State of
21 Texas is elected by the school board. They have a vote on
22 it and they have to get 21 days after the vote and then
23 they have another vote. They have two points on it.
24 They're elected, they're appointed, they're hired. I
25 think they didn't fill out the application right because

1 what happened is that on the pre-app they notified the
2 superintendent. We have a letter that we sent to you from
3 the new superintendent. What happened, she had two
4 letters. One, she got the information from the old
5 superintendent, they gave her everything. She never was
6 notified in mail as required by statute and the rules.

7 And so whatever you want to do is fine, but I'm
8 just saying that in the future you may want to look at
9 that, those rules are there for the reason, and the
10 statute and the rules require it. And so you may want to
11 look at it, and whatever you do is fine with me.

12 Thank you.

13 MR. GOODWIN: Next one.

14 MS. HOLLOWAY: So this is collectively about
15 three applications: 18033 which is The Miramonte, 18043
16 Huntington at Miramonte, and 18047 Miramonte Single
17 Living.

18 We have actually received a couple of questions
19 on this one but the concern today is the request asks if
20 the sites for 18033 and 18047 should be considered as
21 contiguous. Staff has reviewed the documentation in the
22 application regarding proximity of the development sites
23 and determined that the drainage that's going to be
24 retained by the seller between the two sites makes them
25 non-contiguous. If they were contiguous, we would only

1 consider the higher scoring application as a priority.

2 MR. GOODWIN: Do you want to comment?

3 MR. KELLY: Yes, sir. I've left some exhibits
4 at the back of the room for everyone, I'd be happy to pass
5 these out, it's four sheets, all of which were either
6 provided in our RFAD or in the application of the
7 applicant.

8 MS. HOLLOWAY: If it was in the RFAD, then it's
9 in the board book.

10 MR. GOODWIN: It's in our board book, we don't
11 need a copy of it.

12 MR. KELLY: Okay, fair enough. My name is
13 Nathan Kelly, vice president with Blazer out of Houston.
14 I'm here today to request that the Board instruct staff to
15 consider application 18033 a non-priority application
16 under Section 11.3(g) of the QAP.

17 On April 30 we submitted a request for
18 administrative deficiency for applications 18033 and 18047
19 as they related to Section 11.3(g) of the QAP, which
20 specifically states if two or more competitive housing tax
21 credit applications that are proposing developments of the
22 same target population on contiguous sites are submitted
23 in the same program year, the lower scoring application,
24 including considering of the tiebreaker factors if they
25 are tied scores, will be considered a non-priority

1 application. The operative qualifiers being same target
2 population and non-contiguous sites.

3 Both The Miramonte and Miramonte Single Living
4 are general target population sites. It, as well as
5 application 18043, are all carved out of a large 36-acre
6 tract. The Miramonte and Miramonte Single Living are
7 currently on one contiguous site with a proposed drainage
8 easement shown on the site plan of the applicant's
9 application.

10 Based on the title commitment as it sits today,
11 the larger 36-acre tract contains no drainage easements
12 and based on Fort Bend County record, the landowner does
13 not own any residual land surrounding the tract that would
14 justify the need for a drainage easement post closing.
15 Once the proposed drainage easement intersects the road
16 that these sites front, it turns north and actually ends
17 at the northern boundary of the property so as to simply
18 meander through the site to create an artificial boundary
19 rather than serving a true drainage purpose.

20 Based on feedback that I've received and our
21 colleagues from other applications have received from
22 professional engineers with experience throughout Fort
23 Bend County, there's no obvious reason for this drainage
24 easement based on the material provided in the application
25 or in the application's site feasibility report. The

1 properties are directly adjacent to one another as they
2 sit today, other than this fabricated ditch that's going
3 to be separating them if they were to be awarded. For all
4 intents and purposes the sites are contiguous and should
5 be deemed in conflict with Section 11.3(g) of the QAP.

6 Aside from conflicting with 11.3(g), these
7 applications raise a larger issue of concentrating credits
8 in suburban markets. These, along with 18043, are all
9 carved out of the same 36-acre tract, as I mentioned, and
10 are located in a CDP named Fifth Street which has a
11 population of 1,943 people and comprises a total land area
12 of .81 square miles, of which 97 percent is contained
13 within a 2-3/4 square mile census tract. There's no
14 existing tax credit developments in the census tract, and
15 thus, the Fifth Street CDP has a housing tax credits per
16 capita ratio of zero.

17 Again, what I'm asking the Board to do is to
18 instruct staff to consider application 18033 a non-
19 priority application because it does conflict with Section
20 11.3(g) of the QAP since the sites, as they sit today and
21 at application, are contiguous to one another other than
22 this fabricated drainage easement that serves no purpose.

23 MR. GOODWIN: Any questions from any of the
24 Board members?

25 (No response.)

1 MR. GOODWIN: Are you speaking of these?

2 MR. BARTHOLOMEW: The same issue, yes, sir.

3 Good morning. Jeremy Bartholomew. I'm a development
4 partner with Resolution Real Estate in Houston. I'm here
5 also to speak against these Miramonte general
6 applications.

7 Our company and our principals, Mr. Steve Ford
8 and Mr. Duane Hanson, have been involved in the tax credit
9 program since its inception in the '80s. The idea of a
10 developer going into one tract and artificially splitting
11 it is one of the most egregious mockeries of the rule that
12 we've ever seen in any years dealing in this program.

13 Three points that I want you to consider today.

14 First point is the QAP has rules and rules and rules to
15 try to do one thing, to not concentrate a precious
16 resource like the 9 percent tax credit in one area. So
17 the same year two-mile rule does not work because it's a
18 million cap in the population, so what's happening is
19 people are going to Fort Bend County where you can dump
20 two projects right next to each other, happened last year,
21 we've got two senior projects right next to each other.
22 Now we have three applications on what is essentially one
23 tract and we even had a new rule in 2018 that says, look,
24 you guys, you can't do the same property type right next
25 to each other. That was the whole point of the rule, and

1 here we are, and it's just getting accepted as it is, it's
2 two projects that are right next to each other.

3 Second point is I don't think this issue is
4 going to go away. We're going to be right back here next
5 year and maybe next year it's four projects. I also think
6 when politicians get involved in this, if three projects
7 right now move forward, you're talking about allocating 32
8 percent of Region 6's credits to the area that's the
9 Stafford ETJ, has .3 percent of the population. After the
10 worst natural disaster in Houston's history, we're going
11 to take 32 percent of the credits and dump them in the
12 Stafford ETJ with .3 percent of the population that was
13 not particularly impacted. When Mayor Turner gets ahold
14 of this, it's not going to be me up here talking; if this
15 keeps going there's going to be a lot of attention drawn
16 to this issue because it's clear circumvention of a
17 loophole.

18 Third point, most important, since we're
19 talking about a technical point, this is a technical
20 determination, what was previously said is, look, it's not
21 that it's contiguous after you gerrymander a site plan,
22 it's contiguous, what is it today, what is the site right
23 now, it is one piece of property. All three of the
24 projects are literally contiguous right now. So if we
25 can, oh, no, it's after you go and draw a site plan around

1 it, then the rule makes no sense because any developer is
2 just going to come in and say let me cut my tract, let me
3 conveniently leave something out that's retained by the
4 seller, which has no engineering purpose, has no good
5 general real estate purpose. You don't want someone else
6 owning property in your tract, it serves no purpose.

7 So again I would ask, there are a lot of
8 applications, inclusive of ours, that were much more
9 heavily impacted by Harvey. This has going to be an issue
10 that comes up. I would ask you to look at this. This is
11 really bad precedent if this moves forward. You've made
12 good decisions when you've evaluated something with your
13 own eyes. I'd ask you to look at it with your own eyes
14 and you see if it's in keeping with the spirit or the
15 letter of the rule, because it's neither.

16 MR. GOODWIN: Thank you. Questions?

17 MR. VASQUEZ: Could I go ahead and see that
18 printed out? It's on the screen here.

19 MR. BRADEN: Could I have one too?

20 MR. GOODWIN: Tamea, are you talking to this
21 exact same issue?

22 MS. DULA: Yes. Tamea Dula with Coats Rose.
23 And for the purpose of this, I am representing the
24 developers of these three tracts.

25 I'm simply here to correct a misstatement.

1 This is a fee strip that the seller is retaining in order
2 to separate the tracts, and if that is not the intent to
3 deal with contiguity, as it's defined in the dictionary,
4 then the rule needs to be reviewed for next year. But the
5 fee strip separates the various different tracts.

6 Thank you. Questions, anyone?

7 MR. BRADEN: I have a question, so when you say
8 a fee strip, you mean they're retaining fee simple?

9 MS DULA: Fee simple title, yes.

10 MR. BRADEN: And they're retaining it for what
11 reason?

12 MS. DULA: For drainage. They have other
13 property that's located near it.

14 MR. BRADEN: You're sure of that?

15 MS. DULA: It is also to meet the rule of the
16 QAP.

17 MR. BRADEN: I guess I'm a little concerned
18 that you say they're retaining it to meet the rule. Are
19 they retaining it to gimmick the rule would be one
20 interpretation of that. If they're retaining it for other
21 legitimate reasons, like drainage and other issues, that's
22 another consideration.

23 MS. DULA: I think that there are legitimate
24 reasons. Yes.

25 MR. GOODWIN: Anyone else want to speak to

1 these three applications, 18033, 18043, and 18047?

2 MR. BARTHOLOMEW: Chairman, if you'll allow me,
3 I'd just like to turn your attention to the second page f
4 the packet that I handed out which shows in green
5 highlight the drainage easement running along the north
6 property boundary of this 36-acre tract, turns south,
7 heads west, and then heads north again, essentially
8 carving out the side for 18033 that's highlighted in green
9 on page 1 of the packet. There is simply no engineering
10 reason why this drainage easement should carve this tract
11 out, proven in point by it heading north again to the
12 northwest property corner of the tract. It's absolutely
13 ridiculous.

14 Furthermore, he's draining to the drainage
15 ditch on the west side. If you're draining straight, the
16 straightest way to go is just across the north property
17 line. That's adding cost. This is pumped storm water,
18 this is not a gravity fed storm line, he's got to pump
19 this, so you're putting additional storm line, now you're
20 going to run south, west and then north again. That's so
21 interesting that that just happened to coincide with
22 leaving a fee simple strip which is also bad, it just bad
23 general real estate practice. Someone owns fee simple,
24 they have access to the property, there's other issues it
25 creates to do this. So there's literally no reason other

1 than to gain this and we're looking at 32 percent of the
2 credits, potentially, going to the Stafford ETJ with .3
3 percent of the population.

4 Thank you.

5 MR. GOODWIN: Questions?

6 MR. BRADEN: Marni, this is just a report
7 you're giving.

8 MS. HOLLOWAY: This is a report.

9 MR. BRADEN: But if we have concerns about
10 this, which I do, how would that work?

11 MS. HOLLOWAY: The Board may direct us to
12 reconsider this RFAD and reconsider the information that
13 was presented to us.

14 Beau, would you help with this, please?

15 (General laughter.)

16 MR. IRVINE: As posted, the item says that this
17 is presentation and possible action on a report, so if the
18 Board has some action that it wishes to fashion, it's got
19 posted authority to do that.

20 MR. BRADEN: Before I make a motion, I don't
21 know if there's any further public comment? This is a
22 little concerning.

23 MR. GOODWIN: Does anybody have any additional
24 comment on this?

25 MR. ECCLES: Well, if I may just quickly

1 address that issue. Tim is, of course, right. The rule
2 in 11.10 talks about staff shall provide to the Board
3 written reports summarizing each third party request for
4 administrative deficiency and the manner in which it was
5 addressed. Interested persons may provide testimony on
6 this report before the Board takes any formal action to
7 accept the report, and the results of the RFAD may not be
8 appealed.

9 So as the last speaker was getting up and
10 saying that the Board should essentially apply the QAP in
11 a way eliminates one of the lower scoring of those two
12 applications, that's not on the table here. The Board
13 can, however, remand the matter back to staff to
14 reconsider the RFAD and then the results of that would
15 then come forward at the next meeting.

16 MR. MILLER: Again to reiterate, my name is Ray
17 Miller with the Housing and Community Development
18 Department of the City of Houston.

19 I'm not here, there's no letter that I've
20 prepared nor have I fully reviewed this situation or
21 underwritten these transactions, but my only comment would
22 be if there is potential in future years where
23 applications that might create this, again, type of
24 loophole and take resources away from other
25 municipalities -- I'm speaking specifically to the City of

1 Houston -- would be concerning for us. So I'll conclude
2 with that.

3 Thank you.

4 MR. GOODWIN: Any other comments on these
5 three?

6 MR. PALMER: Barry Palmer with Coats Rose, and
7 we represent the developer on this.

8 I think the key thing in the rule is that
9 RFAD's cannot be appealed to the Board, and you notice
10 there were, I don't know, 100 RFADs and we only had three
11 speakers, three of them being discussed here today, and
12 the reason for that is because everybody knows in the
13 development community that you can't appeal the staff's
14 decision on an RFAD. Now, what we've heard here today
15 sounds to me like an appeal of staff's decision on the
16 RFAD, and so if we're going to go down that road and start
17 allowing people to appeal staff's decision of the RFAD,
18 next year there will be 110 speakers in the audience to
19 talk about each and every RFAD and appeal anything that
20 didn't go their way.

21 So I would ask Beau's interpretation on this,
22 but this sure sounds to me like an appeal of an RFAD.

23 MR. GOODWIN: Thank you.

24 Any other comments on this?

25 MR. BRADEN: I have a comment on that. I don't

1 think this is appealing an RFAD at all. I think a couple
2 of people have brought to our attention what might be a
3 loophole in our rules. These people may or may not be
4 gimmicking at this time, I'm not sure in fact we wrote our
5 rules wrong, but I appreciate them bringing that to our
6 attention. And so I would like to make a motion to pull
7 these three items of this report, ask staff to re-look at
8 them. It may very well be after you look at them again in
9 connection with the current rule, it stays as is, but I'd
10 like to at least take another look at that.

11 MR. GOODWIN: Okay. Do I hear a second for
12 that motion?

13 MR. VASQUEZ: Second.

14 MR. GOODWIN: Any other discussion?

15 (No response.)

16 MR. GOODWIN: All in favor say aye.

17 (A chorus of ayes.)

18 MR. GOODWIN: Opposed?

19 (No response.)

20 MR. GOODWIN: Okay. What do we have next? Do
21 we have any others?

22 MS. HOLLOWAY: We have a couple of others,
23 18293 and 18294.

24 MR. GOODWIN: So not having anybody else
25 speaking.

1 MS. HOLLOWAY: We are discussing 18293 Silver
2 Spur Apartments, and 18294 The Legacy.

3 On 18293 Silver Spur Apartments, the request
4 asked whether the application should be eligible for
5 funding if it used an ineligible source for its utility
6 allowance. Since the application included information
7 regarding a utility allowance, staff provided the
8 applicant the opportunity to clarify its submission. In
9 response to the deficiency notice, the applicant provided
10 letters from the Department's Compliance Division
11 addressing the utility allowance requirements for each
12 application. Staff determined that the response
13 sufficiently addressed the administrative deficiency.

14 MR. GOODWIN: Are you wanting to speak on this?

15 MS. SAAR: Kathryn Saar, representing a
16 competing applicant.

17 These two applications failed to comply with
18 the deadline established in the Multifamily Rules and we
19 believe that this failure is incurable, making these two
20 applications subject to termination. We're asking that
21 this issue be remanded back to staff for reconsideration
22 or reexamination based on the facts that I'm about to
23 give.

24 10 TAC 10.204 outlines the required
25 documentation for application submission. Subparagraph

1 8(b) of that section related to utility allowances states:
2 "Where the applicant uses any method that requires
3 Department review, documentation indicated that the
4 requested method has been granted by the Department must
5 be included in the application."

6 There is an implicit deadline associated with
7 this provision. If the approval must be included in the
8 application, it follows that the approval must be dated
9 prior to March 1. Both of these applications used the
10 utility allowance requiring Department approval, however,
11 neither of these applications included that approval as
12 required under the rule.

13 Through a public information request, we
14 discovered that the utility allowance approvals for these
15 two applications weren't properly requested or granted
16 until April 4, more than a month after the application
17 deadline. This was the basis of our RFAD. However,
18 staff's determination does not address this deadline issue
19 at all. Staff appears to be using a scoring provision
20 from 11.9(a) of the QAP to allow the applicant to provide
21 the missing documentation. This citation allows an
22 applicant to provide missing documentation related to
23 scoring provided that it existed at the time of the
24 application. That's not the case here. This rule has
25 never, to my knowledge, been used to allow an applicant

1 additional time to obtain a necessary approval.

2 Furthermore, the utility allowance has nothing
3 to do with scoring and the approval requirement doesn't
4 come from the QAP, it comes from Subchapter C of the
5 Multifamily Rules which states: "Deadlines are fixed and
6 firm with respect to both day and time and cannot be
7 waived, except where authorized and for truly
8 extraordinary circumstances, such as the occurrence of a
9 significant natural disaster that makes timely adherence
10 impossible."

11 The pertinent facts are the applicant was
12 required to obtain approval prior to submission of the
13 app. The applicant failed to obtain that approval until
14 April 4. Based on staff's determination, it appears this
15 provision has been waived entirely, despite the fact that
16 the provision itself does not authorize waivers, nor has
17 this Board been presented with a waiver request.

18 Our application also used a utility allowance
19 that required Department approval, however, we complied
20 with the rule by obtaining that approval in a timely
21 fashion and including it in the application, as did many
22 other applicants across the state. We believe that this
23 decision should be remanded back to staff.

24 MR. GOODWIN: Questions? I've got a question
25 for you. In the RFAD did you specifically point out the

1 date issue?

2 MS. SAAR: We believe that we did, yes.

3 MR. GOODWIN: You believe you did, or you did?

4 MS. SAAR: I believe that it was clear in the
5 RFAD that the issue was the date.

6 MR. GOODWIN: Okay. Did you want to speak to
7 this?

8 MR. MICHAELS: Russ Michaels. I'm an attorney
9 with the developers so I'm in support of what Catherine
10 just said too.

11 And as she just mentioned, the approval of
12 these utility allowances, they weren't granted until well
13 after the established in clear violation of the rule. And
14 so I think the take-away is when you've got a deadline,
15 you've got to adhere to that. So like earlier a couple of
16 months ago, I think people didn't upload an Excel
17 spreadsheet by March 1, they got terminated. Right? So
18 like if we start having like whimsical deadlines then a
19 lot of our rules just fall apart, so that's kind of the
20 basis of what we're getting at, the deadlines are
21 important.

22 The applicants were warned in the application
23 webinar that the approval must be granted prior to the
24 application submission and that the last day to submit
25 such a request was February 8. It further clarified that

1 failure to comply could result in termination. So in
2 response to the RFAD, the applicant indicated that a
3 request was submitted on the 20th of February but no
4 evidence was provided to substantiate that claim.

5 And in response to a second public information
6 request on the topic, the public information coordinator
7 stated to us: "Please know that TDHCA does not have
8 responsive documents for this request. No request was
9 received on 2/20/2018 regarding these properties, however,
10 attached are several emails concerning the matter." So
11 based on those emails, it does appear that the applicant
12 attempted to obtain approval prior to app submission,
13 however, there were several issues surrounding that
14 attempt.

15 By rule, the Compliance Division has 21 days to
16 review the utility allowance. This is why the webinar
17 stated that the last day to submit such a request was
18 February 8. A copy of this webinar slide can be found on
19 page 1812 of your 5(e) supplemental. The submission on
20 the 20th was 12 days later and only nine days prior to the
21 application deadline. So you can see this isn't complying
22 with any of the deadline, the hard deadline that we're
23 trying to impose.

24 So timing issues aside, the approval request
25 was submitted under the wrong application name and number,

1 too, and the applicant was copied on this request and
2 could have corrected the error that very day, but that
3 didn't happen either. As the application deadline
4 approached, the applicant should have followed up with
5 compliance to check on the status of the document needed
6 for the application submission, however, that didn't
7 happen either. So it wasn't until March 29, almost a
8 month full later after the application deadline that the
9 applicant followed up with Compliance and identified the
10 error.

11 Regardless of the unfortunate circumstances
12 surrounding this matter, the rule really requires that
13 approval be included in the application, meaning that the
14 approval must be granted prior to March 1. That just
15 didn't happen to this applicant for these two
16 applications. So our application, Palm View Village,
17 which is next in line, we did use a utility allowance that
18 required Department approval but we complied with the
19 provision of the rule. In other words, we did everything
20 on time, so we didn't come in on March 2 and put our full
21 application in, we actually complied with everything
22 intact and these guys didn't do that.

23 So we ask that the rules be applied as written.

24 There's no remedy for a missed deadline, and these two
25 apps really should be terminated. So just to echo what

1 Catherine said, to remand this would be our preference at
2 this time.

3 Thank you for your time.

4 MR. GOODWIN: Any other comments on these two
5 applications?

6 (No response.)

7 MR. GOODWIN: Any questions from Board members?

8 (No response.)

9 MS. HOLLOWAY: If I may, this is an issue that
10 turned up a number of times with applications this year,
11 and Shay and I were sitting in Beau's office and we're all
12 trying to figure out what to do with these things, and had
13 Cody from Compliance come up because he's the utility
14 allowances person, and we looked through the compliance
15 rule. The issue is that nowhere in the compliance rule
16 does it say that this applicant had to get their utility
17 allowance from the Department. That information is in
18 some training materials, and actually the Compliance
19 Division has done a tremendous job of explaining this
20 fairly complicated process about which is due when, but
21 the compliance rule doesn't say this applicant must obtain
22 their utility allowance from the Compliance Division, and
23 that was the basis for our action on these RFADs.

24 MR. GOODWIN: Okay. Any questions?

25 MR. VASQUEZ: However, someone just said

1 somewhere else we have a rule saying you must submit this.

2 MS. HOLLOWAY: Yes. We have conflicting rules
3 in two different sections.

4 MR. VASQUEZ: Conflicting rules, or one says
5 you must and the other is silent on it?

6 MS. HOLLOWAY: Yes. That in fact is the case.

7 MR. GOODWIN: Any other questions?

8 MR. BRADEN: The only comment I'd make is so
9 this issue was, it sounds like, thoroughly vetted by
10 staff, including general counsel, and ending with a
11 determination that it was sufficiently addressed.

12 MR. VASQUEZ: I'm sorry. So are there other
13 situations with applicants that missed the deadlines that
14 we said it's okay?

15 MS. HOLLOWAY: Yes. There are at least a
16 couple of other applications that have this very same
17 situation that we treated exactly the same way.

18 MR. VASQUEZ: It's just that they didn't get
19 RFADs.

20 MS. HOLLOWAY: There actually are some with
21 RFADs, but however submitted the RFAD didn't come up to
22 speak.

23 MR. VASQUEZ: We've been consistent.

24 MS. HOLLOWAY: Yes. On this issue we have
25 treated them all consistently.

1 MR. VASQUEZ: Waiving the requirement.

2 MR. BRADEN: The Board is not waiving it, staff
3 made a determination.

4 MR. GOODWIN: Good point, good clarification.

5 MR. VASQUEZ: Thank you, Counselor Braden.

6 (General laughter.)

7 MR. GOODWIN: Any other questions?

8 MS. SAAR: Kathryn Saar, representing a
9 competing applicant.

10 Marni is correct that they could have used a
11 utility allowance without getting approval from the
12 Department. That is a utility allowance that comes from a
13 local housing authority. You don't have to get approval
14 for those. But to use a utility allowance such as a HUD
15 model utility allowance, that has to be approved by the
16 Department, and the rule states that utility allowances
17 which are required to be approved by the Department must
18 have that approval prior to March 1.

19 MR. VASQUEZ: Let me ask one more question. Is
20 this a scoring item or is this a threshold
21 disqualification item?

22 MS. HOLLOWAY: This is a threshold item.
23 Failure to met threshold items would generally result in a
24 termination action and an appeal that would wind up in
25 front of you.

1 MR. GOODWIN: Any other questions or comments?

2 (No response.)

3 MR. GOODWIN: Anybody else on any of these
4 other items?

5 MS. HOLLOWAY: I think we have one other item
6 to discuss.

7 MR. GOODWIN: Does any Board member want to
8 make a motion as it relates to 18293 or -294, or take them
9 in consideration with all of these others?

10 Do we have somebody else that wants to speak
11 about another case, Marni? Which number is that?

12 MS. HOLLOWAY: 18305.

13 MR. GOODWIN: 18305. Okay.

14 MS. HOLLOWAY: Application 18305 Star of Texas
15 Seniors. The request asks if the application included
16 sufficient evidence of site control and if the development
17 site is appropriately zoned. Staff determined that
18 clarification regarding the zoning through an
19 administrative deficiency was appropriate.

20 The application included a letter from the City
21 of Montgomery stating that the development is permitted
22 under the provisions of the city's zoning ordinance.
23 Staff determined that the response sufficiently addressed
24 the administrative deficiency.

25 MR. GOODWIN: Okay.

1 MR. GLOCKZIN: Good evening. I'm Emanuel
2 Glockzin, the developer of Star of Texas Seniors, and
3 we're proceeding with zoning, we should have zoning
4 completed in a couple of weeks. My issue is through the
5 zoning process that we've been going through, we've been
6 through about maybe four or five meetings with the city
7 council and planning and zoning and our project is one
8 point higher than the project behind us, and that's 18353
9 Heritage Seniors. That had representatives there, Matt
10 Fuqua and Nathan Kelly, that's here in the audience,
11 talking about their project being superior to mine. They
12 were talking about 80 units, they had market rate units,
13 the income on taxes, city taxes, county tax, school taxes
14 were higher than mine.

15 MR. GOODWIN: I hate to interrupt you, but this
16 discussion is regarding the RFAD. Do these issues deal
17 with the RFAD as is applies to your project, or are you
18 trying to expand this into a further discussion?

19 MR. GLOCKZIN: The bottom line is they were
20 trying to derail my zoning.

21 MR. GOODWIN: Of course. That's what this
22 whole process is about. Everybody here understands what
23 everybody is doing when they stand up here and talk bad
24 about somebody else's project. I think the point of where
25 we are on the agenda is the RFADs, this has been a report

1 back from our staff that these have all been dealt with,
2 and usually we hear from the person that filed the RFAD
3 that's not happy, and you seem to be talking about --

4 MR. GLOCKZIN: Well, I just think the behavior
5 from another applicant interfering.

6 MR. GOODWIN: Not relevant to this discussion,
7 sir. Might be after the person stands up and says
8 something, but right now the Board is entertaining
9 discussions about this as it relates to the RFAD, and I
10 assume we took it, as related to your project, the staff
11 is happy with it.

12 MR. GLOCKZIN: They're happy with it.

13 MR. GOODWIN: So I would say you're hurting
14 your own cause to be up here. I don't want to cut you
15 off.

16 MR. GLOCKZIN: I understand.

17 MS. HOLLOWAY: You can make these comment
18 during the public comment period at the end of the
19 meeting.

20 MR. GOODWIN: At the end of the meeting we do
21 ask for public comments, so that may be the appropriate
22 place you can bring that kind of comment.

23 Is there any discussion or comments about
24 18305?

25 (No response.)

1 MR. GOODWIN: Any others that we have?

2 MS. HOLLOWAY: Not that I know of.

3 MR. GOODWIN: That concludes everything for
4 item 5(e), so we would entertain a motion to accept this
5 report.

6 Let the record reflect that Ms. Thomason has
7 left.

8 MR. BRADEN: I make a motion to accept the
9 report except for applications 18033, 18043 and 18047
10 which we previously voted on.

11 MR. GOODWIN: Do I have a second?

12 MS. BINGHAM ESCAREÑO: Second.

13 MR. GOODWIN: All in favor say aye.

14 (A chorus of ayes.)

15 MR. GOODWIN: All opposed?

16 (No response.)

17 MR. GOODWIN: The motion is passed.

18 We move on to item (f) which are scoring
19 appeals.

20 MS. HOLLOWAY: These are presentation,
21 discussion and possible action on timely filed scoring
22 appeals under 10 TAC 10.902 of the Department's
23 Multifamily Program Rules relating to the appeals process.

24 The first application is 18000 Evergreen at
25 Garland Senior Community which proposes the new

1 construction of an elderly development with 105 units in
2 Garland. Staff determined that the application does not
3 qualify for seven points requested for concerted
4 revitalization plans, the CRP, because we were unable to
5 confirm that the application clearly addressed all of the
6 elements of the rule.

7 The executive director originally postponed the
8 denial of points until the applicant had an opportunity to
9 provide evidence in response to an administrative
10 deficiency. The executive director's letter concluded
11 that the CRP did not, as originally presented, identify
12 the boundaries of a plan and show how it encompasses the
13 proposed development site, did not identify specific
14 measures that will be undertaken on the plans timeline,
15 and did not show that the plan is accessing already
16 identified funding sources that have already begun to
17 flow.

18 The applicant seeks to knit together multiple
19 plans and fund sources to gain CRP points, which is
20 entirely allowable under our rule, but what they have knit
21 together does not clearly meet the requirements of the
22 rule.

23 So as regards boundaries, the applicant
24 describes the City of Garland's 2012 Envision Garland Plan
25 as the overall plan for the city which includes seven

1 smaller areas called catalyst areas and within those
2 catalyst areas there are targeted investment areas. The
3 CRP provided by the applicant covering these areas states
4 that the targeted investment areas are considered to
5 represent the most likely locations within the catalyst
6 areas to leverage public and private investment through
7 quality in-fill development and redevelopment efforts.

8 The response to the deficiency notice states
9 that the plan identifies the location of the development
10 site as being within the Shiloh/Walnut targeted investment
11 area and is a preferred location for a catalyst project
12 such as a senior independent living development. Mapping
13 indicates that the development site is clearly outside of
14 that targeted investment area. In its appeal to the
15 Board, the applicant states that maps in the plan indicate
16 that the development site is within the targeted
17 investment area but fails to support the claim.

18 As regards specific measures, the plan
19 indicates the concept for catalyst projects for the
20 targeted investment area. The only project that staff has
21 been able to identify as already moving ahead on a
22 timeline with a potential identified funding source is the
23 current tax credit application that we are discussing
24 today. The applicant has not identified any timeline for
25 completion or even commencement of any other projects.

1 The response to the deficiency notice
2 discussions vision and issues and potential solutions and
3 additional specific critical issues but does not, as the
4 rule requires, identify any targeted efforts within the
5 plan to address those problems described. The appeal to
6 the Board asserts that the executive director is setting a
7 higher standard than is required by the QAP by requiring
8 identification of specific measures to be taken on the
9 plan's timeline.

10 The timeliness of the targeted areas is
11 addressed by the requirement that the adopted plan must
12 have sufficient documented and committed funding to
13 accomplish its purposes on its established timeline.
14 That's the requirement in the rule. The plan introduces a
15 concept for what the redevelopment catalyst projects would
16 be but does not provide specifics. As stated in the
17 plan's executive summary, its intent is to assist the City
18 of Garland, property owners and other project partners
19 with a technical framework for discussions regarding
20 market opportunities, development, programming
21 alternatives and partnership strategies, so we're not
22 seeing any specific measures identified within this plan.

23 Regarding fund source, the applicant mentioned
24 several funding sources. None was found to be sufficient,
25 documented and committed funding, as required by the rule.

1 They discussed tax increment financing reinvestment
2 zones, TIRZ Number 1. The appeal states that it includes
3 a portion of the plan but no evidence of this was found.
4 TIRZ Number 1 includes the area surrounding two DART
5 stations, approximately a mile and a half away from the
6 development site. TIRZ Number 3 is claimed by the
7 applicant. The Garland City Council voted to create this
8 in December of 2017 and it was actually created on April 3
9 of 2018, so it did not exist at the time of application.

10 The appeal states that the plan references use
11 of a portion of the City of Garland's \$190 million capital
12 improvements program, or CIP, to provide catalyzing
13 infrastructure investments. The response to the
14 deficiency notice includes a list of 12 capital
15 improvement projects in the area adjacent to the
16 development site, only one of which was completed within
17 the last five years. The plan says this multi-year
18 program plans expenditures over a five-year period, so it
19 appears that those funds have actually expired.

20 The plan estimates nearly \$2-1/2 million in
21 public investment would be needed to leverage the cost for
22 a senior housing development but no evidence has been
23 provided to show that the City of Garland has identified
24 any CIP or economic development funding to leverage the
25 development cost. Also discussed is sales tax funding

1 related to DART. There is no evidence that the funds
2 would be used for anything other than maintenance and
3 continued improvement of DART properties.

4 In response to the deficiency and the appeal to
5 the Board, the applicant mentions \$120,000 provided to the
6 City of Garland by the North Central Texas Council of
7 Governments to create the plan. No ongoing funding from
8 the organization was identified.

9 Staff recommends that the Board deny the appeal
10 because staff was unable to confirm that the application
11 clearly addressed elements of the rule.

12 MR. GOODWIN: And this is over the scoring of
13 seven points for the CRP?

14 MS. HOLLOWAY: For the CRP, yes.

15 MR. GOODWIN: And without those seven points,
16 the application falls down on the list?

17 MS. HOLLOWAY: Falls down the list.

18 MR. GOODWIN: Okay. Do I hear a motion to
19 accept comment?

20 MS. BINGHAM ESCAREÑO: So moved.

21 MR. GOODWIN: Second?

22 MS. RESÉNDIZ: Second.

23 MR. GOODWIN: All in favor say aye.

24 (A chorus of ayes.)

25 MS. DULA: Tamea Dula with Coats Rose, here on

1 behalf of the developer.

2 If you would like to look at the appeal to the
3 Board, it is on page 1855 of your board book. It's at the
4 very end so I thought that some of might have been
5 exhausted and not actually gotten to that point.

6 MR. GOODWIN: Read through it twice.

7 MS. DULA: The City of Garland has put a lot of
8 thought into the revitalization of their municipality. In
9 2012 they issued the Envision Garland Plan which was an
10 assessment of the entirety of the city to determine what
11 its assets were and what problems it had and what needed
12 to be done in order to continue to be a viable and vibrant
13 city to attract the changing population that they saw
14 evolving in the area, and the intent was that there would
15 be subsequent plans that would be more directive than the
16 overall plan which was primarily to identify catalyst
17 areas that they believed would be necessarily foci for the
18 development and redevelopment of the city.

19 They identified seven of these catalyst areas.

20 The Forest/Jupiter/Walnut area is one of them. They also
21 identified 13 targeted investment areas where they thought
22 specific projects would be good to get things going and
23 they had ideas with regard to those projects. The Forest/
24 Jupiter/Walnut area that we are involved in has three of
25 these targeted investment areas, and the project site was

1 initially thought to be in one of those targeted
2 investment areas as represented by the city, but there are
3 maps that show that it wasn't in it as originally
4 contemplated. However, that doesn't matter because it is
5 not the targeted investment area that we are looking to as
6 our plan. Our plan is the Forest/Jupiter transit-oriented
7 redevelopment plan which was put out for the catalyst area
8 of the Forest/Jupiter/Walnut part of town, and that is the
9 plan that we are looking to to be considered the concerted
10 revitalization plan.

11 If you look at the reply or appeal to the
12 Board, the first item is the location of the project
13 within the plan. Admittedly, we had trouble proving that
14 the city was correct and it was within the targeted
15 investment area, but it is clearly within the plan.

16 I will now give you Brad Forslund to talk about
17 the funding and one of the foci of the plan for the
18 redevelopment area.

19 MR. FORSLUND: Good afternoon. Brad Forslund,
20 Churchill Residential. We are the developer and represent
21 the applicant as well.

22 So I'm going to take it down a little more
23 specific from Ms. Dula's overview of the redevelopment
24 area, but I'm going to focus specifically on our area
25 which is called the Health Science District which is on

1 the northern portion of this catalyst area. And for the
2 Board's sake and the executive director, the catalyst area
3 is this green shaded area right here, and our site is in
4 the northern portion of the catalyst area and the hospital
5 district.

6 This is Garland's main healthcare district.
7 There are two hospitals, there's Baylor Scott and White
8 which recently closed in February, and Vista Hospital
9 which has been closed for a couple of years. The hospital
10 then is supported by multiple medical offices in the
11 neighborhood. Those still are ongoing and active. And
12 Baylor right now is in the process of negotiating a new
13 operating agreement and owner for their facility. This
14 district also suffers from disinvestment in retail and
15 residential properties. Garland's goal is to revitalize
16 this struggling district by attracting private capital in
17 conjunction with public incentives to create a vibrant and
18 growing Health Science District.

19 This district is a major component of the
20 Forest/Jupiter redevelopment plan and is one of the seven
21 catalyst areas Ms. Dula mentioned. In 2017 the city
22 agreed to invest \$3.1 million in a mixed use development
23 called Central Park. This development includes 582 single
24 family lots, neighborhood retail, and 10 acres of green
25 space and common area. This investment will be repaid to

1 the city through TIF 3, which is, again, in the catalyst
2 area. This development has been identified by the city as
3 a revitalization catalyst project for both the Health
4 Science District and TIF 3. This project is underway with
5 infrastructure currently being constructed and completion
6 targeted for December of 2020.

7 TIF 3 is one of several primary funding sources
8 for the redevelopment plan catalyst area. The city has
9 identified 12 future projects using this TIF, totaling \$36
10 million, including infrastructure, trail systems, and
11 district masonry screening. Mr. Sisk will be speaking
12 next and will give you more details in terms of specific
13 funding sources.

14 The redevelopment plan identifies the need for
15 workforce housing for nurses and healthcare support and
16 senior housing in the district, all of which need to be in
17 close proximity of the healthcare district.

18 I'll wrap it up very quickly. The catalyst
19 area is served by DART with bus service to and from the
20 Health Science District which provides a convenient link
21 to the Forest/Jupiter light rail station.

22 In summary, the Forest/Jupiter redevelopment
23 plan has identified the healthcare district and the DART
24 light rail station as the foundation of the plan. Though
25 in the early stages of revitalization, the commitment of

1 the city in terms of priority and funding is evident and
2 is growing to meet the objectives of the redevelopment
3 plan.

4 Thank you very much.

5 MR. GOODWIN: Thank you.

6 Any questions?

7 (No response.)

8 MR. GOODWIN: Is anyone else going to speak to
9 this?

10 MR. SISK: My name is Tony Sisk. I'm also with
11 Churchill Residential, the developer of the project.

12 With regard to funding, in the area that
13 includes the subject site, the Forest/Jupiter transit-
14 oriented redevelopment plan, which includes the
15 Forest/Jupiter DART rail station mentioned and the Health
16 Science area mentioned, includes the subject site. It was
17 created to spur residential and commercial development
18 around this station and the hospital. Both areas are in
19 great need of revitalization. The city has a formal
20 proposed CIP project in the amount of \$980,000 which is
21 the Forest/Jupiter streetscape which is across from the
22 station. TIF Number 1 includes this station and has money
23 to invest in the area around the station, and again, that
24 station is in the same plan area as our site.

25 The Forest/Jupiter plan also includes a map and

1 narrative contained in our application contemplating a
2 senior living development on our subject site and it also
3 mentions tax credit financing. It also mentions that the
4 city would like to expand the internal roads around the
5 hospital going north which is Walter Reed which would
6 touch our subject site.

7 We have a letter in our application from the
8 city that said the city has sent \$27-1/2 million to DART
9 and we have a letter from DART confirming that. And if
10 you take the total cost -- they don't break down the
11 information in the business plan, but if you take the
12 total cost divided by the number of stations, it's over
13 \$2-1/2 million each year to maintain these stations, and
14 because the station is there the city is trying to
15 generate development both around the DART station and
16 around the hospital healthcare area where our site is part
17 of.

18 We put in our application in further
19 clarification that there were several projects around the
20 hospital and the subject site that were CIP projects, and
21 the first meeting I had with the assistant city manager
22 and staff, they expressed the desire for us to work with
23 the city, to contribute land on our site which would be a
24 greenbelt which connects the new central park development
25 across the street from our site and goes along the creek

1 and then into the hospital area.

2 So in summary, all this stuff fits together.
3 The city has put \$3.1 million in the development across
4 the street. That's the first project, but they anticipate
5 many, many different projects in this area and they're
6 investing a lot of money and time to do so.

7 Thank you.

8 MR. GOODWIN: Thank you.

9 MS. LATSHA: Good afternoon. I can say
10 afternoon now. My name is Jean Latsha, I'm with Pedcor
11 Investments.

12 I do have some interest in this application
13 since we have a competing application in the region, but I
14 admit I'm not 100 percent sure I'm even helping myself out
15 here right now. There's several factors at play in this
16 region and so this application gaining these points or
17 being denied these points could be good or bad for me
18 either way, depending on a lot of other stuff.

19 So that being said, I was interested and
20 objective when I read staff's initial decision, the
21 applicant's appeal and the executive director's response,
22 and in short, I think staff got it right. This
23 application does not qualify for community revitalization
24 points. I'll try not to repeat the points that Marni
25 made, I thought very well, but I'll say I agree with all

1 of them, but I'd like to talk about the bigger picture a
2 little bit here.

3 This has been said before, I know, but it's
4 important to remember that unlike with the 4 percent deals
5 if this application is not awarded, then there's no
6 resource that's lost to the state, the credits will just
7 go to another worthy applicant which leads me to my next
8 point, the worthiness of the other applicants. The rules
9 that dictate the scoring of these applications reflect
10 Department policy objectives, so it's fair to say that
11 those applications that meet all of the requirements of
12 the scoring criteria represent developments that will
13 further those objectives. There are several applications
14 that have already been reviewed by staff and that have
15 been granted their requested points and that's because
16 those applications are meeting all of the requirements of
17 the rule and so clearly fulfilling some policy objective.

18 I appreciate that TDHCA does want to
19 incentivize development in community revitalization areas,
20 so it's tempting to grant these points in order to make
21 sure that objective is being fulfilled, but I will say
22 that there are at least three other applications in this
23 region that are in community revitalization areas in good
24 position for an award, one in Fort Worth, one in Plano,
25 and another one just down the street in Garland. It is

1 clear staff is not being unreasonable in their reviews of
2 these revitalization plans, they've granted points to
3 several of them. They recognize there are other
4 applications that do meet the requirements of these rule,
5 those applications that do truly meet the policy objective
6 of having some of these developments in community
7 revitalization areas. This is not one of them. There is
8 legitimate question about whether or not this application
9 meets the requirement of the rule.

10 Again, it's tempting, after sifting through
11 hundreds of pages to just say surely there's enough stuff
12 here to say that this meets the requirements, and it's
13 exhausting. I've had them too, it's totally exhausting.
14 But you can't just look at a few highlighted buzzwords and
15 maps that kind of maybe point to areas that are covered by
16 plans. It wasn't enough, there was not enough there, and
17 I appreciate the diligence of staff to realize that it
18 wasn't there. Tamea admitted it, they're not in a
19 targeted investment area, there's no funding for it, the
20 funding that they did talk about was passed after March 1,
21 it's just not there.

22 So I appreciate staff and hope that the Board
23 would stick with them on this one.

24 MR. GOODWIN: Thank you.

25 Anybody else want to comment.

1 MR. YARDEN: Good afternoon. My name is David
2 Yarden and I'm with Amtex Multi housing.

3 We have a competing application in Garland,
4 Lavon Senior Villas. It did receive full CRP points.
5 Both of these applications cannot be awarded, they're
6 mutually exclusive, and we want to commend staff for their
7 effort in reviewing application 18000 and coming to the
8 decision they did. We believe the Board should uphold
9 staff's determination not to award points under the
10 concerted revitalization plan. Staff had given the
11 application exceedingly careful review and they've given
12 the applicant numerous opportunities to make its case that
13 the application as submitted meets all the requirements
14 needed for points in this category.

15 All of the arguments that the applicant has
16 made here today have already been raised time and again by
17 staff. In fact, the applicant has already had four bites
18 at the apple here. I just wanted to outline the process
19 that has gone through before coming here today. Of
20 course, the original application was submitted and staff
21 reviewed it and did not award the points. They appealed
22 to the executive director on that front, he provided
23 careful review and a lengthy response, agreeing with
24 staff's decision, but giving the applicant the opportunity
25 to come back and make its case, organize its notes and

1 remake its case. The applicant resubmitted those
2 documents to staff, and again staff determined that the
3 points were not there. The applicant then appealed again
4 to the executive director who concluded with another
5 further detailed analysis, different from the one before,
6 but reaching the same conclusion: no points were
7 justified. So finally, we're here at the fifth
8 opportunity, the appeal to this Board.

9 Staff has given meticulous consideration of the
10 issue and provided specific feedback to the applicant.
11 Each applicant in this 9 percent round is required to
12 provide all the proper documentation in its application
13 and to present its material in an understandable and
14 logical way. The application materials here simply do not
15 support the award of the points the staff has determined
16 again and again.

17 Thank you.

18 MR. GOODWIN: Anybody else want to comment.

19 MR. PALMER: Barry Palmer with Coats Rose.

20 So I think my reading of the responses that
21 we've gotten back from the executive director on the plan
22 was that we had a plan but that there was not identified
23 funding for it, and so Mr. Sisk and Mr. Forslund have gone
24 through a number of sources of funding that are available
25 for improvements in the plan area, including TIRZ-1 and

1 TIRZ-3 and the DART revenue to the DART stations,
2 including the station that's located in this plan, so I
3 think we have provided evidence of funding and that there
4 obviously is plan, there are a bunch of plans that the
5 City of Garland has that include the development of senior
6 housing. So we believe that we have satisfied the
7 requirements.

8 MR. GOODWIN: Thank you.

9 Anybody else want to comment?

10 (No response.)

11 MR. GOODWIN: If not, time to entertain a
12 motion. We have the recommendation from staff to deny the
13 seven points for the CRP. Do I hear a motion regarding
14 that issue?

15 MS. THOMASON: I'll make the motion to uphold
16 staff's recommendation.

17 MR. GOODWIN: We have a motion to uphold
18 staff's recommendation. Do I hear a second?

19 MR. BRADEN: Second.

20 MR. GOODWIN: Any discussion?

21 (No response.)

22 MR. GOODWIN: All those in favor say aye.

23 (A chorus of ayes.)

24 MR. GOODWIN: Opposed?

25 (No response.)

1 MR. GOODWIN: Okay. Staff's recommendation is
2 upheld.

3 Item 5 (f)

4 MS. HOLLOWAY: 18057, the applicant is
5 withdrawing their appeal for 18057, so we don't need to
6 take the item.

7 MR. GOODWIN: Okay. So that leaves us with
8 item (g). That's already done. Right?

9 MS. HOLLOWAY: We haven't done (g).

10 MR. GOODWIN: This is the list.

11 MS. HOLLOWAY: This is the big one, we've got
12 to do this one.

13 MR. GOODWIN: Sorry about that.

14 MS. HOLLOWAY: 5(g) is presentation, discussion
15 and possible action to issue a list of approved
16 applications for the 2018 housing tax credits in
17 accordance with Texas Government Code 2306.6724(e), so we
18 are statutorily required to bring to the Board by the end
19 of June the list. The same section requires that the
20 Board shall issue final commitments for allocations of
21 housing tax credits each year in accordance with the
22 Qualified Allocation Plan, not later than July 31, so
23 that's what we'll do next month.

24 Not all applications on the current approved
25 list, as published in your book, have completed the review

1 process and not all will ultimately receive an award of
2 tax credits but they are continuing to be reviewed in
3 accordance with the Qualified Allocation Plan and
4 constitute the complete list of applications that may be
5 eligible for commitments of allocations of housing tax
6 credits in this competitive cycle.

7 Staff recommends that the list in your book of
8 active applications for the 2018 competitive housing tax
9 credit cycle be approved, subject to meeting the
10 requirements of the QAP and associated applicable rules.

11 MR. GOODWIN: Do I hear a motion to accept the
12 list as published?

13 MS. BINGHAM ESCAREÑO: So moved.

14 MR. GOODWIN: So moved. A second?

15 MS. THOMASON: Second.

16 MR. GOODWIN: Any discussion?

17 (No response.)

18 MR. GOODWIN: All in favor say aye.

19 (A chorus of ayes.)

20 MR. GOODWIN: Opposed?

21 (No response.)

22 MR. GOODWIN: That concludes our posted agenda
23 items. We are at a spot where we will accept public
24 comment only for the purposes of possibly creating a
25 future agenda item. Do I hear any public comment?

1 (No response.)

2 MR. GOODWIN: If not, I'll entertain a motion
3 to adjourn.

4 MR. BRADEN: So moved.

5 MS. BINGHAM ESCAREÑO: Second.

6 MR. GOODWIN: So moved and seconded. All in
7 favor?

8 (A chorus of ayes.)

9 MR. GOODWIN: We are adjourned. We'll see you
10 on July 12.

11 (Whereupon, at 12:38 p.m., the meeting was
12 adjourned.)

C E R T I F I C A T E

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2
3 MEETING OF: TDHCA Board
4 LOCATION: Austin, Texas
5 DATE: June 28, 2018

6 I do hereby certify that the foregoing pages,
7 numbers 1 through 212, inclusive, are the true, accurate,
8 and complete transcript prepared from the verbal recording
9 made by electronic recording by Donna Boardman before the
10 Texas Department of Housing and Community Affairs.

11 DATE: July 6, 2018
12
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14
15
16
17

18 _____
(Transcriber)
19

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