TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

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

April 26, 2018
8:00 a.m.

BOARD MEMBERS:

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

TIMOTHY K. IRVINE, Executive Director
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f)  Presentation, discussion, and possible action on the Program Year ("PY") 2018 Department of Energy ("DOE") Weatherization Assistance Program ("WAP") State Plan and Awards exclusive of the 2018 Health and Safety Plan

g)  Presentation, discussion, and possible action on approval of the Draft Program Year ("PY") 2018 Department of Energy ("DOE") Weatherization Assistance Program ("WAP") Health and Safety Plan for public comment

h)  Presentation, discussion, and possible action on release of the Draft FFY 2019 Low Income Home Energy Assistance Program ("LIHEAP") State Plan to be made available for public comment

SINGLE FAMILY OPERATIONS AND SERVICES
i)  Presentation, discussion, and possible action authorizing extensions to Neighborhood Stabilization Program 1 ("NSP1") Contracts and Program Income ("NSP1-PI") Reservation Agreements

BOND FINANCE
j)  Presentation, discussion, and possible action on Resolution No. 18-018 regarding the annual approval of the Department's Investment Policy Chief Investment Officer

k)  Presentation, discussion, and possible action on Resolution No. 18-019 regarding the annual approval of the Department's Interest Rate Swap Policy

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l)  Presentation, discussion, and possible action to approve a Material Amendment to the Housing Tax Credit ("HTC") Land Use Restriction Agreement ("LURA") 04002 Cricket Hollow Apartments Willis

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17225 Cascade Villas Wichita Falls

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r) Presentation, discussion, and possible action regarding proposed 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 their
s) Presentation, discussion, and possible action on orders proposing repeal of 10 TAC Chapter 7, Subchapter A, General Provisions, and 10 TAC Chapter 7, Subchapter B, Homeless Housing and Services Program, and orders proposing new 10 TAC Chapter 7, Subchapter A, General Provisions, and 10 TAC Chapter 7, Subchapter B, Homeless Housing and Services Program and directing their publication for public comment in the Texas Register

CONSENT AGENDA REPORT ITEMS
ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

a) TDHCA Outreach Activities, (March–April)
b) Report on the Department’s Interim Balance Sheet/Statement of Net Position for the period ended February 28, 2018
c) Report on the Department’s 2nd Quarter Investment Report in accordance with the Public Funds Investment Act ("PFIA")
d) Report on the Department’s 2nd Quarter Investment Report relating to funds held under Bond Trust Indentures
e) Report on the 2019 QAP Planning Project
f) Report on the status of Multifamily Direct Loan Application 17510, Brook Haven Supportive Housing
g) Quarterly Report on Texas Homeownership Division Activity

ACTION ITEMS
ITEM 3: REPORTS
Report on the meeting of the QAP and Multifamily Rules Committee, and possible action regarding any recommendations of that committee on items addressed at its posted meeting of Wednesday, April 25, 2018, including confirmation of the meaning of the plain wording of current statute and rule as it relates to particular scenarios
ITEM 4: MULTIFAMILY FINANCE

a) Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer and an Award of Direct Loan Funds 18412 Lord Road San Antonio 24

b) Presentation, discussion, and possible action regarding site eligibility under 10 TAC §10.101(a)(3) of the Uniform Multifamily Rules related to the Undesirable Neighborhood Characteristics for Park Yellowstone Townhomes in Houston 27

c) Presentation, discussion, and possible action on a waiver relating to 10 TAC §10.101(b)(8), related to Development Accessibility Requirements for Beckley Townhomes in Dallas 30

d) Presentation, discussion, and possible action on a timely filed appeal of application termination under the Department's Multifamily Program Rules 18250 Sweetbriar Hills Apartments Jasper(pulled)

APPENDIX
Multifamily Application Logs --

PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS 36

EXECUTIVE SESSION --

OPEN SESSION

ADJOURN 36
MR. GOODWIN: Call to order the Texas Department of Housing and Community Affairs Governing Board meeting for April 26, 2018. And we will begin by taking roll. Ms. Bingham.

MS. BINGHAM ESCAREÑO: Here.

MR. GOODWIN: Mr. Braden.

MR. BRADEN: Here.

MR. GOODWIN: Mr. Goodwin, here.

Ms. Reséndiz.

(No response.)

MR. GOODWIN: Absent.

Ms. Thomason.

MS. THOMASON: Present.

MR. GOODWIN: Mr. Vasquez.

MR. VASQUEZ: Here.

MR. GOODWIN: Okay. We have a quorum. And I will ask Tim to -- if you will all stand, to lead us in the pledge.

(Whereupon, the Pledge of Allegiance was recited.)

MR. GOODWIN: We start out the morning with two resolutions. One, recognizing May as Community Action Month. Michael, will you read that resolution into the record?
MR. LYTTLE: Yes, sir. Whereas, Community Action agencies are non-profit, and a unit of local government organizations designated under the Economic Opportunity Act of 1964 to serve as eligible entities and to ameliorate the effects of poverty and help persons experiencing poverty transition to self sufficiency. Whereas, Community Action builds and promotes economic stability and enhances stronger communities and the opportunity to live in dignity.

Whereas, nationally, Community Action has enhanced the lives of millions by providing essential life changing services and opportunities. Whereas, Community Action serves 99 percent of America's counties and rural, suburban, and urban communities, and works toward the goal of ending poverty in our lifetime.

Whereas, Texas has a strong vibrant network of community action agencies to deliver community action to Texans in need. Whereas, Community Action will continue to implement innovative and cost effective programs to improve the lives and living conditions of the impoverished, continue to provide and support opportunities for all eligible households in need of assistance, and continue to develop and carry out effective welfare system reforms.

And whereas, the Texas Department of Housing
and Community Affairs in the state of Texas support the Community Action Network in Texas, in working to improve communities and make Texas a better place to live, not only during Community Action Month in May, but throughout the entire year. Now, therefore, it is hereby resolved that the Governing Board of the Texas Department of Housing and Community Affairs does hereby celebrate May 2018 as Community Action Month in Texas, and encourages all Texas individuals and organizations, public and private, to join and work together in this observance of the hard work and dedication of Texas Community Action agencies, signed this 26th day of April, 2018.

MR. GOODWIN: Do I hear a motion to accept this resolution?

MR. BRADEN: So moved.

MR. GOODWIN: A second?

MS. THOMASON: Second.

MR. GOODWIN: It has been moved and seconded. Any discussion?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. Next, we have a resolution
recognizing May as also the National Mobility Awareness Month. Michael?

MR. LYTTLE: Whereas, May 2018 is National Mobility Awareness Month, which is dedicated to showing the community at large how persons with disabilities can live active, mobile lifestyles, and raise awareness of the mobility solutions available in the local community. Whereas, a goal of the Texas Department of Housing and Community Affairs is to ensure that all Texans have access to safe and decent affordable housing.

Whereas, it is the policy of the Department to support equal housing opportunities in the administration of its single family and multi-family programs, especially in regards to persons with disabilities accessing new home construction, home rehabilitation, housing vouchers and rental assistance programs and services. Whereas, this year, the Department is celebrating eight years of offering the Amy Young Barrier Removal Program, named in honor of the late advocate for Texas with disabilities, who helped shape the state-funded program to improve the quality of life for persons with disabilities throughout the State of Texas.

Whereas, the Amy Young Barrier Removal Program provides one-time grants of up to $20,000 for persons with disabilities, both renters and homeowners, earning up to
80 percent of the area median family income who need home modifications to increase accessibility and eliminate hazardous conditions in their homes. Whereas, since 2010, the Amy Young Barrier Removal Program has completed approximately 16.8 million worth of accessibility modifications on approximately 880 homes of Texans with disabilities, such as constructing roll-in showers, installing shower wands and lever faucets, widening doorways, modifying kitchens and laundry rooms with accessible cabinetry and appliances, building ramps, and improving walkways with handrails, paving and lighting to accommodate program participants' specific needs.

Whereas, the Department applauds the non-profit organizations and local governments around the state who have become Amy Young Barrier Removal Program administrators, and who advocate for their clients through quality construction, pragmatic solutions, and respectful service. And whereas, the Department encourages Texans to explore the numerous TDHCA programs and resources related to increasing and maintaining mobility during National Mobility Awareness Month and throughout the year.

Now, therefore, it is hereby resolved that in the pursuit of the goal and responsibility of increasing mobility opportunities of Texans with disabilities, the Governing Board of the Texas Department of Housing and
Community Affairs does hereby celebrate May 2018 as National Mobility Awareness Month, and encourages all Texas individuals and organizations, public and private, to join and work together in this observance of National Mobility Awareness Month. Signed, this 26th day of April, 2018.

MR. GOODWIN: Could you repeat that?

(Simultaneous discussion.)

MR. GOODWIN: Do I hear a motion to approve this resolution?

MS. RESÉNDIZ: So moved.

MR. GOODWIN: Moved. Second?

MR. VASQUEZ: Great.

MR. GOODWIN: Moved and seconded. Any discussion?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Moving into the consent agenda, we have one item that has been pulled, which is Item 1(n), N as in Nancy. Blue Flame Apartments. Are there any other items that any Board member or staff would want to see pulled from the consent agenda?
MR. GOODWIN: If not, I will entertain a motion to approve the consent agenda.

MS. BINGHAM ESCAREÑO: Move to approve the consent agenda with the exception of Item 1(n) that has been pulled.

MR. GOODWIN: Okay. Second?

MR. ECCLES: Second.

MR. GOODWIN: So it has been moved and seconded. Any discussion?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: It passes. Moving into the action items, we go to action item 3. And that is a report on the meeting of the QAP and multifamily rules committee.

And that was, that committee is chaired by Board Member Vasquez. Leo, would you give us a rundown on your committee?

MR. VASQUEZ: Sure. Thank you, Mr. Chairman.

Yesterday afternoon, the QAP committee met, and it was a well attended meeting. We started out with a presentation
by our General Counsel on giving us some introductory remarks and guidance, and interpretation of development of rules -- development and interpretation of rules, followed by a very interesting presentation by Marni Holloway on a resident survey that was conducted across a number of different communities and residents that are in affordable housing developments.

And these findings very much reinforce the direction that the Department is taking overall. And we are looking forward to expanding this survey in the future to give us more of a -- this first one seemed to be more the Respondents were heavily oriented towards senior housing, which didn't really reflect probably the broad, broader community. So we will work on expanding that next time -- and as well as trying to see if there was any differences between the urban and non-urban areas as well. So a great tool.

I think that is heading in the right direction, and it will help give us a little bit more focus. After that, we actually had another discussion on the more development of the new rules. And part of what the -- what I think was most interesting in the conversation, we started focusing, not for this discussion, not on the actual individual sections, but more the overall perspective of moving towards simplification of the rules.
Moving away from complications, our word of the day, yesterday, and how can we streamline the process, rather than continuing to complicate the process. And I think, both from staff's perspective and the community perspective, everyone is looking forward to that type of operation.

One thing that we also -- we, and I think I specified, Mr. General Counsel, I was speaking on my own behalf, not necessarily the whole Board. But we really want to start ensuring that the staff understands, and everyone filling out the applications, that we are not looking to make this a gotcha kind of operation.

I mean, we need to really start distinguishing between what is an administrative deficiency versus a true material deficiency, and not be finding ways to kick out groups. Let's see how we can just fix minor issues, and move things forward, so we can all have opportunities to obtain the tax credits or loans or what have you.

And as an example of that, one of the -- I guess, one of the more specifics we did speak about was examples of HUD distribution or accessibility distribution requirements that we shouldn't, as a Department or as Texas, be trying to overstep. Expand upon HUD rules, but rather make sure that we don't go beyond that.

If a HUD program accepts an accessible
distribution, we should accept that as well. And that was one example. So again, we are looking forward to continuing the efforts, and working with the roundtable discussions, with the community, the developers and such.

We also discussed -- there was some public, some very good public comments discussing the timing of some of these. Instead of having the rules signed off in December, and then we immediately start again in January, when you haven't even seen what the fallout is of the previous rules. That seemed to be an interesting comment on how we can sort with just the calendars.

So again, it is an evolving process. And I think the QAP committee is moving forward properly.

MR. GOODWIN: Any questions? Comments?

MR. IRVINE: I have a comment, actually. Just a request for a little bit of Board level clarification to layer around the clarification provided by the committee.

Really, one of the most important issues that I wanted to clarify was the way that I make a plain interpretation of the current rule, about distribution of accessible units. I believe that the current rule lines up with our state statute.

And it says that on tax credit developments,
not developments assisted with HUD funds, but on tax
credit developments, they need to comply with the
accessibility standards that are lined out in HUD's rules
about accessibility standards. That is in our statute,
that it does not specifically pull in by reference or
restatement the HUD rule about distribution.

Rather, it really reflects just a reasonable
approach to distribution, to make sure that the units are
appropriately distributed, and not concentrated. So the
persons with differing types of disabilities have a
reasonable amount of choice, comparable to other people
accessing the programs.

Of course, where a development also has HUD
funding, then by operation of HUD rules and regulations,
the HUD regulation on distribution does specifically
apply. And as you indicated, we would defer to HUD's
interpretation and application of its own regulations.

So just wanted to see if there are any
questions, discussions, comments. And does the Board in
general align with my interpretation of that rule?

MR. GOODWIN: What are the gotchas between
that? What are you finding, because --

MR. IRVINE: Well, I think that staff did a
really fantastic job, or does all the time a fantastic job
in identifying accessibility requirement fulfillment and
distribution requirements. In fact, it was really
gratifying to have a mobility advocate come to the mic
yesterday, and give Patricia Murphy and her team a big
shout out for the way that they focus on that stuff so
intensively.

In an effort to be helpful, staff has prepared
a really neat tool that you can use to calculate and
determine a clearly compliant accessible unit distribution
at the development level. But I do not believe that the
rule itself requires the exclusive use of that tool, that
other reasonable distributions are possible.

So I think that a little bit of the -- I won't
say, the gotcha. But a little bit of conflict would be a
staff question about, do we default to using our tools on
a strict application basis, or do we look at other
distributions that don't exactly align with our tool.

If you are one or two units off, in an average
sized development, you know, does that trigger a non-
compliance issue, or something along those lines? And you
know, this is a process where people could put together
these incredibly complicated applications.

They designate what their distributions are
going to be, what their proposed design layouts are going
to be. And then they ultimately have this giant
application that may result in an award.
And if what they had been planning on all along is found out at the eleventh hour, after it is built, not to line up exactly with the way that someone would apply the tool, then we want a little bit of reasonable latitude not to make people incur significant costs in reconfiguring developments, as long as they, in fact, provide a reasonable distribution of their units, so that people have choice. So that was the conflict.

MR. GOODWIN: Okay. Paul.

MR. BRADEN: I agree. As I stood here yesterday, I agree with your interpretation. I spent some time studying this, and the CFR behind it.

And I kind of looked through all of this stuff in some level of detail. I think the tool that you reference is almost like a safe harbor, when you take --

MR. IRVINE: Exactly. Yes.

MR. BRADEN: So you know, for the community, it is important. You have a safe harbor.

You know, if you do it in compliance with this tool, you have complied with our requirement. Now if, for some reason, you fall outside that safe harbor, it does not necessarily mean that you have done it wrong.

It just means, the Executive Director and you have to go through this process to see whether or not it is reasonable, falls within the rule. And so I mean, that
is the way I kind of view that.

MR. IRVINE: Yes.

MR. GOODWIN: I agree with that. Comments?

MR. VASQUEZ: And also, just to clarify. My gotcha statement wasn't specifically about this. It was broadly based on our entire process.

MS. BINGHAM ESCAREÑO: The other thing that came up in public comment that I was interested in possibly pursuing, or looking at maybe an agenda item or a management's consideration in the future, is just about kind of the ongoing challenges that the community, the developer community has now, when they are putting together any kind of blended deal, or a deal where they have got different sources of statute, regulation.

And that there are some concerns that sometimes, as we know, the language contradicts itself from one section to another. And that maybe the agency could consider some sort of reconciliation or audit somewhere along the line that picked out a few scenarios, or as many scenarios as we could contemplate, and just kind of tested some of the language between each.

So it was food for thought. I just thought that that was an interesting observation, that I think we have experienced.

MR. GOODWIN: Okay. I have a question. Was
there any discussion about a two-year QAP instead of a one-year? Them doing it every year.

MR. VASQUEZ: Thank you. We took a very unscientific study of the audience in attendance yesterday, about who thought having a two-year QAP process, rather than every year would be a good idea.

So that way, everyone would understand, here are my requirements, and can work towards that, rather than it always being a moving target and some potentially moving the goal posts. And there was a large percentage of nods in the affirmative that that would be a very welcome idea to move towards a two-year process. Again, rather than changing it every single year.

MR. GOODWIN: Okay. Any comments regarding that?

(No response.)

MR. GOODWIN: One last question I had. And that is something that you and I had talked about some time ago, was about the possibility of doing away with tiebreakers. Had that gotten -- where basically a project all gets graded. And if there is ten projects in a region, those ten projects go on a list, and then it is almost like a lottery system to determine which of those ten.

Instead of determining things like, we as a
board have to determine between a library and a museum, or an art gallery and a museum, and you know, to come up with tiebreaker things. Was there any discussion about that?

MR. VASQUEZ: Yesterday, not specifically were there those discussions. But again, I think as you bring that up, that is a great idea.

That I feel, and rather it is the QAP committee working within the confines of the legislation, and such, that maybe we need to come up with other outside the box ideas on how we can develop this. Where, it is not everyone nitpicking, which is -- who has got the A plus, plus, plus.

But once everyone that has an A qualification, A grade, you make that maximum point, base points, at that point. From again, my perspective, all of those projects are qualified at that point. So rather than trying to do all this nitpicking, maybe we put everyone who qualifies into that bucket, and then you draw the numbers, one, two, three four, five, until we run out of funds in that area.

I mean, maybe that is another way to do it that is, again, more equal and acceptable, fair to everybody. And then you can have that wait list, depending on if you have money from other areas that you can bring in.

That could probably take a lot of the heartache
and headache out from the people putting together the packages, from the staff having to use those scalpels to figure out, you know, what counts and what doesn't. And again, make it more efficient, make the process go more quickly.

Again, this obviously is not board policy by any means, yet, but it is a topic for thought and discussion. How can we think outside the box to make this faster and fairer?

MR. IRVINE: Janine Sisak, who used to be the Chair of the TAAHP QAP committee, made a very eloquent plea for really focusing on the tiebreakers in the development of the next year's rules. She expressed, and I kind of agree, that the development community has gotten very sophisticated in putting together applications that really kind of max out their point values.

So the tiebreakers become the critical differentiator. And Audrey Martin, who now chairs that committee -- I believe she still chairs that committee, unless she has thrown up her hands in dismay, you know.

I hope will engage with Audrey and her committee and with TxCAD and all of the community out there, that has an interest in this, and come up with some real thoughtful input to developing better tiebreakers.

MR. GOODWIN: Any other comments or questions?
(No response.)

MR. GOODWIN: If not, I will entertain a motion to accept the committee's report.

MS. BINGHAM ESCAREÑO: Move to approve.

MR. GOODWIN: Move to approve. Second?

MR. BRADEN: Second.

MR. GOODWIN: Any discussion?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. Marni, I think we are moving on to 4(a). And as I understand it, 4(d) has been pulled.

MS. HOLLOWAY: Yes, 4(d) as in Dog will not be taken up today.

MR. GOODWIN: Okay. So we are going to deal with A, B and C?

MS. HOLLOWAY: That is right.

MR. GOODWIN: Okay.

MS. HOLLOWAY: Good morning, Chairman Goodwin, members of the Board. I am Marni Holloway. I am the Director of the Multifamily Finance Division.
Item 4(a) is presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer and an Award of Direct Loan Funds. This is Application 18412 for Lord Road Apartments in San Antonio.

So an application for 4 percent credits and direct funds layered for this development, sponsored by the San Antonio Housing Trust Public Facility Corporation and the NRP group, was submitted on January 18. The direct loan funds application comes in under the 2018 NOFA. And there is sufficient Neighborhood Stabilization Program round one program income funding available under the general set-aside.

A carry forward designation certificate was issued by the Texas Bond Review Board on January 10, which will expire on December 31. The Lord Road Apartments proposes the new construction of 324 units, serving a general population. For tax credit purposes, 319 units will be income- and rent-restricted at 60 percent of AMI, and five units will be restricted at 50 percent.

Layered among the tax credit units will be 50 NSP-1 PI units, 40 of which will be at 60 percent AMI and high home rent. Ten units restricted at 50 percent of AMI, with low home rents.

The applicant has disclosed the presence of an
undesirable site feature. Specifically, the proposed
development is located within 100 feet of an overhead high
voltage transmission line.

They have also provided an ordinance that was
adopted by the City of San Antonio, which specifies a 20
foot set back requirement. This smaller setback is
acceptable mitigation under the rule and, therefore, staff
recommends the site be considered eligible.

The direct loan rule requires that loan closing
and commencement of construction begin within nine months
of Board approval date, which works well with the
recommended determination notice date. The $2,975,000
loan has been underwritten, and recommended at a 4 percent
interest rate, structured as a second lien construction to
perm loan, with a 30-year amortization and a 35-year term.

The Applicant's portfolio is considered a
Category 3, and the previous participation was deemed
acceptable by EARAC without further review or discussion.
EARAC also reviewed the proposed financing and the
underwriting report, and recommends issuance of a
determination notice with the condition that the closing
occur within 120 days.

Staff recommends that the site for Lord Road
Apartments be found eligible, along with approval of the
issuance of a determination notice in the amount of
$1,648,531 in 4 percent Housing Tax Credits. And an award of $2,975,000 of NSP-1 PI.

If the Applicant has not closed on the bond financing on or before August 26 of 2018, staff recommends that the Board authorize an extension of the determination notice date, subject to an updated previous participation review, if necessary. I would be happy to take any questions.

MR. GOODWIN: Any questions?

(No response.)

MR. GOODWIN: Comments?

(No response.)

MR. GOODWIN: If not, I will entertain a motion for approval.

MS. BINGHAM ESCAREÑO: Move staff's recommendation to approve.

MR. GOODWIN: A second?

MS. THOMASON: Second.

MR. GOODWIN: Moved and seconded. Any discussion?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)
MR. GOODWIN: Okay. Moving on to 4(b.)

MS. HOLLOWAY: 4(b) is presentation, discussion, and possible action regarding site eligibility under 10 TAC '10.101(a)(3) of the Uniform Multifamily Rules related to the Undesirable Neighborhood Characteristics for Park Yellowstone Townhomes in Houston. This is a request for a preliminary determination for this project.

The development was placed into service in 1997, after receiving an allocation of 9 percent credits in 1995. It is still within the affordability period, and is active in the Department's portfolio for compliance monitoring.

The current Applicant proposes the rehabilitation of 210 units under the 4 percent tax credit program. But again, this is a predetermination. We are not talking about an award.

MR. GOODWIN: Okay.

MS. HOLLOWAY: The proposed development is located in an area where the Part I violent crime rate is greater than 18 per 1,000 persons annually, as reported on Neighborhood Scout. And is located within the attendance zone of a middle school that did not achieve the standard rating by the Texas Education Agency for 2017.

Staff has conducted further review of the
development site and surrounding neighborhood, including an onsite inspection. And based on mitigation provided of actual instances of Part I violent crimes which reflects a downward trend over the past two years, and representations by an education professional regarding the time line to reach a Met Standards rating for Collin Middle School.

In consideration of the totality of information provided by the Applicant that has established the positive trends required under the rule for sufficiently mitigating the undesirable neighborhood characteristics, staff recommends that the site for Park Yellowstone Townhomes be found eligible.

MR. GOODWIN: Any comments or questions?

(No response.)

MR. GOODWIN: If not, I will entertain a motion for staff's approval.

MR. VASQUEZ: Move to accept staff's approval.

MR. GOODWIN: Okay.

MR. BRADEN: Second.

MR. GOODWIN: Moved and seconded. Any discussion?

(No response.)

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

(A chorus of ayes.)
MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Moving on to 4(c).

MS. HOLLOWAY: 4(c) is presentation, discussion, and possible action on a waiver relating to 10 TAC '10.101(b)(8), related to Development Accessibility Requirements for Beckley Townhomes in Dallas. If you will recall, that this is the first year that our visitability rule has been in place.

This is the rule that we put in place last year. It replaced an earlier version that applied only to new construction, and provided limited benefit, because it only applied to 20 percent of units.

As a result of discussion, during the rulemaking process, rehabilitation of units originally occupied prior to March 13, 1991, was exempted from the requirement, the visitability requirement, in acknowledgment that the Fair Housing design standards did not apply at original construction. The Beckley Townhomes is an existing Housing Tax Credit property that received a 9 percent award in 2001 and finished construction in 2003.

The property is active in the Department's portfolio. It consists of 100 units. Ninety five of them are townhomes, and five units are accessible flats.

The development was designed with individual
driveways and garages for each unit, with very little common parking and no sidewalks across the site. The street through the development serves as a fire lane.

Because the townhomes were exempt from the Fair Housing design manual, Fair Housing Act design manual requirements at construction, and they apparently took advantage of that exemption, making all of the visitability changes now creates a number of issues for this particular development.

The Applicant has requested waiver of those parts of the rule that they will not be able to meet, due to site topography and design of the existing units. This is not a request for waiver of the entire rule, but rather, of those parts the Applicant has determined they cannot meet after extensive work with staff.

Specifically, they are requesting a waiver of requirements for the accessible route from the units to the common use facilities for at least one zero-step accessible entrance. And that the bathroom or the half bath on the entry level comply with the specifications set forth in the Fair Housing design act manual. For 34 of the townhome units, site topography makes it impractical to create an accessible route when the Fair Housing individual building test is applied.

So that waiver -- so waiver is not required for
those specific units. The Applicant has indicated that
two of the townhome units can be made visitable through a
patio entrance. So the waiver request before us is for
the remaining 59 townhome units.

Regarding the zero-step accessible entrance,
there is an approximately seven inch step up to the front
doors, so that a ramp would be required. Site design and
topography limitations along with that fire lane that runs
all the way through the development make ramp placement
impossible.

Further, the front entries for the townhomes
are covered with supporting columns at the front steps.
These columns prevent the creation of a turning radius at
the front door for the no-step entrance. If the columns
were removed, tenants would lose the benefit of a covered
entry.

The layout of the ground floor bathrooms does
not meet Fair Housing Act design manual standards. The
doors would have to be widened, and the swing reversed, so
that it opens out into the hallway. And the vanity would
have to be replaced with a wall-hung sink.

The Applicant will be making those changes to
the two units that will be visitable in accordance with
the rules. So the two that they can make visitable with
the zero-step entrance and the accessible route, they will
make the bathroom changes.

For the remaining 59 units, if a zero-step entrance is not feasible, it makes little sense to modify the bathroom to meet those Fair Housing requirements. Staff believes that considering all of the circumstances involved in this development and that this is an existing tax credit property in the Department's portfolio, granting the waiver for the 59 townhome units related to the visitability requirements fulfills the Department's purposes.

This waiver is specific to the facts and circumstances related to this predetermination request, and the information provided by the Applicant. Should those change at the time the Housing Tax Credit application is submitted, or should the application be submitted in a subsequent program year, where there has been a change in the Department's accessibility standards, a reevaluation of the request by the Board may be warranted.

Staff recommends that the waiver relating to the visitability requirements for 59 units at Beckley Townhomes be granted. I would be happy to take any questions.

MR. GOODWIN: Any questions?

(No response.)
MR. GOODWIN: Did you want to comment, sir?

MALE VOICE: I am just here if you have further questions.

MR. GOODWIN: Okay. I will entertain a motion.

MS. BINGHAM ESCAREÑO: I have a question before I make a motion.

MR. GOODWIN: Okay.

MS. BINGHAM ESCAREÑO: Is there anything specifically that the Board needs to state in the action regarding this? I know the staff said that this is predetermination, and that if any of the facts change by the end, that it would need to be revisited by the Board.

MR. IRVINE: I think there is probably a sufficient record set out in the Board materials.

MS. HOLLOWAY: Right. It is in the whereases, on your Board action request.

MS. BINGHAM ESCAREÑO: Okay.

MS. HOLLOWAY: That language about if it should change, that it would need to be reexamined.

MS. BINGHAM ESCAREÑO: Very good. I see it. Good. Mr. Chair, I will make a motion.

MR. VASQUEZ: I am sorry. Just before you make that motion, I do have just one question on whether there is a distinction that we should be considering that this is an existing Housing Tax Credit development.
So it is not a new -- it is not something brand
new being brought to us, that we would be making a
determination as to eligibility. It is already there. It
is already -- it is just that we need to add these
waivers.

MS. HOLLOWAY: Correct.

MR. VASQUEZ: So if we granted it, again, I
don't think it is too precedent setting, based that it is
an already existing tax credit.

MS. HOLLOWAY: Right.

MR. VASQUEZ: Right. I mean, am I right to
that?

MR. GOODWIN: I agree. Yes.

MS. BAYLESS: Okay. Thanks.

MS. BINGHAM ESCAREÑO: Mr. Chair, I will move
staff's recommendation to approve the waiver as proposed
in our documentation.

MR. GOODWIN: Okay. Second?

MR. VASQUEZ: Second.

MR. GOODWIN: So it has been moved and
seconded. Any discussion?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?
MR. GOODWIN: Okay. Thank you, Marni.

MS. HOLLOWAY: That is all I have.

MR. GOODWIN: Thank you.

MS. HOLLOWAY: Thank you.

MR. GOODWIN: This gets to the part of the agenda where we take public comments for items that might set the agenda for the future. Does anybody have anything that they want to bring up?

(No response.)

MR. GOODWIN: Any Board members?

(No response.)

MR. GOODWIN: If not, I will entertain a motion to adjourn.

MR. VASQUEZ: So moved.

MR. GOODWIN: So moved, and second.

MR. BRADEN: Second.

MR. GOODWIN: All in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: We will see you next month.

Thank you.

(Whereupon, at 8:36 a.m., the meeting was concluded.)
CERTIFICATE

MEETING OF:   TDHCA Board
LOCATION:    Austin, Texas
DATE:        April 26, 2018

I do hereby certify that the foregoing pages, numbers 1 through 37, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Leslie Berridge before the Texas Department of Housing and Community Affairs.

DATE: April 27, 2018

(Transcriber)

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