TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

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

May 24, 2018
8:00 a.m.

BOARD MEMBERS:

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

TIMOTHY K. IRVINE, Executive Director

ON THE RECORD REPORTING
(512) 450-0342
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### IN THE BOARD MATERIALS:

#### ASSET MANAGEMENT

a) Presentation, discussion, and possible action regarding an increase to the Housing Tax Credits
   14601 Laredo Hill Apartments Big Spring

b) Presentation, discussion, and possible action regarding a change in the ownership structure of the Development Owner prior to issuance of IRS Form(s)
   8609
   17091 Plateau Ridge Apartments Cleburne

c) Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit ("HTC") Application and a change in the ownership structure of the Development Owner, Developer, and Guarantors prior to issuance of IRS Form(s) 8609
   17730 Blue Flame Apartments El Paso

d) Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit ("HTC") Commitment
   16008 Rachael Commons McGregor
   17004 Old Dowlen Cottages Beaumont

#### HOUSING RESOURCE CENTER

e) Presentation, discussion, and possible action on the Draft 2019 Regional Allocation Formula Methodology

#### BOND FINANCE

f) Presentation, discussion, and possible action on Resolution No. 18-020 authorizing the filing of one or more applications for reservation with the
Texas Bond Review Board with respect to qualified mortgage bonds; authorizing state debt application; approving an underwriting team; and containing other provisions relating to the subject

MULTIFAMILY FINANCE

g) Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer 18401 Pathways at Chalmers Courts South Austin

h) Presentation, discussion, and possible action regarding a modification to the Subordinate Promissory Note for Houston DMA Housing, LLC

I) Presentation, discussion and possible action regarding determinations of eligibility under 10 TAC §10.201(1)(m) related to Ineligible Applicants and Applications 18033 The Miramonte Fifth Street CDP 18047 Miramonte Single Living Fifth Street CDP 18052 Nacogdoches Lofts San Antonio 18053 Alazan Lofts San Antonio 18054 Piedmont Lofts San Antonio 18086 Village at Overlook San Antonio 18096 Patriot Park Family Plano 18106 Hallsville Estates Hallsville 18109 The Trails at San Angelo San Angelo 18186 Avanti at Greenwood Corpus Christi 18188 Avanti at Sienna Palms Weslaco 18204 Cielo at Mountain Creek Dallas 18219 Cypress Creek Apartment Homes at Park South View Houston 18250 Sweetbriar Hills Jasper 18298 Heritage at Wylie Wylie 18306 Campanile on Commerce Houston 18320 Seaside Lodge Chesapeake Seabrook 18327 Scott Street Lofts Houston 18331 Greens at Mission Bend Houston 18333 Fulton Lofts Houston 18357 Capella Brownsville 18358 Ovation Sr Living Brownsville

j) Presentation, discussion, and possible action on staff determinations regarding Application disclosures under 10 TAC §10.101(a)(3) related to Applicant

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Disclosure of Undesirable Neighborhood Characteristics
18015 Cambrian East Riverside Austin
18018 Columbia Renaissance Square II Fort Worth
18081 Pathways at Chalmers Court Austin
18084 Artisan at Ruiz San Antonio
18243 2222 Cleburne Houston
18267 Avenue Sycamore Fort Worth
18269 2400 Bryan Dallas
18289 Village at Roosevelt San Antonio
18306 Campanile on Commerce Houston
18323 Talavera Lofts Austin
18327 Scott Street Lofts Houston
18337 Fulton on the Rail Houston
18338 The Greenery Houston

k) Report on required Housing Tax Credit notifications made under 10 TAC §11.8(b)(2)(B) with a department-provided template, and possible action to accept notifications made using a superseded version of the template as satisfying the current rule

RULES
l) Presentation, discussion, and possible action on an order proposing the repeal of §2.203 Termination and Reduction of Funding for CSBG Eligible Entities; an order proposing new §2.203 Termination and Reduction of Funding for CSBG Eligible Entities; an order proposing the repeal of §2.204, Contents of a Quality Improvement Plan; an order proposing new §2.204, Contents of a Quality Improvement Plan; an order proposing the repeal of 10 TAC Chapter 6 Community Affairs Programs: §6.1 Purpose and Goals, §6.2 Definitions, §6.3 Subrecipient Contract, §6.7 Subrecipient Reporting Requirements, §6.8 Applicant/Customer Denials and Appeal Rights; §6.205 Limitations on Use of Funds, §6.206 CSBG Needs Assessment, Community Action Plan, and Strategic Plan, §6.207 Subrecipient Requirements, §6.213 Board Responsibility, §6.214 Board Meeting Requirements; §6.301 Background and Definitions, §6.304 Deobligation and Reobligation of CEAP Funds, §6.307 Subrecipient Requirements

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m) Presentation, discussion, and possible action on an order proposing the readoption, without changes, of 10 TAC §1.11, Definition of Service-Enriched Housing, and directing its publication.
n) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.15, Integrated Housing Rule, and an order proposing new 10 TAC §1.15, Integrated Housing Rule, and directing their publication for public comment in the Texas Register

o) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.1, Reasonable Accommodation Requests, and an order proposing new 10 TAC §1.1, Reasonable Accommodation Requests to the Department, and directing their publication for public comment in the Texas Register

p) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.2, Department Complaint System, and an order proposing new 10 TAC §1.2, Department Complaint System, and directing their publication for public comment in the Texas Register

q) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.4, Protest Procedures for Contractors, and an order proposing new 10 TAC §1.4, Protest Procedures for Contractors, and directing their publication for public comment in the Texas Register

r) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.6, Historically Underutilized Businesses, and an order proposing new 10 TAC §1.6, Historically Underutilized Businesses, and directing their publication for public comment in the Texas Register

s) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.9, Texas Public Information Act Training for Department Employees, and directing its publication for public comment in the Texas Register

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t) Presentation, discussion, and possible action on proposed amendments to 10 TAC §8.3, Participation as a Proposed Development, relating to the Section 811 Project Rental Assistance 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, (April-May)
   b) Report regarding The Report on Customer Service as required by Tex. Gov't Code Chapter 2114.002(c)
   c) 2019 QAP Planning Project Report
   d) Resident Survey Report

ACTION ITEMS
ITEM 3: REPORTS
   a) Report on Department's Outreach and Citizen/Community Participation Plan for the Analysis of Impediments to Fair Housing Choice
   b) Report of and possible action regarding Multifamily Workout Plan for Angelica Homes Corporation, HOME #539109
   c) Report on the Internal Audit review of the Emergency Solutions Grants program

ITEM 4: REPORT AND RECOMMENDATIONS OF THE AUDIT AND FINANCE COMMITTEE
   a) Review and possible approval of the agency strategic plan for fiscal years 2019-23
   b) Review and possible approval of policy items for inclusion in the legislative appropriations request for fiscal years 2020-21

ITEM 5: EXECUTIVE
Presentation, discussion, and possible action
authorizing the Department to submit an application for Mainstream Housing Vouchers in response to a Notice of Funding Availability released by the U.S. Department of Housing and Urban Development, and if successfully awarded to operate such program

ITEM 6: MULTIFAMILY FINANCE

a) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Crosby Plaza) Series 2018 Resolution No. 18-021 and a Determination Notice of Housing Tax Credits

b) Presentation, discussion, and possible action on timely filed scoring appeals under 10 TAC §10.901(13) of the Department's Multifamily Program Rules relating to Fee Schedule, Appeals and other Provisions

18335 Travis Flats Austin

c) Presentation, discussion, and possible action on a request for the extension of the placement in service deadline under 10 TAC §11.6(5) of the 2016 Qualified Allocation Plan ("QAP") related to Credit Returns Resulting from Force Majeure Events and a waiver of 10 TAC §10.204(7)(A)(i)(III) related to Financing Requirements for No. 16114, The Veranda Townhomes

APPENDIX
Multifamily Application Logs

EXECUTIVE SESSION

OPEN SESSION

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

ADJOURN
MR. GOODWIN: I call to order the monthly board meeting for the Texas Department of Housing and Community Affairs. It's May 24, 2018.

(Pledges recited.)

MR. GOODWIN: We'll start with the roll call.

Mr. Braden?

MR. BRADEN: Here.

MR. GOODWIN: Ms. Reséndiz?

MS. RESÉNDIZ: Right here.

MR. GOODWIN: Ms. Thomason?

MS. THOMASON: Present.

MR. GOODWIN: Mr. Goodwin. We have a quorum.

Okay. I will move into -- the first order of business is a resolution recognizing June as Homeownership Month.

Michael, will you lead the resolution?

MR. LYTTEL: Yes, sir. Thank you.

Whereas June 2016 is Homeownership Month in Texas; whereas it is the goal of the Texas Department of Housing and Community Affairs 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 administrative of its homebuyer and homeownership programs and services; whereas this year the Department is celebrating 37 years of offering affordable

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first-time homebuyer assistance to eligible buyers throughout the state of Texas;

Whereas since 1981 the Department has served as the state's housing finance agency providing a choice of mortgage products and services to accommodate market opportunities and buyer needs as appropriate; whereas the Department offers a free online homebuyer education tool, Texas Homebuyer U, and administers funds to support the Texas Statewide Homebuyer Education Program to inform and prepare buyers for successful homeownership;

Whereas the Department applauds all those who work to achieve and maintain affordable, responsible homeownership and recognizes those who provide services and resources to all homebuyers regardless of race, color, national origin, religion, sex, disability or familial status; and whereas the Department encourages Texans to explore the numerous resources available during Homeownership Month and throughout the year;

Now, therefore, it is hereby resolved that in the pursuit of the goal of affordable homeownership opportunities for all, the Governing Board of the Texas Department of Housing and Community Affairs does hereby celebrate June 2018 as Homeownership Month in Texas, and encourages all Texas individuals and organizations, public and private, to joint and work together in this observance.
of Homeownership Month.

Signed this 24th day of May 2018.

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

MR. BRADEN: So moved.

MR. GOODWIN: A second?

MS. THOMASON: Second.

MR. GOODWIN: All in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. It is passed. Moving on to the consent agenda, we have a few corrections that we will start with before we move through it. First, on Item 1(i), there are two projects on here that should not be on this list.

18086 is being removed and 18250 is being removed. Item 1(k) has been requested to move to the action item -- for the action item, and that will take place. Then we also have a correction to Item 1(l), which will be read by Mr. DeYoung.

MR. DeYOUNG: Good morning. Michael DeYoung, Community Affairs division director. Before you take action on the consent agenda, we want to make a verbal correction to Item 1(l) in your Board book. This is --
begins -- Item 1(l) begins on page 219 of your Board book, but the actual correction is on page 246.

I know it's a long Board item, but it's got a lot of rule stuff in it. So what we're doing and what we're proposing in Section 6.213 under Board responsibility there's a paragraph and we're going to delete that paragraph and replace it with this requirement.

It is paragraph D, "Residence Requirement. Board members must follow any residency requirements outlined in 42 U.S. Code Subsection 9910 or federal regulations made pursuant to this section." And that would be the replacement.

MR. GOODWIN: Thank you, sir.

MR. DeYOUNG: Absolutely.

MR. GOODWIN: Any questions for Michael from the Board members?

(No response.)

MR. GOODWIN: Before I ask for a vote on the consent agenda and reports, I know that we have a letter to be read in on Item No. 1(c), Blue Flame Apartments in El Paso.

MR. LYTTLE: The letter reads: "Dear Chairman and Board Members, I write this letter in support of the modification request made by the Housing Authority of the..."
City of El Paso and Franklin Companies, developer of the Blue Flame Apartments.

"As you may remember from my previous letters of support, the Blue Flame project is significant for our community. It will restore a historic building and provide much-needed affordable housing in a redeveloping downtown, thereby ensuring that the redevelopment community includes a diverse mix of residents.

"I understand that because of the historic nature of the Blue Flame Building, the 16th floor is required to be maintained as office space. That being the case, the developers have determined that it makes the most financial sense to offer the two adjacent floors as office space as well. However, it is my understanding that the project will still have 120 units of tax credit housing.

"Given these facts, I remain in strong support of this project. Thank you advance for your consideration of my request and for your service to the state of Texas. Sincerely, Jose Rodriguez, State Senator, Senate District 29."

MR. GOODWIN: Thank you. Consent agenda report items. Report Item 2(a). Tim would like to make a comment.

MR. IRVINE: Thank you very much. As you came
in by the sign-in table, you perhaps noticed a door. That
door was presented to us by ADAPT of Texas. That door's
not wide enough to get through if you're coming in a
motorized wheelchair.

Many of our longtime friends from ADAPT made
the way on a very hot day, at high noon, from the City of
Austin offices on East 11th Street to our offices and then
to their congressmen's office to bring awareness of the
need, of the serious need for accessible, affordable,
integrated housing so that all Texans can live in their
communities in places where they have the full use of
those facilities and that housing.

It's a very powerful and important message. A
lot of personal notes are written on that door by members
of ADAPT, and I hope you'll all take a look at it, and I
hope that you'll all keep in mind the importance of
including all members in our community fully and
affordably. Thanks.

MR. GOODWIN: All right. That is all the
corrections or additions I have to the consent agenda.
Any Board member that would like to pull any consent
agenda item?

(No response.)

MR. GOODWIN: If not, do I hear a motion to
approve the consent agenda and consent report items, as
amended and corrected?

MS. THOMASON: So moved.

MR. GOODWIN: It's moved. A second?

MR. BRADEN: Second.

MR. GOODWIN: Moved and seconded. All -- any discussion?

(No response.)

MR. GOODWIN: All in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Okay. The consent agenda has passed. We've had a request to take things for a little out of order because of some people who have other meetings they have to get to. So we're going to take Item No. 6(b), the presentation and discussion on Travis Flats as our first item. Thank you, Marni.

MS. HOLLOWAY: Good morning, Chairman Goodwin, members of the Board. I'm Marni Holloway. I'm the director of the Multifamily Finance Division. Item 6(b) is "Presentation, discussion, and possible action on timely filed scoring appeal under 10 TAC §10.901(13) of the Department's Multifamily Program Rules relating to Fee Schedule, Appeals and other Provisions."

This appeal relates to the Nine Percent Application No. 18335 for Travis Flats. The application proposes the new construction of 146 units for a general
population. The development site is part of a mixed-use development planned by Travis County that will include county government offices, commercial space and multifamily development.

The application requested points for the North Airport Boulevard Revitalization Plan as Travis County's Concerted Revitalization Plan, which staff determined did not include evidence of sufficient, documented and committed funding to accomplish its purposes, and there was little evidence in the target area of the problems and issues identified in the plan.

MR. GOODWIN: Technical difficulty.

MS. HOLLOWAY: Yes. Okay. The appeal asserts that -- is that better?

THE REPORTER: I think it's that microphone that's picking it up, not that one.

MS. HOLLOWAY: Not this one?

(General laughter.)

MS. HOLLOWAY: We're going to add that to your job description. Is this better? Okay. The appeal asserts that the neighborhood suffers from issues described in the rule including long-term disinvestment such as significant presence of residential and/or commercial blight, neglect of streets and infrastructure such as inadequate drainage, and our sidewalks are in
significant disrepair.

Examples included in their appeal include homes that have window units as the sole source of air conditioning, which appear to be aging rather than blighted. Aside for a few instances of graffiti, the businesses pictured do not seem to be blighted.

Ultimately, the primary issue with the North Airport Boulevard Revitalization Plan is that it appears this is a plan by the County of what to do with its own property which is within a larger neighborhood that is within the jurisdiction of the City of Austin.

Part of the requirement for a concerted revitalization plan in the rule is that the area targeted for revitalization must be larger than the assisted housing footprint and should be a neighborhood. While the County has certainly expended funds in the past to acquire and upgrade its own facilities, the plan relies on City of Austin to accomplish goals outside of the County property.

The County has offered no evidence of funds spent to improve any property that it does not own or any funds to improve the problems named in its plan. The appeal points to completed projects, all of which are improvement to the County-owned property.

Similarly, the appeal includes a list of projects planned for 2018 and 2019, also improvements to
County-owned properties. The Applicant has not demonstrated that the County has the authority or demonstrated funding to extend its influence beyond its own property.

Therefore, staff recommends that the Board deny the appeal, and I'd be happy to take any questions.

MR. GOODWIN: I know we have people who want to speak to this, so do I hear a motion to hear comments?

MR. BRADEN: So moved.

MR. GOODWIN: A second?

MS. THOMASON: Second.

MR. GOODWIN: All in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. We will hear comments. First, are there any questions for Marni?

(No response.)

MR. GOODWIN: Okay.

MR. CASAR: Good morning, Chair and Board members. Thank you so much for your service to our state and our community. My name is Greg Casar and I am the City Councilmember for the Austin City Council, representing District 4, which includes the North Airport Boulevard and Ridgetop neighborhood area, where the
County's project is proposed.

This area used to be the gateway to the Highland Mall and really was the center of so much community life that occurred there at the Highland Mall, which is really the center of this neighborhood. However, with the decline and then demise of the Highland Mall, along with so many other malls across the country, the City of Austin, Travis County, our transit authority, and the Austin Community College District came together with the neighborhood to plan for this area to become one of our city's centers.

In our comprehensive plan, we determined that really this is a place where we want concentrate housing growth, where we want to see revitalization, where we want to see a truly mixed-income, pedestrian-friendly community, and so each of us came together to figure out how to revitalize this area, and picked three key public investments in this area that really has seen public disinvestment.

There have been private actors that have seen opportunities there for themselves, but really if you walk along Airport Boulevard, compared to so many of our other identified corridors and city centers in the city of Austin, it's not a place where you can easily walk across the street, a place where it looks like there's been
adequate public investment, and so the three entities have come together and picked the Highland Mall becoming redeveloped into ACC's new community college campus.

   This County property become mixed-income, mixed-use redevelopment, and the City of Austin truly investing tens of millions of dollars into Airport Boulevard, as three catalytic projects that are necessary for the revitalization of this area, not just haphazard revitalization, but instead, a really deliberate, thoughtful turning of this area into one of our comprehensive plan's centers for growth and redevelopment.

   I also come representing a neighborhood and a community that is unlike many others across the city of Austin because they're saying, we want this. They've come to the County and said, we want to see redevelopment of this property next to our neighborhood into dense, mixed-income, mixed-use development with affordable housing.

   They've come to the City and said, we want to see investment of mobility bonds dollars in this area, and upzoning to provide more housing opportunities for more people because we know that there's a housing crisis and an affordable housing crisis in this city, and so it presents such a great opportunity for revitalization, but as the staff noted, this is not a project or an area of town that is controlled by any one governmental entity.
Indeed, it will take every single one of us, the Community College District, the County and the City, working together and in one direction. And you have this very -- in a somewhat rare case where all of us are pushing in exactly the same direction.

The Austin City Council recently voted to unanimously support this project because we recognize that our futures are jointly entangled together in order to revitalize this area into a place where it lives up to its former status as a mixed-income part of town that was walkable and really a center of city life.

Thank y'all so much. I'm happy to answer any questions.

MS. THOMASON: Okay.

MR. GOODWIN: Any questions?

MR. BRADEN: Mr. Chair, has the Austin Community College District already taken action with respect to the project?

MR. CASAR: I am not aware if the Austin Community College District has voted related to this project because I know that the City Council has a responsibility to vote on affordable housing applications within our jurisdiction.

But I'm not aware if the Community College District has to do the same. However, I do know -- can
state that multiple members of that Board of Trustees that
I've spoken with recognize the importance of the County
project and that project to make this all happen.

MR. BRADEN: And is the project completely
within County-owned land?

MR. CASAR: My understanding is that it is all
on County property and that the City of Austin's
investment is in -- primarily in the corridor area which
is Airport Boulevard, and then what we consider the walk-
shed, the walkable area coming towards it, we've dedicated
tens of millions of dollars of voter-approved money for
transportation that we've bookmarked to the area, and so
we're all sort of jumping in the pool at the same time.

MR. GOODWIN: This is a question for Marni.
Marni, is the City's role in funding identified in the
application?

MS. HOLLOWAY: There would -- there was a
resolution of local government support that's provided
with the application. It's part of the scoring. There
was no City of Austin funding identified in sources and
uses for this particular application, and there was no
evidence of adoption of the plan by the City.

So the City has supported the application. We
haven't seen evidence of adoption of the plan by the City.

MR. GOODWIN: A revitalization plan for the
larger neighborhood.

MS. HOLLOWAY: Right.

MR. GOODWIN: Right?

MS. HOLLOWAY: Right.

MR. GOODWIN: Okay. Thank you.

MR. BRADEN: To the Chair, and I don't know if Marni can answer this or somebody does. So is there a revitalization plan for the whole neighborhood, what the councilperson just --

MS. HOLLOWAY: I'm not aware of one. Is there --

MR. CASAR: So we have -- and I'm sure that if we had to go -- if we were asked to go through a process to make it fit within the TDHCA guidelines of what a revitalization plan is, I'm sure we could go through with that, but my understanding of what we currently have is, we do have what we call our Airport Boulevard Plan, and so it's not labeled the revitalization plan, but certainly one of the goals of that plan is revitalization.

So we do have a master plan in place for this part of the city. It's a neighborhood planning document, and it's sort of -- and so ultimately within our goals of our comprehensive plan is revitalization of this area, and we have a specific neighborhood plan called the Airport Boulevard Plan for this area.
And I don't know whether that qualifies specifically within the -- your standards of what an official revitalization plan is for your own guidelines. So I would -- I can of course, you know, get you more information on that.

But there is this -- a concerted effort from all parties and if calling it a revitalization plan, voting to formally adopt it as such or formally voting to provide additional funding from the City side to this project would make it happen, it's something that I'm sure my Council would be virtually unanimous on, because the sentiment is certainly that we are all in on revitalizing this particular part of the city.

MR. BRADEN: And the Airport Boulevard Plan -- or -- I'm sorry -- what you referred to, and this property's totally within that region?

MR. CASAR: That's correct.

MR. BRADEN: Okay.

MR. CASAR: Thank you.

MR. ECCLES: Just as a point of clarification --

MR. CASAR: Yes, sir.

MR. ECCLES: -- is the application the plan that's being used to seek these points for a concerted revitalization plan is the North Airport Boulevard Boulevard...
Revitalization plan that was approved by the Travis County Commissioners Court on January 24, 2017.

Do you know if the Austin City Council has approved that plan that also commits funding to solve the issues that are addressed in that plan?

MR. CASAR: I do not believe that my Council has been presented with that plan, and I'm sure we would be very happy to do so, but my recollection -- and of course, just like y'all, we take so many votes that -- don't hold me to it, but my recollection is not that we have been presented with that plan formally. Is that correct?

FEMALE VOICE: That's correct.

MR. CASAR: We have not been presented formally with that plan, but again, I think the goals envisioned within that plan meet up and have been contemplated in our own Airport Boulevard planning process, because as we have had needed to loosen barriers and regulations to mixed-income housing and mixed-use development, we took into account the Travis County site as one of the catalytic sites and negotiated and worked with the neighborhood to change zoning regulations and our land use maps to make this kind of project be able to happen here and at the mall site.

So they contemplate one another, but we have
not been presented with that plan, and I would be happy to bring it before my Council if that would help.

MR. GOODWIN: You mentioned the mall site. When I look at the map in this presentation, it has a boundary that doesn't include Highland Mall. So were you talking about an area that's larger than what we are seeing here from the City's perspective?

MR. CASAR: Yeah, I think, from the City's perspective, we are focusing our dollars from just north of the mall site going just past south of this site, that is, the broader context for our investment and efforts, but we do see both this and the mall site as the two catalytic projects on government-owned property that we want to see happen.

MR. GOODWIN: Okay. Is the County and their plan -- have you seen their plan --

MR. CASAR: We have.

MR. GOODWIN: -- as has been referenced here?

MR. CASAR: Correct.

MR. GOODWIN: Does it intend to support money beyond -- to do things beyond what the County owns? Are they going to give money to a revitalization plan for City property?

MR. CASAR: Yeah. So I would let the County and the County Judge speak to --
MR. GOODWIN: Okay.

MR. CASAR: -- their intentions, but what I would say is that we recognize that these sorts of investments create tax revenue throughout the area, and we had a discussion of capturing some of that increased tax revenue in this area, especially off of some of these major investments, to reinvest into the neighborhood, to continue that cycle of revitalization, and so they're having discussions of having tax increment financing alongside the Airport Boulevard corridor, so that as this project triggers more multifamily development and mixed-use development, that we capture some of that tax revenue to finance more affordable housing development so that we can have that kind of mixed-income revitalization that we want to see in the city of Austin.

MR. GOODWIN: Okay.

MR. CASAR: Thank you so much.

MR. GOODWIN: Thank you. Any other question, comments?

MR. CASAR: And you want me to sit here?

MR. GOODWIN: Additional comments?

(No response.)

MR. CASAR: Thank y'all very much.

MR. GOODWIN: Thank you.

MS. ECKHARDT: Good morning, you all. I'm
Sarah Eckhardt. I'm the Travis County Judge. I -- oh, wow. We really do need roadies, don't we? I am from an arm of government that is not often well-understood even by those in it.

County government is an agent of the State. Any county government is an agent of the State, of course, with authority countywide, irrespective of the lines of the municipality. So while we are not required to get the permission of the City for the redevelopment of 13 acres on North Airport Boulevard for the revitalization of the Ridgetop neighborhood or for the North Loop neighborhood, we work in close collaboration with the City of Austin and indeed all 23 of our municipalities.

We have authority throughout even within our municipalities. We have 23 municipalities. In some cases, we have greater latitude than a private landowner within the city limits because of course we do not bear taxes and also we've not restricted by the site development regulations or the neighborhood development plans of the City, but we find that through working with our municipalities very closely we can catalyze these redevelopments of areas that were very low opportunity areas that are coming up to mid-opportunity, and with a little bit of leveraged assistance, can really be a higher level of quality, particularly for low-income folks,
particularly for the development of multifamily, deeply-affordable housing, co-located with County services that those very individuals can benefit from.

So in working with the City, working with the North Loop Neighborhood Association and the Ridgetop Neighborhood Associations, and working with the ACC Highland Campus, we were able to take the 13 acres that we had been land-banking for future Travis County services and co-located housing on them.

This is our first foray into co-locating housing with appropriated braided County services. It will include Health and Human Services, Veteran Services and our Passport Services, directly next to our tax office and our County Clerk's office.

The neighborhoods surrounding us are very interested in that because it provides not only housing in our partner, but it also provides possible jobs. It also provides services and it provides a life, a street life, a streetscape, that isn't just convenience stores and gas stations.

So this is important to the neighborhoods. We worked with previous councils and this current Council as sort of a pilot case of form-based code on Airport Boulevard in advance of their code rewrite that they're engaged in right now.
We have, over the 15 years, invested about $30 million in this campus. Twenty-eight million dollars will be invested in the Health and Human Services office that will be co-located with this affordable housing. About $3.6 million will be invested over the next year or two in the tax office that's immediately adjacent. And we anticipate spending an additional 32 million in the next five years on the 13-acre campus on the whole.

We also are in productive conversation with the City of Austin about the appropriate use of tax increment financing, public improvement districts and mutual transit investments with Capital Metro for the braided benefit of this area.

So we are in deep partnership. It's true that we didn't go before City Council for approval because, well, we're the County, but we did work with them very, very closely. We didn't go before their Zoning and Platting Commission, for instance.

We are -- we do have to follow their zoning when we're building within their city limits, but we don't have to follow their site development regulations. We choose too, though, in partnership. And so, yes, it's true.

We did not go before the City Council for approval of our development plan because we are an odd
duck. We're not your usual private landowner inside a city.

MR. GOODWIN: Ms. Eckhardt, I don't want to interrupt, but I think the issue in front of our Board is whether there is a community revitalization plan or not, not whether you have to or have conformed with the City, and that, I think, is the determination based on a number of points given to an application, if it's within a community revitalization plan.

So if you don't mind, if you could focus on that --

MS. ECKHARDT: Sure.

MR. GOODWIN: -- community revitalization plan, I think that's what the discussion and then the vote is going to be on.

MS. ECKHARDT: Yeah. So what questions do you have with regard to whether we are part --

MR. GOODWIN: Well, I --

MS. ECKHARDT: -- of the community revitalization plan?

MR. GOODWIN: -- I heard the councilmember before you say that, you know, this was something that was going to be done, and he seemed to focus on Highland Mall. And again, I keep looking at this, and it says, a proposed CRP planning area.
It doesn't include Highland Mall, and it includes another area, and I guess I'm curious why the County wouldn't have gone to the City, if you worked so closely with them, and said, let's develop a community revitalization plan --

MS. ECKHARDT: Uh-huh.

MR. GOODWIN: -- and this one that I see in here, that it says, "Proposed," is that something that the County and the Commissioners have voted on and --

MS. ECKHARDT: The North Boulevard [sic] Revitalization Plan?

MR. GOODWIN: Well, this shows going from about 51st Street up to 2222 or Koenig Lane --

MS. ECKHARDT: Yes.

MR. GOODWIN: -- from I-35 east to just a little bit -- I mean, east of I-35 to just a little bit west of Airport Boulevard.

MS. ECKHARDT: Yes.

MR. GOODWIN: So I realize the County doesn't own all that property. They own 13 acres, I assume, within that --

MS. ECKHARDT: Yes.

MR. GOODWIN: -- which is a location -- thank you very much -- that I have used frequently, but it doesn't create a community revitalization plan unless the
County has adopted one for areas which are in the city that are outside of -- or not in the County's purview.

I'm just confused.

MS. ECKHARDT: Yeah. And that is an area of confusion with regard to County governance. I think that we wear two hats in this instance. We are not only the County government, but we are also a landowner working through our Housing Development Corporation.

So I think perhaps the confusion is in the two hats. Yes, we have an adopted County North Airport Boulevard Revitalization Plan. That is true. It is copacetic with the City's plans for the area, and also it is complementary to the Community College's plans for the area, and while the City has neighborhood plans in Ridgetop and the North Loop Neighborhood Associations, we work with those two to make sure that our plan for the 13 acres is resonant and follows the City's plan for the area.

MR. GOODWIN: Okay.

MS. ECKHARDT: Does that help?

MR. GOODWIN: Have -- oh, yeah. I understand the difference between city and county government and county property inside of a city. Have you gone to the City and asked them to adopt a community revitalization plan?
MS. ECKHARDT: I personally have not stood before City Council and asked them to adopt a revitalization plan for this property, no.

MR. GOODWIN: Well, not for this property, but for this area?

MS. ECKHARDT: I believe they already have a plan for this area and that we are working within it.

MR. GOODWIN: Okay.

MS. ECKHARDT: If --

MR. GOODWIN: Other questions?

MR. BRADEN: To the Chair, Judge, so -- and maybe this is a little -- is some of the same things that J.B. was talking about. So when we look at our packet of materials, there's this red -- I don't know -- if I'm making sure of the map, and maybe Marni can answer it -- but there's this red proposed CRP planning area boundary. Has that already been approved by the County Commissioners as a revitalization area of the county?

MS. ECKHARDT: Is -- and could I see the map so I could tell you whether it has?

MR. GOODWIN: It's in our Board book. I don't have it on this computer.

FEMALE VOICE: And you know, I'm prepared to answer these technical questions.

MR. GOODWIN: Sure.
MR. BRADEN: Okay.

FEMALE VOICE: I don't want the Judge to get --

MR. GOODWIN: Okay.

FEMALE VOICE: -- in the weeds on some of the more technical aspects --

MS. ECKHARDT: Yeah.

FEMALE VOICE: -- of the plan.

MR. BRADEN: Then I'm fine with that.

FEMALE VOICE: Okay.

MR. GOODWIN: Sure.

MS. ECKHARDT: But sufficient to say, the County has invested tens of millions of dollars over the last 15 years, and intends to invest significantly more than we already have in the continued revitalization of this area, in partnership with the City of Austin.

We've been in partnership with them throughout, and I'm very proud of that. Any other questions?

(No response.)

MR. GOODWIN: Next?

MS. SISAK: Thank you. Good morning, Board Chair Goodwin. My name is Janine Sisak from DMA Development Company. We are partnering with Travis County on the Travis Flats development. I really appreciate your comments, Board Chair, about the question at issue today, and that is whether the North Airport Boulevard

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Revitalization Plan meets the language and the requirements of the QAP, and as some of the other questions indicate, and as the 28 pages of back-and-forth between staff and the Applicant on this issue illustrate, is that we've gotten really in the weeds really quickly on this issue in terms of, you know, City, County jurisdiction, the overlap.

Are they mutually exclusive? Who has jurisdiction over what? And you know, I contend that that -- all that debate is irrelevant when you look at the language of the rule. I mean, we could sit here and talk about it all day long, but there's no requirement that a county who is invoking the points under this rule has to go to the city for approval.

Part of the problem in this case is that there are five plans for this area, five plans, two by Travis County, two by -- or one by neighborhoods, two by the City, and we reviewed all of them, including the City of Austin Corridor Plan.

The City of Austin is a corridor plan. It -- the boundaries of that City of Austin plan follow the streetscape and therefore it does not meet the requirements of TDHCA. The plan that we submitted that the County Commissioners approved meets the requirements of the QAP, and let me illustrate how.
So let's go back to the language of the QAP.
The development site must be located in a distinct area that was once vital and has lapsed into a situation requiring community revitalizations. Councilmember Casar talked a little bit about this.

I will address it in a second. And then the second prong is that the adopted plan must have sufficient, documented and committed funding to accomplish its purpose on the established time frame. This funding must have been flowing in accordance with the plan, such that the problems identified within the plan will have been sufficiently mitigated.

Okay. The first prong: does the planning area have problems indicating a situation requiring concerted revitalization? The QAP specifically lists the following as a potential problem: long-term disinvestment such as significant presence of residential or commercial blight, street infrastructure neglect such as inadequate drainage and/or sidewalks in significant disrepair.

The plan that we submitted, which not only includes the 13 acres of Travis County footprint, but a larger neighborhood -- granted, it's within the City of Austin -- but it's a larger neighborhood -- lists the following problems: long-term disinvestment and neglect of Airport corridor streetscape, which contributes to a
hostile pedestrian environment, and disincentive to future commercial and residential growth, blighted, underutilized properties, lack of affordable housing and poor neighborhood conditions.

These are five different problems. They are beyond poor streetscapes. The problem is not just poor streetscapes and infrastructure, but it's a larger problem, and those problems go throughout the neighborhood.

Despite that staff materials note that they could not find evidence of these conditions, our plan and the appeal materials submitted at least 40 pictures of, you know, aging, blighted structures, vacant retail, under-utilized properties, graffiti, I mean, a whole slew of problems in this neighborhood, and it even maps them, I think. I don't know if we did it.

But I mean, the incidents were all through the neighborhood. These were not contained within the 13-acre campus. I -- when we first got the rejection of these points, I personally walked the neighborhood. You stand on one side of the street.

You have to walk three blocks up to find a way to cross the street, and then walk three blocks down to the public bus stop. It is chaotic. It is truly hostile to pedestrian traffic, and I think, you know, most people
who live in Austin would agree that this neighborhood is in need of revitalization.

Again, there are five plans targeting this area for strategic redevelopment activities, and yet, not a single one of them meets TDHCA's requirement. But the one that we submitted does. This -- you know, one more thing. Perhaps the issue with this neighborhood is that it's on the upswing, like other neighborhoods in central Austin are on the upswing.

It's hard to tell from the staff materials what exactly the issue is when you provide photographic evidence of blight and disinvestment. But there are other CRPs in East Austin that were approved and given points this round.

One of them is in the Riverside corridor. That plan was a City Corridor plan. And then the other one is the Homestead Preservation District in central East Austin. And when you look at both those neighborhoods, taking the central East Austin one.

Endeavor's doing a huge redevelopment. There's a Whole Foods coming. There's some of the best restaurants in town in that neighborhood. Homes are selling in the 50-0 to $700,000 range. When you look at Riverside, there's a Starbucks, there's a Bert's, there's an Orange Leaf. There's all this national retail.
Oracle put a state-of-the-art campus. And I just -- I find it hard to believe that staff finds evidence of problems in those two areas and can't find evidence of the problems in the North Airport corridor.

So that's the first prong. I mean, I feel like it's clear, considering Councilmember Casar's comments about how this was a gateway to ACC and when the mall fell into disrepair, so did this part of town. The second prong: does the plan have sufficient documented and committed funding to accomplish its purpose?

The answer is yes. The plan outlines sufficient documented and committed funding in the form of several large redevelopment activities within this planning area to the tune of $40 million. But staff states that the plan did not provide evidence of targeting funding, because of an interpretive question.

Marni read some of it, some of the issue, and I'll read it again, because it's -- I'll just read it again slowly, because it's a sentence that I think merits some thought. "The interpretive question under the rule is whether the requirement that the area targeted for the revitalization must be larger than the assisted housing footprint and should be a neighborhood -- contemplates that the larger area, in this case, neighborhood, would be within the primary jurisdiction of the County that
approves the plan, such that the purposes of the plan would extend into that larger area and not be confined to the limited area directly controlled by the County."

So in the Board materials, I kind of go through the sentence. I don't think what's at issue here is whether our planning area is a neighborhood. I think it is a neighborhood. Again, it's beyond the 13 acres. That consists of the Travis County Campus.

This question, which I mean, I -- honestly, I just -- I've read it 15 times. I'm not sure that I even understand it, but it's beyond the scope of the rule. There's nothing in the rule that contemplates this kind of question.

I think the interpretive question, rather, is -- does the committed funding affect the entire area and does it help ameliorate issues identified in the plan? I think that's the operative question, and I think the answer is yes.

I think what staff's heartburn on this issue is that the County plan covers an area within the city limits, and I think what they're suggesting is, that shouldn't count, because the City has primary jurisdiction over certain things, like roads, for instance.

Again, there's this talk about -- did we take the County plan to the City? And the answer is no,
because the rule doesn't require that in any way, shape or form. At one point, when we were talking about the rules, TDHCA staff was recommending language changes to this section to suggest that the County could only pick a most-favored project in a county that was outside of the city jurisdiction.

I don't know if you remember that. I was the person who got up and said, hey, wait. You know, the rule has always said, cities can have plans. Counties can have plans. Cities can pick a most-favored. Counties can pick a most-favored.

That draft language was not accepted by this Board, and so it suggests that what we always thought the rule said was true. Counties have the ability to form plans. Cities have ability to form plans. County can pick most favored. City can pick most favored.

But the fact that the Board did not accept that changed language suggests that all of this discussion about whether we took the County plan to the City is outside of the scope of the rule. I mean, it just is. And this concept of an interpretive question -- I mean, when you go back and forth with staff, and you're kind of arguing a point, and then, you know, this kind of question comes up that's not in the rule after the fact, you know, in May, June -- oh, this is the requirement that you have
to meet, even though it's not in the rule at all, you know, seems really like you're just chasing an unknown.

And I think the issue is that TDHCA staff doesn't think there should be County plans within the City jurisdiction. And that's fine. Next year, change the rule to say that. The rule does not say that now. So in sum, the big picture is, the plan we submitted meets the QAP requirements which are meant to award points where there's a plan in place and targeted funding to address the problems identified in the plan.

The important analysis is whether the County's $40 million investment in this area is working to ameliorate the problems identified in the plan throughout the entire planning area. And again, the plan just didn't identify streetscape and street improvements.

The big picture is that the City, County and neighborhood groups have been working together through various strategic plans to improve this area which is need of revitalization. The City of Austin and the County have both made significant financial commitments to see this happen in this very important corridor.

And so in sum, the plan that we submitted meets the requirements of the QAP. I'm happy to answer questions, but really, we need to focus on -- is this an area in need of revitalization? Yes. Is there targeted
funding that improves the issues identified in the plan?

Yes.

You know, is this a neighborhood that's a neighborhood, a larger area than the Travis County Campus footprint? Yes. Any questions?

MR. GOODWIN: Questions?

MR. BRADEN: So when you say there's targeted funding, you're referring to the County money?

MS. SISAK: Yes.

MR. BRADEN: And the County money is not being spent on this site, but it's being spent on other properties that the County owns within this proposed CRP?

MS. SISAK: It is spending money within the boundaries of the CRP area, which is the neighborhood.

MR. BRADEN: Right. On properties that it owns?

MS. SISAK: On properties that it owns, but remember that that extends to the streets. Right? So they're creating sidewalks that are walkable. They're working with the neighborhood to create vibrant community -- mixed-use communities with, you know, connectivity to public transportation.

The whole area benefits, and it's not just a small -- the 13 acres isn't a small portion of the area. It's 13 acres. It has a huge potential for -- to be a
catalyst project.

MR. GOODWIN: But I think the question that I'm hearing Paul -- and I'm not hearing the answer to is, all of the County's money is going to be spent on that 13 acres, not three blocks away where you had to cross to go get the bus. Just a point of clarification.

MS. SISAK: Uh-huh. Yeah --

MR. GOODWIN: That's correct?

MS. SISAK: -- I think that's accurate. Right.

MR. GOODWIN: That's accurate? Uh-huh. I've got a question --

MS. SISAK: But the -- again, the benefits -- the benefits --

MR. GOODWIN: We understand.

MS. SISAK: Okay.

MR. GOODWIN: Marni, I've got a question for you. You referenced two other applications in two other areas that received these points --

MS. HOLLOWAY: Uh-huh.

MR. GOODWIN: -- but they're not City of Austin -- community revitalization plans are not in place in those?

MS. HOLLOWAY: The --

MR. GOODWIN: That's what I understood.

MS. HOLLOWAY: -- plans are in place.
MR. GOODWIN: I'm sorry?

MS. HOLLOWAY: There are plans in place for those two applications that meet our requirements and our rule.

MR. GOODWIN: Okay. But they're community revitalization plans --

MS. HOLLOWAY: Yes.

MR. GOODWIN: -- in both of those other areas?

MS. HOLLOWAY: Yes.

MR. GOODWIN: Okay, okay. Other questions?

MR. BRADEN: And maybe this is Marni or maybe it's Beau or Tim, but our rule doesn't require that the City adopt a plan. Right?

MR. IRVINE: I'll attempt to clarify at least my understanding, and frankly, address something that Janine said. I don't think it's an issue of whether staff thinks that counties can or can't assert their jurisdiction in areas that happen to be covered by municipalities.

To me the issue is, has the County's plan, which is documented in the application, defined an area? Which it has. The red line defines the area. For the portion within that that is 13 acres, I understand that the County has committed funding.

That funding goes beyond the development and it
includes the other facilities that the Judge mentioned.
So the real question in my mind is, within the portion of
the red circle that is outside of the 13 acres, is it
described in the plan and acceptable to the Board that
that funding is occurring under things that are going on
at the City level, Capital Metro level, other levels.

I mean, to me, that's the way I understand the
issue.

MR. GOODWIN: Any other comments or questions?

MR. BRADEN: And I guess in light of that, you
know, I basically agree. I mean, I think that the County
adopted something that set out the boundaries, these red
lines, and that seems like the box is checked. And let's
check the box about the first priority in terms of needs
being there.

If we're going to assume that that's the case,
we're going to have to have a discussion about that. So
then the committed funding they have is County money, when
owning County properties. Now, we've heard second -- you
know, just testimony today that the City is also putting
money in this corridor, which must be on both sides of
Airport Boulevard, I would assume.

It's a corridor. So that would cover part of
that, and I guess we don't have documentation to show
that. We've heard about other entities that are investing
money, but the only documentation we know for sure is the
money that the County is putting in.

And I guess that just goes to the rule. I
mean, the intent of the rule, it's supposed to be part of
a larger revitalization effort and the fact that the
County is only putting money into its properties -- it's
not like a private developer that only puts money into its
properties.

I mean, I do think there is some revitalization
by any government entity putting money into property. So
I think there is a distinction here, but I mean, I guess
it would have been nice if we had more of the demonstrated
evidence of other government entities putting money into
this area.

I mean, it sounds like it is -- they are,
but --

MS. HOLLOWAY: The Airport Boulevard Corridor
Plan actually is posted on the City of Austin website. I
was looking at it the other day and it is actually very
detailed in the improvements they're going to be making
along Airport regarding these mobility questions.

MR. GOODWIN: Is it referenced in the plan?

MS. SISAK: Yes, it is.

MR. GOODWIN: You mean the application?

MR. IRVINE: In the plan, which is in the
application.

MS. SISAK: In the plan, which is in the application, several times.

MR. BRADEN: And that corridor, I assume, is on both sides of Airport Boulevard?

MS. HOLLOWAY: Yes.

MR. BRADEN: So when they're making improvements and they're -- it sounds like the City of Austin is committing money to that -- it's along this road that's right in the County CRP?

MS. HOLLOWAY: Yes.

MR. BRADEN: That sounds like pretty much what the rule's trying to get at.

MR. GOODWIN: Uh-huh. Any other questions? May I hear a motion from a Board member to either accept staff recommendation and deny the points, or to approve the appeal?

MR. BRADEN: I'll make a motion to approve the appeal in light of what was discussed.

MR. GOODWIN: Okay. Is there a second?

MS. RESÉNDIZ: Second.

MR. GOODWIN: So it's been moved and seconded.

Any other discussion?

(No response.)

MR. GOODWIN: All those in favor, say aye.
MR. GOODWIN:  Opposed?
(No response.)
MR. GOODWIN:  Okay.  The appeal is granted.

All right.  We're going to move on to report action items, and we have a report on the Department's Outreach and Citizen/Community Participation Plan.

MS. HEMPHILL:  Good morning, Chairman Goodwin, Board members.  I'm Suzanne Hemphill, Fair Housing project manager at TDHCA.  Item 3(a) is a report on the Department's Outreach and Citizen/Community Participation Plan for the analysis of impediments to fair housing choice.

Funds that the Department received from the U.S. Department of Housing and Urban Development, or HUD, come with a duty to affirmatively further fair housing. This obligation comes from the Fair Housing Act of 1968 which gives HUD a lead role in administering the Act.

You may have seen some recent headlines about HUD's Affirmatively Furthering Fair Housing Rule. In 2015, under the prior administration, HUD adopted the Affirmatively Furthering Fair Housing Rule. This rule required all HUD-funded recipients to complete an assessment of fair housing.

They would use an assessment tool that HUD
needed to create to complete the assessment. While a tool for local HUD recipients was completed, a tool for State recipients of HUD funds was never finalized by HUD. The Affirmatively Furthering Rule seems to have contemplated this, that this could occur, because the rule states that if the tool is not completed, recipients will instead conduct a fair housing assessment under the prior methodology, the analysis of impediments to fair housing choice, also known as the AI.

So that's what Texas will be doing. The AI will identify impediments to fair housing choice within the whole state. One of HUD's major planning requirements of subrecipients, including the Department, is that every five years a new consolidated plan is required to be produced.

Prior to beginning the consolidated plan for 2020 to 2024, all State agencies that receive community planning and development funds from HUD are required to undertake their housing planning which includes, as directed by HUD, completing an analysis of impediments. Completing an AI and documenting action steps taken to address the identified impediments are part of the Department's efforts to affirmatively further fair housing. The General Land Office, Department of State Health Services, Texas Department of Agriculture and the
Texas Department of Housing and Community Affairs are State recipients who disburse federal funds from the Community Development Block Grant, CDBG disaster recovery programs, housing opportunities for persons with HIV/AIDS, HOME, National Housing Trust Fund, and the Emergency Solutions Grants Program.

All these programs are responsible for carrying out the work of the AI. The Department will take the lead in coordinating efforts across the State agencies. The most recent State AI was completed by the State in 2013 with the use of external consultants.

However, for this next AI, the State is taking a different approach. It will be completed with internal staff and through the addition of two temporary positions to support the project, as outlined in the Department's General Appropriation Act.

In the development of the AI, the State will follow the Citizen/Community Participation Plan as required by federal regulations and approved by the Board in November 2017. A significant degree of public consultation and engagement is required by HUD prior to initial draft of the AI being presented to the Board and made available for public comment.

The Board book includes a draft outreach schedule for the AI. The Department will host 13 meetings
across the state of Texas in June, July and August to get
input from stakeholders and community members. The
outreach meetings will take place in Abilene, Amarillo,
Austin, Brownsville, Corpus Christi, Denton, El Paso,
Houston, Laredo, Midland, Nacogdoches, Seguin and
Texarkana.

The State will be seeking input and feedback
regarding fair housing issues and particularly issues
affecting protected classes under the Fair Housing Act.
So those groups include race, color, religion, national
origin, sex, disability and familial status, and the
ability of those persons to exercise housing choice.

In collaboration with other State agencies,
staff will also host several conference calls that will be
more narrowly focused on specific fair housing topics,
such as fair housing through the lens of disaster recovery
and the intersection of health services and fair housing.

The Department is also hosting a call with Fair
Housing Initiatives Program and the Fair Housing
Assistance Program recipients. These are HUD-funded
organizations in Texas who focus on fair housing education
and enforcement, and we expect that they'll have some
unique insights to share.

The Texas Department of Agriculture is also
seeking input through their summer meetings with each
Council of Government in Texas. In other meetings, fair housing will appear on the agenda and be a subject to discuss.

The outreach schedule will be translated into Spanish and Vietnamese and made available on the Department's website. Because the AI will also inform the consolidated plan, the Department will use the outreach and engagement process for the AI as an early opportunity for consolidated plan consultation, allowing staff to maximize State resources.

After conducting outreach, staff will compile the results with our data analysis and research efforts and present a draft AI to the Board for consideration in fall to winter 2018. The draft will then be published with a formal public comment period to follow.

The State's AI is due to HUD on May 7, 2019. So I'm excited to be heading up this project for the Department. Thank you very much, and I'm happy to answer any questions that you might have.

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

MS. THOMASON: So moved.

MR. GOODWIN: So moved. Second?

MR. BRADEN: Second.

MR. GOODWIN: Before we vote, any questions?
(No response.)

MR. GOODWIN: All in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. Thank you. Item 3(b).

MR. ZIMMERMAN: Good morning, Board, Chairman Goodwin. My name is Matt Zimmerman. I'm the asset resolution manager under the Asset Management Division, under the leadership of Raquel Morales. I'm here to provide a report item on a workout plan that's been approved by our executive director and administratively per our rule.

Angelica Homes is a 1999 home deal consisting of 24 units in the city of Fairfield. The current owner of Angelica Homes has submitted a request of ownership transfer due to the age and inability for them to currently maintain the operations of the property.

Staff have been working with the owners for over a year now, and the subject property is subject to a 41-year term LURA. The development was funded in two tranches of debt service, 890,000 in hard debt service and which the owner is current on, and the $320,000 deferred balloon note.

The balloon note is due and owing and the lack
of sufficient cash flow has left the owners unable to pay
this outstanding balance associated with the balloon note.
Underwriting at the inception of this deal acknowledged
and mentioned the need to forgive a significant portion,
if not all of this soft debt service, as illustrated
through the pro forma.

Asset Management staff have reviewed multiple
modifications and options to incorporate the outstanding
loan into a harder soft debt service model, but both these
options would put the new owners under financial stress
and could potentially hinder the success of the new
owners, thereby presenting potential liability to Housing
and Urban Development.

Staff has moved to forgive this outstanding
balloon note in order to illustrate success for the
ownership transfer.

MR. GOODWIN: Okay. Any questions?
(No response.)

MR. GOODWIN: Do I hear a motion?
MR. BRADEN: Move to approve.
MR. GOODWIN: Move to approve. Second?
MS. THOMASON: Second.
MR. GOODWIN: Moved and seconded. All those in
favor, say aye.
(A chorus of ayes.)
MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay.

MR. ZIMMERMAN: Thank you.

MR. GOODWIN: 3(c).

MR. SCOTT: Good morning, Chairman Goodwin,

Board --

MR. GOODWIN: Good morning.

MR. SCOTT: -- members. The Audit and Finance Committee met earlier this morning. I presented the audit of the Emergency Solutions Grant, ESG. We found that the program had effective processes and we had a few suggestions for improvement.

There were also two other items presented which Ms. Thomason is going to introduce.

MS. THOMASON: Yes. This morning in our meeting, we also had a presentation by Mr. Lyttle related to the Agency’s strategic plan for fiscal years 2019 through 2023, and Mr. Lyttle will speak to that.

MR. LYTTLE: Thank you, Ms. Thomason. Yes, the -- we are coming before the Board -- TDHCA staff is coming before the Board in this month and next to have elements of the Legislative Appropriations Request, or what we call the LAR, approved.

Items 4(a) and 4(b) contain the strategic plan
draft budget riders that will be a part of our overall
budget plan, and the capital budget as well, which deals
with information systems technology and upgrades and
things of that sort.

So we had presented all those items to the
Committee this morning for their approval -- their review
and approval. Thank you.

MR. GOODWIN: And I assume you approved them?

MS. THOMASON: Yes, we did.

MR. GOODWIN: Okay. So we need a motion to
accept Item 3(c), 4(a) and 4(b).

I'll let you make that motion.

MS. THOMASON: So moved.

MR. GOODWIN: So moved. A second?

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 Item No. 5.

MS. BOSTON: Hello.

MR. GOODWIN: Good morning.
MS. BOSTON: Chairman and Board, I'm Brooke Boston, one of our deputy executive directors. I'm presenting Item 5 in your Board materials. This item is a request for Board authorization to pursue a funding opportunity recently released by HUD that would allow us to access more housing vouchers.

On April 18 of this year, HUD released a Notice of Funding Availability, or what we call a NOFA, announcing the availability of $100 million in mainstream housing vouchers. These vouchers are for non-elderly people with disabilities.

The NOFA prioritizes submissions in which the current voucher program already partners with service agencies and in which vouchers will be used to allow persons with disabilities living in institutions to exit those institutions and live in a community setting.

Staff feels we're very well positioned to apply for these vouchers because the Department has just such expertise in partnerships through an existing program we have called Project Access. Our Section 8 manager, Andrew Adams, and his team did an excellent job administering this Project Access program, which provides vouchers through our Section 8 program for persons exiting institutions through an existing partnership that we have with the Texas Health and Human Services.
Our Project Access program has been in operation since 2003 and has consistently grown. Currently, the Department's Project Access program has a waiting list exceeding 200 individuals. We're interested in pursuing this NOFA specifically so that, if awarded, we can issue vouchers to those on the waiting list and then others, if there are still some available.

Staff's application to HUD -- we'll request up to $2 million. Staff is also asking for authorization with this Board request item, that if the funds are awarded, we can go ahead and proceed with accepting the award and issuing the vouchers to the waiting list so that we can move quickly.

We would, of course, report to the Board to let you know the status of the award and the progress in issuing the vouchers. The application is due to HUD June 18. I want to give a shout-out to Andre, the manager of the Section 8 program for his ongoing commitment and interest in trying to consistently bring in more resources and assist more households, and while the Section 8 staff and I definitely have the stronger -- excuse me -- desire to apply for these funds, it would not have been possible to make that actually happen without the amazing skills of Cate Tracz.

Cate, if you could stand up? She has also been
assisted by Elizabeth Yевич and Cali Adams, who are both here, and Cathy Collingsworth in our Community Affairs Division, who is back working. So without their help, we wouldn't have actually been able to try and put together the whole application to do this.

So with that, if you have any questions, I'd be happy to answer them.

MR. GOODWIN: Do I hear a motion to accept the staff's recommendation for this application?

MR. BRADEN: I'll make a motion to accept the staff's recommendation and authorize the executive director of the TDHCA staff to submit the application.

MR. GOODWIN: Second?

MS. THOMASON: 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: Thank you.

MS. BOSTON: Thank you.

MR. IRVINE: And I'd just like to express appreciation to Brooke and her team for always leaning forward and looking for solutions. So thanks.
MR. GOODWIN: Marni?

MS. HOLLOWAY: Good morning. Item 6(a) is presentation, discussion, and possible action regarding the issuance of Multifamily Housing Revenue Bonds for Crosby Plaza. This is Series 2018 Resolution No. 18-021 and a Determination Notice of Housing Tax Credits.

An inducement resolution was approved at the June 29 Board meeting and a reservation was issued on March 9 with a bond delivery deadline of August 6. Crosby Plaza Apartments is located in Crosby, Texas. This is the acquisition and rehabilitation of 86 units serving a general population.

All of the units will be restricted to 60 percent of AMI, and currently all of the units are covered by a project-based Section 8 HAP contract. The Applicant has requested a waiver regarding the required delivery date for the no-objection resolution for tax-exempt bond developments which is required by rule to be submitted no later than 14 days before the Board meeting.

The proposed development is located in the Houston ETJ. So a resolution is required from both the City and the County. The Applicant timely submitted the resolution from the County, but the Houston City Council did not consider the resolution until its May 16 meeting.

The resulting resolution is included in your
Board materials. The waiver meets the requirements and rule because it would serve the Department's purpose described in statute by contributing to the preservation of government-assisted affordable housing because Crosby Plaza has that Section 8 contract I just mentioned.

Under the proposed financing structure, the Department will issue a single series of short-term, tax-exempt, fixed-rate bonds in an amount not to exceed $7 million that will be collateralized with the proceeds of a taxable FHA mortgage loan.

The bond proceeds will be utilized for project cost and as bond proceeds are drawn down, the proceeds from the FHA loan are simultaneously drawn and placed in an escrow account for the benefit of the bondholders, which minimizes risk.

The bond mortgage will be subordinate to the FHA mortgage and will remain outstanding throughout the rehab period and then it will be retired. The bonds will have a maximum interest rate of 5 percent, and a final maturity date of August 1, 2022.

Upon redemption of the bonds, the FHA mortgage loan will remain and carry a 4.08 interest rate with a 40-year term and amortization. The Applicant's portfolio is considered a small Category 1, and the previous participation review was deemed acceptable by EARAC which
also reviewed the proposed financing and underwriting report and recommends approval.

Staff recommends that a waiver of 10.46 of the Uniform Multifamily Rules be granted and that the issuance of up to $7 million in tax-exempt multifamily housing revenue bonds Series 2018, Resolution No. 18-021 and the issuance of a Determination Notice of up to $390,778 in 4 percent housing tax credits for Crosby Plaza be approved.

MR. GOODWIN: Do I hear a motion?

MR. BRADEN: I'll make a motion to accept staff's recommendation.

MR. GOODWIN: Second?

MS. THOMASON: Second.

MR. GOODWIN: Any discussion or questions?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. 6(c). Thank you, Marni.

MS. HOLLOWAY: Uh-huh.

MR. GOODWIN: Item 6(c) is presentation, discussion and possible action on a request for the
extension of the placement in service deadline under 10
TAC §11.6(5) of the -- well, this says, 2016 -- I'm
sorry -- of the --

MR. GOODWIN: '18?

MS. HOLLOWAY: -- 2018 Qualified Allocation

Plan (QAP) related to Credit Returns Resulting from Force
Majeure Events and a waiver of 10 TAC

§10.204(7)(A)(i)(III) related to Financing Requirements

for Application No. 16114, The Veranda Townhomes.

The Veranda Townhomes received a $474,312 award
of 9 percent credits in 2016. In -- on September 7, 2017,
an ownership transfer and application amendment was
approved for this development. On April 2, the Department
received a request to extend the placement in service
deadline under the requirements of the credit returns
resulting from force majeure events rule.

In the course of reviewing the request, staff
determined that a waiver related to financing requirements
is required in order that the development can access
financing required for feasibility. The 2016 tax credit
application identified the members of the general partner
as Plano Housing Corporation and RISE Residential
Construction.

RISE and Plano Housing Corporation were also
the co-developers in the transaction, while RISE alone was
proposed as a guarantor. The ownership transfer, that I
mentioned earlier was approved in September, effectively
replaced RISE with Bank of American Community Development
Corporation.

The request explained that after the
application was submitted for The Veranda, RISE and Plano
Housing Corporation entered into litigation regarding
another development and the issues raised in connection
with that litigation made it difficult to cooperate in The
Veranda and City Square Apartment Homes, which was a 2015
development they had partnered in.

RISE and Plano Housing Corporation entered into
a letter agreement for RISE's withdrawal from Veranda.
Similarly, Plano Housing Corporation exited City Square.
RISE has continued with City Square, which was granted
relief under the force majeure rule at the December
meeting.

Regarding the waiver, as a result of the
ownership change, along with increased construction costs,
the Applicant had to seek new financing. They have
submitted new application exhibits and supporting
documentation for REA review.

They are moving to an FHA 221(d)(4) loan that's
broken into two tranches. Tranche A is a $4,470,000 loan
at 4.15 percent amortized over 40 years. Tranche B is a
$2,555,000 loan also at 4.15 percent which is amortized over 20 years and that's the term of the project-based voucher contract.

Staff has identified the need for a waiver of part of the rule regarding financing requirements for the Tranche B loan, which is amortized for 20 years. The rule requires amortization on permanent debt no less than 30 years.

So that's a waiver request. If the force majeure request is granted, the waiver will be necessary to move forward with the proposed financing. Regarding the force majeure request, the Department has received a request to extend the placement and service deadline from December 31, 2018 to December 31, 2019, with the possibility of one 90-day extension.

This rule allows the development owner to return issued credits within three years of award and have those credits reallocated to the development outside of the usual regional allocation process, if all the requirements of that subsection are met.

The request describes both litigation and material or labor shortages which have caused the development to be delayed. In this case, the litigation described in the request was between Green Extreme Homes, which shares principals with Plano Housing Corporation and
RISE, which I mentioned earlier.

It was regarding a development called Savannah at Gateway. In the request for extension of the deadline for the development to be placed in service, the development owners describes delays attributable to the lawsuit which prevented moving forward with The Veranda, specifically that they were not able to gain control of the site until June 2017.

That's when the letter agreements happened.

This same litigation, as I mentioned earlier, was presented by RISE as part of their reason for their force majeure back in December. Regarding the materials or labor shortages in their request the owner provided a letter from their Houston-based general contractor.

This was their original general contractor who resigned as a direct result of Hurricane Harvey. They believe -- and they resigned in December 2017. The owners believed that if the contractor had not resigned, they would have been able to timely complete the development, but they were not able to secure another general contractor until late February 2018, making timely completion of the development impossible.

Plano Housing Corporation has made a significant investment in The Veranda, including purchase of the land for more than $3 million and additional
predevelopment costs of approximately 500,000. The request is accompanied by letters of support from the City of Plano and Representative Matt Shaheen.

I believe that's what it looks like it's pronounced. If the Board grants the request, the development owner will return the $474,312 in credits, and they will be returned back to the development owner with a 2018 carryover allocation agreement.

Staff recommends that the request for treatment of The Veranda Town Homes under an application of the force majeure rule and waiver of financing requirements as they relate to amortization be approved with the condition that, except where prohibited by federal or state law, the Applicant must continue to follow the 2016 QAPN rules, except that the 2018 program calendar will apply.

MR. GOODWIN: Okay.

MS. HOLLOWAY: I'd be happy --

MR. GOODWIN: Any questions?

(No response.)

MR. GOODWIN: Do I hear a motion to accept staff's recommendation?

MS. THOMASON: I'll make a motion to accept staff's recommendation with the conditions.

MR. GOODWIN: Second?

MR. BRADEN: Second.
MR. GOODWIN: It's been moved and seconded.

All in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Marni, now we're going to take up Item 1(k).

MS. HOLLOWAY: Certainly. Item 1(k) is a report on required Housing Tax Credit notifications made under 10 TAC §11.8(b)(2)(B) with a Department-provided template, and possible action to accept notifications made using a superseded version of the template as satisfying the current rule.

A template that can be used by applicants to provide the notifications required under the rules was posted along with other template documents in December. Staff identified that the posted template for notifications did not include all the requirements in the rule, so we posted a corrected template and send a listserv notification shortly after 2:00 in the afternoon on the day the pre-applications were due.

The changes to the template did not involve any statutorily required elements, so notifications that applicants had sent using the old template continued to meet the requirements of our statute. When the revised
template was posted, most, if not all, of the notifications had already been given using the old template.

Staff believes that notification given using the prior template which meets the statutory requirements should be accepted in light of the provisions in our rules about use of templates. Unless the Board has a different view or any questions, we would ask that the Board confirm that it agrees with this approach by accepting the report without changes.

MR. GOODWIN: Okay. And I know we have somebody that wants to comment on this, so I'll take a motion to hear comments regarding this agenda item.

MR. BRADEN: So moved.

MR. GOODWIN: Second?

MS. THOMASON: Second.

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MS. RICKENBACKER: Good morning. My name is Donna Rickenbacker with Marquis. Thank you, Chairman Goodwin, for removing it from the consent agenda and allowing me to speak to this item. This item pertains to
public notifications.

The Texas Government Code requires all applicants to provide evidence that they notified certain individuals and entities of the filing of their applications, and it goes on to state that such notifications are to be given in a form required by the Board in the QAP.

This is very important. State statute delegates the content of the notifications to the Board as prescribed by the QAP. Those notification requirements are set forth in Section 11.08 of the QAP and in Section 10.203 of the multifamily rules.

This year, several applicants were challenged on either deficiencies in the content of their notifications and/or their failure to notify certain individuals as required by the QAP as directed by state statute.

The item before the Board today relates to deficiencies in the content of the notifications. This year, the QAP and the multifamily rules require applicants to include a disclaimer. That disclaimer states: "In accordance with the Department's rules, aspects of the development may not yet have been determined or selected or may be subject to change, such as changes in the amenities ultimately selected or provided."
Several applicants did not include this disclaimer. They were challenged. Staff wants to allow these deficient notifications to be deemed acceptable without the disclaimer because staff's guidance in the form of a template was not updated until the day of the pre-application filing deadline.

As a result, staff is recommending that any applicants that used the 2017 template that did not include the disclaimer satisfies the notification requirements in the 2018 rules. We respectfully disagree with staff's recommendation to accept public notifications that didn't satisfy the requirements of the 2018 rules, and therefore did not comply with state statute.

The lack of a disclaimer may seem like a minor flaw in an otherwise compliant notification form, but the Board's actions regarding this item, we believe, will open up opportunities for others that were challenged to claim their notification deficiencies were compliant or that their failure to properly notify required recipients met the intentions of the rules.

We just believe that this is a slippery slope. In this instance, staff is effectively letting guidance in the form of a template supersede or trump our rules, and I must point out that staff gave multiple forms of guidance this year as it relates to this disclaimer.
They, you know, identified it in the webinar which replaced this year our workshops. They also identified it in the manual. So there was multiple forms of guidance that did track the requirement to provide this disclaimer in the notification.

Also, I personally don't believe -- these are experience developers with experienced consultants. I just don't personally believe that they even looked at the template. I think they probably pulled down templates that they used in prior years and just kind of moved forward with those respective templates.

So I personally -- I can argue the merits of this particular item, but I personally think that we believe the Board's action will impact determinations made in connection with more serious public notifications errors and omissions made by applicants and identified in RFAD challenges made this year.

Therefore, we're respectfully requesting that the Board table the item, and ask that staff bring back as an action item all RFAD challenges made this year relating to public notifications. This will allow the Board to review all these challenges holistically and apply consistency in its determination as to whether the Applicant followed the rules relating to the content of their notifications and whether they properly notified all...
required recipients.

I'm here for questions.

MR. GOODWIN: I've got a question. You referred several times to we. Who is the we? Are you representing somebody, or is we the development community? I just --

MS. RICKENBACKER: Well, we as in -- you'll hear some other parties that will be speaking behind me. We as in those that did challenge, particular applicants that didn't properly notify and also didn't properly notify required recipients.

So that's who we are referring to.

MR. GOODWIN: Okay. That's what I'm -- I just didn't know if it was a certain group that you were representing.

MS. RICKENBACKER: Yes, sir.

MR. GOODWIN: Okay. Other questions or comments?

MS. RICKENBACKER: Thank you.

MR. GOODWIN: Uh-huh.

MR. KELLY: Chairman Goodwin, Board, thank you for your time this morning. My name is Nathan Kelly with Blazer. To answer your question, I will say that I am here on my own account and Donna does not represent our business with respect to her comments.
But I will reiterate that we did submit a number of requests for third-party administrative deficiencies for various applications within Urban Region 6 with respect to the notification issues and our issue or belief or fear rather that -- is that an action on this specific item today will have -- or could be used as an argument or influence with respect to those items, those requests for third-party administrative deficiencies on the notification issues at next month's meeting.

And so we would second Donna's request and ask that the Board table this item until the June meeting so that it can be reviewed and viewed holistically alongside all of the other requests for third-party administrative deficiencies related to notifications.

And I'm here to answer any questions.

MR. GOODWIN: Okay. Any questions? Any comments?

MR. BRADEN: And let me -- maybe I'm just restating it for my clarification. So the old template and the new template complied with the statute, but the old template didn't comply with our most recent rules?

MS. HOLLOWAY: Correct.

MR. BRADEN: And it seems fair, and what staff is recommending is, well, we didn't make that correction to comply with our most recent rules until the day of, and
therefore, we're going to let people pick -- use the old or new template.

MS. HOLLOWAY: I believe that what we're saying is that the notification complied with statute.

MR. BRADEN: Right.

MS. HOLLOWAY: The -- I'm --

MR. IRVINE: I think we're really going beyond that. If you look at the definition of the Uniform Multifamily Application Templates in Section 134 of 10 TAC §10.3, it clearly provides that if you use the template, by rule, that is deemed to satisfy the requirements of the rule, and the people who used the notification template in its superseded form were using the available template, which it appears to me by rule is deemed compliant and sufficient.

MR. BRADEN: And to some extent, instead of replacing the faulty template, if we had just supplemented it by -- here is a fully-corrected template, and had two templates out there --

MR. IRVINE: Right.

MR. BRADEN: -- that would even be less of an issue than it is now --

MR. IRVINE: Uh-huh.

MR. BRADEN: -- because in fact, that's what we did. I mean, you really have two templates out there for
MR. IRVINE: Correct.

MR. BRADEN: Yeah. And I guess what is -- what would be the point of tabling it and bringing it back at the next meeting, as opposed to --

MS. HOLLOWAY: I think I would prefer that Donna or Nathan speak to that.

MS. RICKENBACKER: The purpose of tabling it -- first of all, the template is guidance from staff. I mean, Tim, I hope you agree with that. It is guidance.

MR. IRVINE: No.

MS. RICKENBACKER: No, you don't believe --

MR. IRVINE: I do not agree.

MS. RICKENBACKER: -- it to be guidance?

MR. IRVINE: I think the template is defined in rule and offered as a compliant way to provide required notifications.

MS. RICKENBACKER: Okay. Then it was issued and it was issued late, and we all understand that, but there were multiple other, you know, applicants that did comply and did include the disclaimer that's required under our rules, but with respect to the reason why we'd like it tabled and brought back is because we believe that there are, you know, multiple errors and omissions that several applicants, irrespective of templates and what
they did or did not use in template forms, that failed to meet all -- several tests in our rules as it relates to public notifications, content of the notification coupled with who was notified or not notified properly.

And so we just think that it's important for the Board to have the opportunity to take a look at all of the public notification RFADs so that there's a kind of collective, holistic result in y'all's determination as it relates to public notifications.

That's my request.

MR. IRVINE: And to clarify from my perspective, the issues of the compliance with the other notification requirements, for example, did you provide notification to all required persons, is not addressed by this.

All I'm saying is that if you gave notification when this was the only template that was available and you used that template, the -- that template was deemed compliant. You still had to give it to everybody who was required to receive it.

MR. BRADEN: Right. And your holistic approach is one approach. Another approach might be, well, maybe we can decide this one day and cross a line through that and not have to worry about it at the next meeting, and sure, if they have other problems with notices, the
community is going to bring that forward, but this is one less thing we have to decide at that next meeting, because we made a determination that we sent out two templates this time, and either one will be okay.

I mean, that could be a different approach.

Right?

MR. GOODWIN: Uh-huh.

MS. THOMASON: And if there are other administrative deficiencies or things that weren't handled, those would be brought on a case-by-case basis.

MR. GOODWIN: Right.

MS. THOMASON: Okay.

MR. GOODWIN: This wouldn't prevent that from coming up. Okay. Any other questions?

(No response.)

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

MR. BRADEN: I'll make a motion to accept staff's recommendation.

MR. GOODWIN: Okay. Second?

MS. THOMASON: Second.

MR. GOODWIN: Moved and seconded. If no further discussion, all those in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)
MR. GOODWIN: Okay. Before we go to the part of the meeting that takes general comments, we are going to move into executive session. The Governing Board of the Texas Department of Housing and Community Affairs will go into a closed or executive session at this time pursuant to Texas Government Code 551.074 for the purposes of discussing and to receive legal advice from its attorney, to deliberate the possible purchase, sale, exchange or lease of real estate.

So it is -- oh -- the closed session will be held within the anteroom of this John R. Reagan Building.

I'm sorry? This one?

MALE VOICE: Yeah.

MR. GOODWIN: I already read that one.

MALE VOICE: Okay.

MR. GOODWIN: Yep. What time is it?

FEMALE VOICE: 9:29.

MR. GOODWIN: At 9:29. We'll reconvene back here at 9:45, and I show the only thing left on our agenda is public comment. So we will be adjourned.

(Whereupon, at 9:29 a.m., the Governing Board of the Texas Department of Housing and Community Affairs meeting went into executive session.)

MR. GOODWIN: The Board is now reconvened in open session at 9:55 a.m. During the executive session,
the Board did not adopt any policy, position, resolution, rule, regulation or take any formal action or vote on any item.

So now we are reconvened, and before we go into public comments, I'll see if there's any Board member that wants to make a motion.

MR. BRADEN: Mr. Chair --

MR. GOODWIN: Yes, sir?

MR. BRADEN: -- I'd like to make a motion that we --

MR. GOODWIN: Microphone. There you go.

MR. BRADEN: I'd like to make a motion that we authorize staff to enter into a letter of intent with Los Robles Development Company, Inc. for the sale of the Alpine Retirement Community, 901 Orange Street, Alpine, Brewster, Texas, and move forward with that sale after appropriate due diligence, and for staff to appropriately address the reserves with respect to such property as part of that sale.

MR. GOODWIN: I hear a motion. Do I hear a second?

MS. THOMASON: 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. Motion is passed. We're now at that part of the agenda that we will accept public comment. And Tamea, if you would, please, keep those comments to three minutes or less.

MS. DULA: I'm not verbose. Hello, Tamea Dula with Coats Rose. I just wanted to provide an observation with regard to Item 1(k) that was acted upon by the Board. It seems to me that the action taken by the Board -- and I'm asking that it be confirmed -- was that if you have a notification that follows the 2017 template, that's okay. If you have a notification that follows the 2018 template, that's okay. Either one of those templates in 2018. But if you have a notification that was sent out that did not follow the template, then you were required to have that disclaimer paragraph in your notification.

Is that correct?

MR. GOODWIN: I'm going to give it over to legal counsel, which is appropriate in this public comment.

MR. ECCLES: This part of the agenda is not for rehashing matters that have already been voted on by the Board. So that I know that from the discussion that
happened during that item that there are going to be a number of folks who will be fine-tuning that observation during the RFADs that are presented at next month's meeting, so that may be a more appropriate time to be offering your comment on the nuanced points of this issue. I'm sorry, but 1(k) has already been presented and voted upon.

MS. DULA: Thank you. Point taken, and I apologize for trying to get you to go beyond the agenda, but that was my observation and I hope that you will reflect upon it and consider it next month when you address these issues.

Thank you.

MR. GOODWIN: Any other comment, any other public comment?

(No response.)

MR. GOODWIN: If not, I'll accept a motion to adjourned.

MS. THOMASON: So moved.

MR. GOODWIN: Second?

MR. BRADEN: Second.

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

(A chorus of ayes.)

MR. GOODWIN: Okay. We are adjourned.
(Whereupon, at 9:57 a.m., the meeting was adjourned.)
CERTIFICATE

MEETING OF:  TDHCA Board
LOCATION:  Austin, Texas
DATE:  May 24, 2018

I do hereby certify that the foregoing pages, numbers 1 through 86, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Housing and Community Affairs.

DATE:  May 30, 2018

/s/ Adrienne Evans-Stark
(Transcriber)

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