TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

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

June 28, 2018
8:00 a.m.

MEMBERS:

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

TIMOTHY K. IRVINE, Executive Director
AGENDA ITEM

CALL TO ORDER
ROLL CALL
CERTIFICATION OF QUORUM

CONSENT AGENDA

ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

EXECUTIVE

a) Presentation, discussion, and possible action on Board meeting minutes summary for April 26, 2018

LEGAL

b) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Sunrise Village Phase I (HOME 532336 / CMTS 2722)

MULTIFAMILY ASSET MANAGEMENT

c) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement:

01051 El Dorado Village Brownsville
01058 Rosemont of Highland Gardens Harlingen

d) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application:

15121 The Glades of Gregory-Portland
Gregory
15410 Aldrich 51 Austin

e) Presentation, discussion, and possible action regarding Change in Ownership Structure of Development Owner and Developers Prior to Issuance of IRS Forms 8609s for Various Developments

f) Presentation, discussion, and possible action regarding a Placed in Service Deadline Extensions:
HOUSING RESOURCE CENTER

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

HOUSING CHOICE VOUCHER PROGRAM

h) Presentation, discussion, and possible action on the Section 8 Program 2019 Annual Public Housing Agency Plan for the Housing Choice Voucher Program

i) Presentation, discussion, and possible action authorizing the Department to submit a Registration of Interest for U.S. Department of Housing and Urban Development Veterans Affairs Supportive Housing vouchers within Fort Bend and Galveston counties, and if successfully awarded, to operate such program

PROGRAM CONTROLS AND OVERSIGHT

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

ADMINISTRATION

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

NEIGHBORHOOD STABILIZATION PROGRAM

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

COMMUNITY AFFAIRS

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

ON THE RECORD REPORTING
(512) 450-0342
Health and Safety Plan

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

MULTIFAMILY FINANCE

o) Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer

18419 St. John's Apartments San Antonio

p) Presentation, discussion, and possible action on Inducement Resolution No. 18-022, Park Yellowstone, for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority on the 2018 Waiting List and a waiver relating to 10 TAC §10.101(b)(8), related to Development Accessibility Requirements

q) Presentation, discussion, and possible action on staff determinations regarding Application disclosures under 10 TAC §10.101(a)(2) related to Applicant Disclosure of Undesirable Site Features:

18086 The Village at Overlook Parkway San Antonio
18091 Lavon Senior Villas Garland
18099 Waters Park Studios Austin
18217 Cypress Creek at Santa Fe 12 Santa Fe (Pulled)
18274 Hill Court Villas Cranbury 105
18314 Reserves at Maplewood Wichita Falls
18320 Seaside Lodge Seabrook
18370 Heritage Tower Longview
18383 Provision at Lake Houston Houston

BOND FINANCE

r) Presentation, discussion, and possible action on Resolution No. 18-025 authorizing publication of Public Notice for Mortgage Credit Certificate Program
RULES
s) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.7, Staff Appeals Process, and 10 TAC §1.8, Board Appeals Process; and an order proposing new 10 TAC §1.7, Appeals Process, and directing publication for public comment in the Texas Register.

t) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.10, Public Comment Procedures, and an order proposing new 10 TAC §1.10, Public Comment Procedures, and directing publication for public comment in the Texas Register.

u) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.13, Contested Case Hearing Procedures, and an order proposing new 10 TAC §1.13, Contested Case Hearing Procedures, and directing publication for public comment in the Texas Register.

v) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and an order proposing new 10 TAC §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and directing publication for public comment in the Texas Register.

w) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.17, Alternative Dispute Resolution and Negotiated Rulemaking, and an order proposing new 10 TAC §1.17, Alternative Dispute Resolution, and new 10 TAC §1.12, Negotiated Rulemaking, and directing publication for public comment in the Texas Register.

x) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.18, Colonia Housing Standards, and directing publication for public comment in the Texas Register.
y) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.19, Reallocation of Financial Assistance, and an order proposing new 10 TAC §1.19, Reallocation of Financial Assistance, and directing publication for public comment in the Texas Register

z) Presentation, discussion, and possible action on an order proposing the read option, without changes, of 10 TAC §1.22, Providing Contact Information to the Department, and directing publication for public comment in the Texas Register

aa) Presentation, discussion, and possible action on orders adopting amendments to 10 TAC Chapter 23, Single Family HOME Program Rules Subchapter F, Tenant-Based Rental Assistance Program, §23.61 concerning Tenant-Based Rental Assistance ("TBRA") General Requirements, and directing publication in the Texas Register

bb) Presentation, discussion, and possible action on an order adopting repeal of 10 TAC Chapter 7, Subchapter A, General Provisions, and 10 TAC Chapter 7, Subchapter B, Homeless Housing and Services Program, and an order adopting new 10 TAC Chapter 7, Subchapter A, General Provisions, and 10 TAC Chapter 7, Subchapter B, Homeless Housing and Services Program, and directing publication in the Texas Register

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

a) Quarterly Report on Texas Homeownership Division

b) TDHCA Outreach Activities, (May-June)

c) 2019 QAP Planning Project Report

ACTION ITEMS

ITEM 3: REPORTS

a) Report on the meeting of the Audit and Finance Committee and Action on recommendations of that committee:
i. Approval of the updated Internal Audit Charter
ii. Approval of the Annual Operating Budget
iii. Approval of the Housing Finance Division annual operating budget

b) Report and possible action on guidance related to income averaging for amendments, compliance monitoring, and future Qualified Allocation Plans

ITEM 4: BOND FINANCE
a) Presentation, discussion, and possible action on Resolution No. 18-023 authorizing the issuance and delivery of Texas Department of Housing and Community Affairs Series 2018 Issuer Note; approving the form and substance of related documents; authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this Resolution; and containing other provisions relating to the subject

b) Presentation, discussion, and possible action on Resolution No. 18-024 authorizing the issuance, sale and delivery of Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds, 2018 Series A, approving the form and substance of related documents, authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this Resolution, and containing other provisions relating to the subject

ITEM 5: MULTIFAMILY FINANCE
a) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Riverside Townhomes) Series 2018 Resolution No. 18-026 and a Determination Notice of Housing Tax Credits

b) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds
c) Presentation, discussion, and possible action on staff determinations regarding Undesirable Neighborhood Characteristics:

18020 St. Elizabeth Place Houston 57
18038 3rd Street Lofts Lubbock 94
18053 Alazan Lofts San Antonio 38
18054 Piedmont Lofts San Antonio 38
18250 Sweetbriar Hills Jasper 103

d) Presentation, discussion, and possible action on staff determinations regarding Undesirable Site Features:

18095 Retreat West Beaumont Beaumont 111
18138 Lancaster Senior Village Fort Worth 112
18162 Guadalupe Villas Lubbock 117
18254 Somerset Lofts Houston 148
18327 Scott Street Lofts Houston (Pulled) 154
18335 Travis Flats Austin 154
18338 The Greenery Houston 156

e) Presentation, discussion, and possible action on a report of Third Party Requests for Administrative Deficiency received prior to the deadline:

18000 Evergreen at Garland Senior Community Garland 191
18002 Evergreen at Basswood Senior Community Garland
18018 Columbia Renaissance Square II Senior Fort Worth
18020 St. Elizabeth Place Houston
18026 Maple Park Senior Village
Lockhart
18033 The Miramonte Fifth Street
166
18038 3rd Street Lofts Lubbock
18043 Huntington at Miramonte Fifth
Street
18047 Miramonte Single Living Fifth
Street
166
18053 Alazan Lofts San Antonio
18084 Artisan at Ruiz San Antonio
18096 Patriot Park Family Plano
18138 Lancaster Senior Village Houston
18148 Palmview Village Palmview
18162 Guadalupe Villas Lubbock
18166 The Legacy at Buena Vista
San Antonio
18186 Avanti at Greenwood Corpus Christi
18221 Cypress Creek Apartment Homes at
Hazelwood Street Princeton
18223 Harvest Park Apartments Pampa
18261 Fish Pond at Portland Portland
18269 2400 Bryan Dallas
18273 Museum Reach Lofts San Antonio
18274 Hill Court Villas Granbury
18283 Pines at Allen Street Kountze
18288 Village at Greenwood Corpus Christi
18293 Silver Spur Apartments Palmview
18294 The Legacy Palmview
18305 Star of Texas Seniors Montgomery 188

ON THE RECORD REPORTING
(512) 450-0342
18306 Campanile on Commerce Houston
18333 Fulton Lofts Houston
18347 Avenue Commons Andrews
18357 Capella Olmito
18358 Ovation Senior Living Olmito
18368 The Reserves at Merriwood Ranch Garland
18371 Diboll Pioneer Crossing Diboll

f) Presentation, discussion, and possible action on timely filed scoring appeals:

18000 Evergreen at Garland Senior Community Garland
18057 Granbury Manor Cranbury (Withdrawn)

191

18057 Granbury Manor Cranbury 208
(Withdrawn)

g) Presentation, discussion, and possible action to issue a list of approved applications for 2018 Housing Tax Credits in accordance with Tex. Gov't Code §2306.6724(e)

h) Presentation, discussion, and possible action on a request for waiver of rules:

17510 Brook Haven Supportive Housing Rockdale

APPENDIX
Multifamily Application Logs

PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS none

EXECUTIVE SESSION none

OPEN SESSION --

ADJOURN 211
MR. GOODWIN: Good morning and welcome to the June 28 Texas Department of Housing and Community Affairs Board meeting.

We'll start out with a roll call.

Ms. Bingham?

MS. BINGHAM ESCAREÑO: Here.

MR. GOODWIN: Mr. Braden?

MR. BRADEN: Here.

MR. GOODWIN: Mr. Goodwin is here.

Ms. Reséndiz?

MS. RESÉNDIZ: Present.

MR. GOODWIN: Ms. Thomason?

MS. THOMASON: Present.

MR. GOODWIN: Mr. Vasquez?

MR. VASQUEZ: Here.

MR. GOODWIN: We do have a quorum.

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

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

MR. GOODWIN: We will start with our consent agenda and we have a couple of adjustments to the consent agenda. Under item 1(q) we are pulling for later date consideration file number 18217 Cypress Creek at Santa Fe,
and we are moving item 18274 Hillcort Villas to an action item. And I believe that is all the consent agenda items unless anybody else has anything they'd like to see pulled from the consent agenda for discussion.

(No response.)

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

MS. RESÉNDIZ: So moved.

MR. GOODWIN: And a second?

MS. THOMASON: Second.

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

Any discussion?

(No response.)

MR. GOODWIN: All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

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

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

MS. THOMASON: Thank you, Mr. Chairman.

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

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

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

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

(No response.)

MR. GOODWIN: All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)
MS. THOMASON: The next item will be the approval of the annual operating budget, a copy of which can also be found at tab 3(a)(ii) of your board materials. This is within the appropriate resources set forth in the General Appropriations Act and it reflects a conservative approach to the use of the resources that are entrusted to the agency. It addresses continued management of the salary budget, provisions for updating equipment to ensure information security, and the marketing initiative associated with Texas Homeownership activities. If the Board will vote.

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

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

MR. GOODWIN: Opposed?
(No response.)

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

ON THE RECORD REPORTING
(512) 450-0342
MR. GOODWIN: Any questions or discussion?
(No response.)
MR. GOODWIN: All in favor say aye.
(A chorus of ayes.)
MR. GOODWIN: Opposed?
(No response.)
MS. THOMASON: That concludes our items.
MR. GOODWIN: The next item is item 4, Bond Finance. Did we miss something?
MR. IRVINE: 3(b).
MR. GOODWIN: Oh, I'm sorry. 3(b), the report and possible action related to income averaging. Marni.
MS. HOLLOWAY: Good morning, Chairman Goodwin, members of the Board. The item is report and possible action on guidance related to income averaging for amendments, compliance monitoring and future qualified allocation plans.

Out of the 2018 spending bill, we received an increase in our cap for 9 percent credits, 12-1/2 percent, so that's great, and we're getting that for four years. Also in that item was an amendment to Section 42 that creates this income averaging set-aside that owners may be able to access in the future. So any TDHCA commentary on this new concept of income averaging will be based on assumptions regarding how the Internal Revenue Service has
previously addressed its oversight of the other elections which is 20 percent of units at 50 percent of AMI or 40 percent at 60 percent of AMI. That's all that's been available in the past.

We have no ability to say with any authority just how the IRS will ultimately approach any issues that may arise under an income averaging election. Regardless of conclusions and any Board action or rule, if the IRS provides a different interpretation, it is controlling of how we must address any aspects under the Internal Revenue Code. So at present all we have is the statute. The IRS has not issued any guidance regarding income averaging and there's no indication that they're likely to do that soon. Nonetheless, the statute clearly allows an income averaging election to be made now and the IRS has updated its 8609 form to provide for that election. They have not revised the instructions to account for the changed form.

We can speculate how the IRS might approach the income averaging election by applying principles employed in the handling of the other two elections and using a reasonable plain reading meaning of the statute creating the new election. This would seem to be an attractive option but it's not our statute to construe. At a minimum, it appears that with respect to monitoring an income averaged election property, we will clearly need to
determine that the property's average is at or below the 60 percent level. If fewer than 40 percent of the units are in compliance, that's occupied by qualified households at or below their respective rent levels, we will need to report this to the IRS.

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

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

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

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

MS. HOLLOWAY: It is irrevocable, yes, sir.
MR. GOODWIN: So we can stand in the situation the IRS has passed this statute but we don't necessarily have an interpretation of how it is going to work, and we have a set of rules that apply to this same thing and how are we going to take our rules and apply it to an IRS statute that's a little unclear.

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

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

MS. HOLLOWAY: Potentially, yes.

MR. GOODWIN: Any other questions or comments?

Did you want to speak, sir?

SPEAKER: I do.

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

MR. SUGRUE: I'll be brief. My name is Mike Sugrue, Stoneleaf Companies, and I'm here to speak about the income averaging because we have properties in lease-up right now and we're turning people away who are over 60 percent income but under 80 percent income who
could qualify. It is a very complicated issue, obviously, of balancing. If I were to get an 80 percent tenant, it does not mean 80 percent rent particularly but it could be mean somewhere between 60 and 80, and what does that do to the other rents and does it give me enough room to dive deeper and get a 20 percent tenant somewhere or not, so it is very complicated.

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

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

MR. GOODWIN: Thank you.

Any other comments?

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

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

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

MR. GOODWIN: Any other discussions?

(No response.)

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

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: Second?

MR. BRADEN: Second.

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

Any further discussion?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

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

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

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

Go ahead.

MS. GALUSKI: Thank you.

So the Department assists low, very low and moderate income homebuyers through its Single Family Mortgage Loan Program provided through the Texas Homeownership Division. Currently all loans originated under this program receive a fixed rate first mortgage loan and a 30-year zero percent interest non-amortizing second loan, the proceeds of which are used to fund down payment and closing cost assistance for the borrower.

Funding this assistance can be a challenge. The Department receives ongoing fees on the first mortgage loans and some repayments on the seconds but receipts do not yet keep pace with the outflow. In a few years there
should be enough liquidity in the indentures to self-fund
the DPA, the down payment assistance, but in the meantime
we look for economic sources for these funds.

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

MR. GOODWIN: That was back in 2016?
MS. GALUSKI: I'm sorry. What?
MR. GOODWIN: That was in 2016?
MS. GALUSKI: No. This is what's proposed
today.
MR. GOODWIN: What's proposed today?
MS. GALUSKI: Right. In 2016 we took $10
million and it was all with Woodforest National Bank.
This time Woodforest actually syndicated this and brought
in two additional lenders who were seeking CRA credit and
so we've got a total of $12 million being provided with
the three notes. Interest rate is 3.5 percent paid
quarterly over the seven-year term. All principal would
be due August 8 of 2025 unless earlier repaid, and there
are no prepayment penalties, we can repay it any time.
Cost of issuance for the transaction will not exceed
$200,000, and a subordinate lien on the Department's
Single Family Mortgage Revenue Bond trust indenture is
being pledged as security for the notes.

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

MR. GOODWIN: Any questions?

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

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

MR. GOODWIN: Any other questions?

(No response.)

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

MS. BINGHAM ESCAREÑO: Move to approve.

MR. GOODWIN: Second?

MS. RESÉNDIZ: Second.

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)
MR. GOODWIN: Thank you, Monica.

On to item 4(b).

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

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

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

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

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

The Department contribution, including amounts to be used for down payment and closing cost assistance, lender compensation, cost of issuance and servicing fees, won't exceed $12 million, and we're expecting it to actually be about half of that because we're expecting to generate about $6 million on bond premium. So in that case, bond premium and Department contribution is going to equal the total outflow. You have to remember the down
payment assistance and the lender compensation alone is almost $10 million.

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

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

MR. BRADEN: Move to approve.

MR. GOODWIN: Second?

MR. VASQUEZ: Second.

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MS. GALUSKI: Thank you.

MR. GOODWIN: Thank you, Monica.

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

Do we need a motion to pull it off the table, Beau, since it's posted?
MR. ECCLES: No. It's posted.

MR. GOODWIN: Okay. All right.

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

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

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

The applicant requested a waiver of the

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

The applicant has asserted that they will meet the 20 percent equity threshold from a property tax exemption, land donation, reduced developer fee and sweat equity. In the materials provided for the board book, they point out the reduced costs that will be available with the nonprofit owner acting as the contractor, thereby saving the contractor fee and sales tax on the materials. All of these resources are important but ultimately they are cost savings provided to the development rather than equity.

The waiver rule requires the development owner to establish how the waiver is necessary to address circumstances beyond the development owner's control and
how, if the waiver is granted, the Department will better
serve the policies and purposes in our statute. The
applicant has asserted that good cause for granting the
waiver would be to provide affordable housing in an
economically disadvantaged area of the state, helping the
Department meet its annual CHDO commitment deadline --
which would not apply because this loan would be funded
with TCAP funds so it's not a CHDO loan -- affirmatively
furthering fair housing, and fulfilling Section 504
requirements.

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

MR. GOODWIN: Any questions?

(No response.)

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

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

MR. GOODWIN: Second?

MS. THOMASON: Second.

MR. GOODWIN: Any discussion?

(No response.)

MR. VASQUEZ: I do have a question. What
percentage did the Department calculate as the equity contribution?

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

MR. VASQUEZ: Okay. All right.

MR. GOODWIN: Any other discussion, questions?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

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

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

Riverside Townhomes is located in Austin. This is the acquisition and rehabilitation of 128 units serving a general population. The property was originally constructed in 1970. All of the units will be rent and income restricted at 60 percent of AMI with the exception of one employee-occupied unit. Currently all of the units are covered by Project Based Section 8 HAP contract.
Riverside Townhomes is located in a census tract that exceeds a 40 percent poverty rate for individuals. The poverty rate for the census tract has exceeded 40 percent since 2012 and is at 58.2 percent currently. The neighborhood surrounding the property has substantial new development and redevelopment is expected in a city experiencing a boom period. Home values have been increasing since 2000 in this Montopolis area. New projects in the area include the Oracle Flagship campus, luxury apartments and restaurants. Staff believes that this new development supports a conclusion that the development site should be considered eligible.

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

Approximately 10 to 15 days from the closing
date, Wells Fargo Multifamily Capital will assign the loan to Fannie Mae and in exchange Fannie will deliver the mortgage-backed securities to the trustee. The trustee will use the funds in the collateral account to purchase the mortgage-backed securities which will be used to secure the bonds from this point forward. Payment on the bonds will be guaranteed by Fannie Mae.

Under the proposed structure, the Department will issue tax-exempt fixed rate bonds in an amount not to exceed $20 million. It's currently sized at $19 million. The bonds will have an interest rate that mirrors the pass-through rate on the mortgage-backed securities, currently estimated to be 3.6 percent, which does not include servicing or guarantee fees. The loan will have a term of 16 years and a 35-year amortization. The bonds will have a maturity date of December 31, 2036 and are anticipated to have a AAA rating by Moody's.

EARAC has reviewed the applicant's compliance history and the REA report associated with this development and has made a positive recommendation. So staff makes the following recommendations regarding this item: we recommend that the site for Riverside Townhomes be found eligible; we recommend that the issuance of up to $20 million in tax-exempt Multifamily Housing Revenue Bonds be approved; we recommend that the issuance of a
determination notice of $1,025,043 in 4 percent housing
tax credits, subject to previous participation and
underwriting, be approved; and we recommend that the Board
accepts the conditions of the issuance, including the
previous participation conditions, and affirms that
failure to fulfill these conditions may subject the
applicant to penalties, including debarment.

I'll be happy to take any questions.

MR. GOODWIN: Questions?

(No response.)

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

MS. BINGHAM ESCAREÑO: Move staff's
recommendation.

MR. GOODWIN: Second?

MR. VASQUEZ: Second.

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MS. HOLLOWAY: Item 5(b) is presentation,
discussion and possible action regarding the issuance of
Multifamily Housing Revenue Bonds for Oaks on Lamar, this
is Series 2018, Resolution 18-027, along with a
determination notice of housing tax credits.
Oaks on Lamar is in Austin. It is the acquisition and rehabilitation of 176 units serving the general population. The property was originally constructed in 1966. All of the units will be rent and income restricted at 60 percent of AMI, with the exception of one employee-occupied unit. Currently 74 units are covered by a Project Based Section 8 HAP Contract and another 22 vouchers are expected to be received from the Marble Falls Housing Authority. With the additional vouchers the development will be substantially financed with federally subsidized funding, and therefore, lends itself to the waiver provision under Section 42 to qualify for the acquisition credits considering that the development has not been held by the same owner for at least 10 years. This is discussed in greater detail in the Real Estate Analysis report.

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

So staff makes the following recommendations:
that the issuance of up to $20 million in tax-exempt Multifamily Housing Revenue Bonds for Oaks on Lamar,
Series 2018, Resolution 18-027 be approved; that the issuance of a determination notice of $979,784 in 4 percent housing tax credits, subject to the previous participation and underwriting conditions, be approved; and that the Board accept the conditions of this issuance, including the conditions for the previous participation and underwriting, and affirm that failure to fulfill these conditions may subject the applicant to penalties, including debarment.

I'll be happy to take any questions.

MR. GOODWIN:  Any questions?

(No response.)

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

MS. THOMASON:  I move.

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

MR. BRADEN:  Second.

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

(No response.)

MR. GOODWIN:  All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN:  Opposed?

(No response.)

MR. GOODWIN:  Moving on to item 5(c), and
Marni, as I understand on 5(c) we're going to take the two San Antonio first, that's 18053 and 18054.

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

MR. GOODWIN: Okay.

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

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

Under the rule the Board has final decision-making authority in making an affirmative determination or finding the site ineligible. Should the Board make the determination that the site is ineligible based on this report, the termination of the application resulting from that action is not subject to appeal.
Staff is unable to make a determination that acceptable mitigation for undesirable neighborhood characteristics was submitted for applications 18020 St. Elizabeth Place, 18038 3rd Street Lofts, 18053 Alazan Lofts, and 18054 Piedmont Lofts. Staff is therefore unable to make a recommendation regarding site eligibility and requests the Board's determination. In addition, because acceptable mitigation, as described in the rule, was submitted for application 18250 Sweetbriar Hills, staff will be recommending that the Board find that development site eligible. I'll be telling you about that one when we get there.

So we have received this request that applications 18053 and 18054 be taken up first, so I'll get started. Alazan Lofts is located in San Antonio. This application proposes the new construction of 88 units serving general population. The census tract in which the development site is located has a poverty rate of 67.6 percent which is nearly 75 percent higher than the threshold limit of 40 percent. The rules regarding mitigation of poverty require evidence that the poverty rate has decreased over the five-year period preceding the date of the application or that the census tract is contiguous to a census tract with a poverty rate below 20 percent.
The applicant reasons that the high poverty rate stems from the fact that the residents of the current public housing development comprise much of the census tract's population and therefore deeply skew the poverty rate. The applicant claims that opportunities for upward mobility and self-improvement abound in the area and residents of the Avenida Guadalupe neighborhood currently have access to the services of several nonprofits and social organizations that have the intent to promote economic mobility, to bolster housing stability and to reduce poverty in the neighborhood. The cite close proximity to high income areas and jobs in downtown San Antonio, being within a 20-minute driver of over 213,000 high paying jobs, and active work with community stakeholders by the San Antonio Housing Authority. They also cite the housing authority's application for Choice Neighborhoods grants.

A third party request for administrative deficiency related to this application indicates that the San Antonio Housing Authority will not receive the HUD Choice Neighborhoods grant that is critical to the revitalization of the community. The RFAD states that the poverty rate in the census tract has actually worsened over a five-year period and property values in the census tract have increased in value over the last five years at
a rate much less than the city as a whole, indicating that
gentrification is not a factor.

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

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

Staff is unable to determine that the poverty
rate will be sufficiently mitigated or significantly improved by the time the development is placed in service and cannot make a recommendation regarding this item.

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

In response to the RFAD and administrative deficiency, the applicant provided a letter from San Antonio Police Department Chief William McManus that includes crime data for 2017, indicating a violent crime rate of 12.2 percent. The letter attributes the decrease in crime to initiatives undertaken by the police department.

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

Regarding blight, the applicant disclosed that the development site is located within 1,000 feet of two vacant commercial properties and three boarded up homes. According to the applicant, much of the blight will be mitigated through the development of the site because
Alazan Lofts encompasses the bulk of the remaining vacant property in the neighborhood that has become overgrown and encouraged neglect. Staff conducted a site visit and confirmed this statement, noting that the development itself would indeed remove blight. There are some blighted properties outside of the development footprint but the structures do not meet the description in rule regarding blight, so staff believes that no mitigation is required for blight at this site.

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

The RFAD correctly states that neither the application or the campus improvement plan identify improvements made over the last year and the
accountability summaries indicate the school is falling further and further behind each year. In response to the RFAD, the applicant provided a letter from San Antonio Independent School District chief innovation officer describing the resources and initiatives that have been directed to the school, including a targeted improvement plan, a campus turnaround plan, and over $25 million in 2016 bond funds allocated to the school. The letter states that the school's Index 2 student progress scores which increased from 26 in 2015 to 29 in 2017 is just one point below the target score and that the middle school is within only four points of meeting its target score for three of the four indices. The letter also mentions after school programs and other initiatives.

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

The applicant requested a waiver of the presence of undesirable neighborhood characteristics rule but the waiver request did not include the documentation required by the rule. So we are discussing poverty and
schools. Staff is not able to make a recommendation on those items. We did find the mitigation acceptable for blight and crime.

I'd be happy to take any questions.

MR. GOODWIN: Any questions?

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

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

MS. HOLLOWAY: Yes.

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

MS. HOLLOWAY: Exactly.

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

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: Second?

MS. RESÉNDIZ: Second.

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. We will take comments.
Again, I would remind you that we've got a three-minute limitation.

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

A brief history of San Antonio. There were nine applicants this year in San Antonio for full application. Of these, six are in the urban core, and of the urban core deals, five have poorly performing middle schools. Four of these were required to submit an undesirable characteristic request RFAD. Village of Roosevelt, Artisan at Ruiz, Alazan Lofts and Piedmont Lofts, those are the four. All of these projects had similar issues with schools which is to say that at least one of the three zoned schools did not meet standard. The middle schools in particular failed to meet standard in 2017 and the two preceding years, so that's Poe Middle...
School with Piedmont and Page Middle School with Roosevelt, they failed for the two. Tafolla, which is for Alazan, has failed for four years, as Ms. Holloway mentioned, and Irving for the Artisan at Ruiz has failed for five years, so notably most middle schools in San Antonio's urban core have not met standard in 2017 and many did not meet standard in 2016 and 2015, and as a results, SAISD is wholesale restructuring all of these schools.

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

The two developments before you this morning, that is Alazan and Piedmont, Alazan specifically with this item, were not found to mitigate the school issues even though the schools have not been performing poorly for as
long as the other school and the others schools that did receive mitigation, and SAISD has a robust mitigation plan in place for each, just like they did for the two that were approved, and in fact, one of ours has the same staff person overseeing the turnaround plan as the school that was approved.

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

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

(No response.)

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

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

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

MR. VASQUEZ: Again, just so I understand, this
is to continue the eligibility, this isn't an award or
anything at this point.

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

MR. GOODWIN: The application is terminated.

Right?

MS. HOLLOWAY: Yes.

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

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

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

MS. HOLLOWAY: Uh-huh.

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

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

MS. HOLLOWAY: Yes.

MR. VASQUEZ: And in the materials it talks
about these bond initiatives with $25 million of funding going to Tafolla Middle School.

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

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

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

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

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

MR. GOODWIN: Do I hear a motion?

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

MR. GOODWIN: Do I hear a second?

(No response.)

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

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

MR. GOODWIN: Do I hear a second for that?
MS. BINGHAM ESCAREÑO: I'll second that.

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

(No response.)

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

SPEAKER: I did.

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

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

MR. GOODWIN: We need to know your name.

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

I would like to speak to the motion. I think that you should deny this motion. I believe that the San Antonio Independent School District has put in place the same level of effort, the same level of money, and rather than shutting down the middle schools related to the projects, they are continuing to improve them with restructuring, new programs, additional staff, and I don't understand how -- I do understand how it would be difficult in reading all these plans to make the determinations, I definitely feel the level of intensity
that the staff has to go through, but you're talking about four sites, all of which had letters from the same superintendent, the same school district, the same types of mitigation plans and two were found to be eligible and two were not. We're not trying to get these deals up to the top, they are not winners, we're not trying to push anybody out, we're asking for consistency in the rulings on these mitigation plans.

Thank you.

MR. GOODWIN: Thank you.

Any other discussion?

(No response.)

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

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

MR. VASQUEZ: Nay.

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

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

The applicant disclosed that the development site is located within 1,000 feet of a single structure that could be considered blighted and provided evidence
that the residence was recently deeded to a new owner in November of 2017. Staff conducted a site visit and found the reported structure vacant but only blighted in the sense that the landscaping needed attention. Because the structure has been deeded to a new owner, staff is able to determine that there is a high probability that the blight will be sufficiently mitigated or improved by the time the development is placed in service and we are recommending eligibility based on this issue.

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

The deficiency response also included a letter from San Antonio Independent School District chief innovation officer describing the school's progress in meeting goals of the targeted improvement plan and the
2017 campus turnaround plan. The letter states that the team's goal is for the school to achieve a Met Standard rating by 2020 which is when the development will be placed in service. In the letters from the school officials, information is provided indicating a high level of investment in the school by the school district, however, because no evidence of a positive trend and continued improvement has been provided, staff is unable to make a recommendation regarding eligibility.

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

I'd be happy to take any questions?

MR. GOODWIN: Any questions?

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

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

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

MS. HOLLOWAY: Yes.
MS. BINGHAM ESCAREÑO: And that's for the middle school?

MS. HOLLOWAY: Yes.

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

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: Second?

MR. BRADEN: Second.

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay.

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

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

Thank you.

MR. GOODWIN: Thank you.

Any questions?

MS. BINGHAM ESCAREÑO: I have a question. Just out of curiosity, as a board we're familiar with this area of San Antonio and I think we've demonstrated commitment despite a lot of obstacles and I think the staff have too. I'm a little curious why we aren't hearing from a school district person today, and it may just be the Board may have other perspectives on this, but typically when there's something that's kind of such an obvious challenge -- and I appreciate the letters -- it's always
good to hear from somebody from the school district about
what the plan is.

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

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

MR. BRADEN: Second.

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

(No response.)

MR. GOODWIN: All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. Moving on, Marni, to

18020.

MS. HOLLOWAY: Application number 18020 for St.
Elizabeth Place. The application proposes the adaptive
reuse of the historic St. Elizabeth Hospital and Convent
in Houston and will include one newly constructed
building. It will serve the general population with 110
units in the Fifth Ward of Houston. The application was
the subject of a third party request for administrative
deficiency that questioned the sufficiency of the
mitigation provided by the applicant.

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

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

The RFAD for this application provided
information regarding the historic poverty rates for the
census tract and contiguous census tracts. None of the
contiguous census tracts are below the 20 percent poverty
rate required as a threshold for mitigation under the rule and the poverty rate has trended up over the last five years. The applicant noted that the poverty rate declined from 51 percent in 2015 to 46.8 percent in 2016 and stated that 2015 represented a tipping point in the neighborhood. Without several years of data, it's impossible to know if this decreasing poverty level will continue.

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

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

Regarding crime, the Part 1 violent crime rate for the census tract is at 40.51 incidents per 1,000 persons, according to Neighborhood Scout. The applicant claims that through various municipal and Houston Police Department efforts, the Fifth Ward is expected to see a reduction in crime but has not provided evidence of a reduction. The RFAD pointed out that information provided
in the application did not include information based on trends, the 2016-2017 crime data, or a letter from the Houston Police Department. While the rule provides that evidence of mitigation may include but is not limited to those items, the RFAD claims that crime in the police beat contained in the development site is trending upward based on public crime data from HPD.

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

Because no evidence of a positive trend and continued improvement in the crime rate has been provided, staff is unable to make a recommendation regarding eligibility.
Regarding blight, the rule looks for multiple vacant structures that have fallen into significant disrepair, overgrowth and/or vandalism that they would commonly be regarded as blighted or abandoned within 1,000 feet of the development site. The applicant disclosed that the site is within 1,000 feet of what the applicant recounts as one minor instance of blight. Staff conducted a site visit and determined that the structure that is the subject of the disclosure is a house that is empty and is boarded up but otherwise appears to be in good condition.

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

Regarding schools, the development site is located in the attendance zone of Wheatley High School which has had an accountability rating of Improvement Required since 2012. There has been recent news about the possibility of a waiver from the Texas Education Agency for schools impacted by Hurricane Harvey. If granted, the waiver would apply to the 2018 accountability rating so would not apply to this application. The applicant states that over the past three years the high school has received an Improvement Required rating from the Texas Education Agency but has seen steadily rising scores on the student achievement and closing performance gaps.
indices and describes other efforts on the campus, including a new principal.

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

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

I'd be happy to answer any questions.

MR. GOODWIN: Any questions?

(No response.)

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

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: Second?

MS. THOMASON: Second.
MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

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

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

MR. LYTTLE: Thank you.

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

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

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

"Please feel free to contact me if you have any questions."
"Sincerely, Carol Alvarado, State Representative, District 145, Texas State House of Representatives."

MR. GOODWIN: Thank you.

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

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

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

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

MS. BINGHAM ESCAREÑO: Dated February 27?

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

MR. LYTTLE: The letter reads as follows:

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

The district has invested over $90 million in
two new elementary and one middle/high school over the last five years. This has increased enrollment in those formerly under-enrolled campuses resulting in more funding and higher achievement. Last school year two of the five schools received Unacceptable rating; this year all five schools, as the preliminary documentation indicates, will receive Acceptable ratings and some will have achievement distinctions. In addition, the surrounding area schools will have similar ratings or receive a pause in accountability for Harvey related reasons.

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

"As to the issue of closure, the district has not closed a public campus since 2014 and is not projected
to do so. There would be no conditions this year that
would mandate closure and there are multiple other choices
available before closure would occur if a need arose. It
is the goal of the board and the administration to
continue to invest the resources required in the Fifth
Ward area schools to ensure they thrive and continue the
upward trajectory of achievement and graduation rates.
The creation of new housing is directly aligned with
helping us to accomplish this goal, and so it is my hope
that this project is given the consideration it requires
to go forward.

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

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

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

What's most important to me today and what I'd
like to address with you is the timing of St. Elizabeth.
You know, communities have a life cycle, industries
change, buildings age, households change, you start out with families with young children and then end up with an area filled with retirees. What was once shiny and new becomes a little bit more like the Velveteen Rabbit, worn and well loved, and that is the time when transformation takes place. Investors and entrepreneurs can sniff out a good deal, they know that these central city neighborhoods are undervalued and they know that that proximity to downtown and all the amenities and opportunities that go along with that are ripe for the picking, and they begin to tear down the old and bring in the new. And that's a good thing, we want new investment, we want new residents, we want positive growth.

But what we don't want to do is throw out the people who have already lived in that neighborhood out during this process, we want to keep them in the neighborhood that they have known and loved. And in my opinion, today, right now 2018, this is the right time to capitalize on the changing nature of the area and to stake a claim for those people, but if we wait, the opportunity will most definitely be gone. Staff stated that they didn't believe gentrification was taking place, and that is just absolutely not true. I have walked this area numerous times, I have driven this area, I have worked on project like this over and over, maybe I just see
gentrification a little further out than other people but if we wait until we start getting a new Starbucks on the corner and a place that serves wrap sandwiches, it will be too late and the St. Elizabeth Place will be Houston's newest in-town luxury living.

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

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

Thank you for your time and attention to this.
today.

MR. GOODWIN: Any questions?

(No response.)

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

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

MR. GOODWIN: Sure.

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

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

(General laughter.)

MR. CLEMONS: Twenty years ago this Board approved a 9 percent tax credit deal which was 165 units of senior housing just two blocks from St. Elizabeth
Place. It was said that that 165 units of senior housing was the first new wood in Fifth Ward in over 40 years in terms of multifamily housing. But that project was the spark that started what will ultimately be known as the Lyons Avenue Renaissance, a 22-block renovation of the main corridor that runs east to west through the Fifth Ward community. Over that 20 years we've built and rehabbed over 1,200 homes and so over this last 20 years Legacy Healthcare has built a new office complex opened last year, a new CVS just opened a month ago, the DeLuxe Theater, which was for African Americans back when segregation was in, has been refurbished and now it is a 120-seat house for performing and venue arts in collaboration with Texas Southern University as an educational component to teach and to train back of the house events.

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

MR. GOODWIN: Thank you.

Are there other people that wanted to speak?

MR. CLEMONS: Yes, sir, there are.

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

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

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

At the beginning of this year we elected a new constable, Sylvia Treviño, who has brought some great things, great ideas as far as combating it, one of which is we have guys on foot patrol, we walk around, we have bike patrol, we have special operations response team. The stats from the Houston Police Department, because we're a county entity, is separate. Their stats are going to be a lot different than ours as far. As far as
physical numbers, I don't have that data with me today because this was such short notice.

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

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

In reference to developers, we're starting to see that some of it is a money issue. To get these people involved in the community such as these people here, we
could do great things but we can't do it if we're knock it
before we try it.

Thank you.

MR. GOODWIN: Thank you.

Any questions?

(No response.)

MR. GOODWIN: Any additional people wanting to
comment?

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

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

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

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this point.

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

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

MR. GOODWIN: Any questions?

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

MR. MILLER: Correct. And I only mentioned the investments that our particular department has made, but yes, there has been a brand new CVS new construction just blocks away at the corner of Rockwood and Lyons. In addition, we would also identify Bruce Elementary being
removed off of the IR list as a notable point of educational improvement within the area. There have been other substantial investments within the area and I apologize I didn't have time to list them in order here, I only was able to culminate the investments that our department has made just recently.

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

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

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

MR. MILLER: If I were to tell you can make it from your home to downtown within 15-20 minutes in Houston
traffic, that should probably be a good visual for you.

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

MR. MILLER: Probably.

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

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

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

MR. MILLER: We do, sir, yes.
MR. GOODWIN: Okay.

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

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

MR. GOODWIN: Any other questions?

(No response.)

MR. GOODWIN: Thank you.

Does anyone else want to speak?

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

(A chorus of good mornings.)

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

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

And you can get to downtown Houston on a bike from this location in about 10 minutes. My family has owned restaurants in the city and I do own property in the city, I own duplexes and small affordable homes. We need a place for our people to go to work, close down your bars, close down your restaurants, clean your place of residence as well as cleaning your office space and not to have to drive 30-40 minutes out in the suburbs where homes are affordable. When they're getting off at two o'clock and twelve o'clock, ten o'clock, nine o'clock, they have kids too, they want to see their kids and spend quality
time, just like you and I do. So we need this facility in Fifth Ward, we need affordable residence because, yes, right behind St. Elizabeth about two blocks there's a $285,000 house, two houses that are being built on less than a 5,000 square foot lot.

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

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

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

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

MR. GOODWIN: Thank you.

Any questions?
MR. GOODWIN: Anyone else want to speak?

SPEAKER: Board members and staff.

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

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

MR. GOODWIN: We need your name.

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

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

MR. GOODWIN: That was a quick three minutes.

(General laughter.)

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

To give you a picture and a visual of the balance of passion and science. We've talked about the issues of gentrification, and I want to give you some statistical data. Today under construction in the Fifth Ward within six blocks of that community there are approximately 34 houses under construction. Of those 34 units under construction, only two of those units are
affordable housing. The same plans that are under construction today, two years ago sold for $180,000, today they're selling for $260,000.

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

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

Because you see, to these young people, our community does not have undesirable characteristics where the glass is half empty, the glass is half full because
these young people are going out and getting higher
education degrees, they’re getting master's degrees and
doctorates and coming home and want to come and be
employed and return to the community where they can go and
help support their family. That opportunity is not
available for them today, there’s nowhere for young people
to come and return to this community, have a place to call
him and be able to afford affordable housing in Fifth Ward
with close proximity to the largest workforce in the City of Houston which is downtown and other parts of the city.

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

Thank you.

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

MS. FLANAGAN PAYTON: Well, they said 20
minutes to downtown. Thank you. It depends on how fast you drive.
MR. GOODWIN: Anyone else that's going to comment, if you'll come up.

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

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

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

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

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

The third one would be the school, the school doesn't have Met Standard, we talked about that. It's been six years and I'll say this, from the TEA reporting
from 2013 to 2017, the average graduation rate for Wheatley High School is 16.67, that's 1-6.67 percent. It's deeply rooted in poverty. Wheatley has had problems for years.

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

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

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

MR. GOODWIN: Anybody else that wants to speak?

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

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

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

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

On crime, the rule says that in order to mitigate an excessive crime rate evidence must show that the crime rates are decreasing which must include
incidents reported during the entire 2016 and 2017 calendar years. The applicant didn't include this but our client did drill down and drilled down to the HPD beat level instead of using Neighborhood Scout. We recognize Neighborhood Scout may be inflated but even at the beat level, it shows that for '16 and '17 violent crimes increased from '16 to '17, and the data shows that the amount is still above 18 per 1,000 even if you drill to the beat level.

Finally on the schools, so in addition to that five-pronged consideration, there's another consideration on schools if the school has not met standard for three consecutive years, and that is the rule says that the applicant cannot mitigate unless there's a clear trend indicating imminent compliance. Now, we acknowledge that some of the scores have increased over the last three years but as recently as May 2018 -- I'll make my last statement -- there was an article in the Houston Chronicle where the Texas Education Agency said that at the end of this year they're going to have to make a hard decision to either close schools or take over the HISD Board. And Wheatley is potentially on that closure list. With that uncertainty, you cannot say that you can be confident that there's going to be an imminent compliance for that school.
I have tremendous respect for the Fifth Ward CDC. They've been in business since I've been in business and I've watched their efforts and I have great understanding of their history.

MR. GOODWIN: Please wrap it up.

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

MR. GOODWIN: Thank you.

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

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

And I'd like to point out that this is not the first time that the Board has had to consider whether to award tax credits in the Fifth Ward neighborhood. In 2014, Cleme Manor came before you, Ms. Bast was representing them, asking for an award of tax credits. Cleme Manor is a mile away from this site and the Board granted those credits. In 2015, Pleasant Hill Seniors, which had been funded as an original 9 percent award 20
years ago, came back asking for a new award of 4 percent credits to rehabilitate. The Board and staff reviewed these same factors and awarded tax credits to Pleasant Hill which is just several blocks away from St. Elizabeth's.

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

So you know, the opponents talk about following the rules. Well, the rules aren't all that set and fast, they're kind of more guidelines than rules. This 40 percent poverty, you just approved a project at 58 percent poverty in the Riverside area of Austin without any discussion, and here Fifth Ward is at 51 percent and by all accounts it's going down, so how can that be a reason to turn this project down.
You know, crime, the Neighborhood Scout statistics are notoriously misleading. We've had an officer who patrols the beat there in Houston and has for a number of years, is a lieutenant there who supervises the beat there, telling you the crime statistics are coming down in the neighborhood and that the best thing we could do to keep them coming down would be to do something about this vacant building, St. Elizabeth's.

Thank you.

MR. GOODWIN: Thank you.

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

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

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

Mr. Kilday, by his own admission, is only here today because this project bumps his out of the round. He's in the Second Ward. I don't know what the schools are like there, but because he's a senior deal, he doesn't have to disclose that. So this isn't about this area not
being good enough for a development, the Second Ward is apparently good enough, I believe it's also a central neighborhood, this is about competition.

Thank you.

MR. GOODWIN: Thank you.

Anybody have anything new they want to add?

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

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

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

Thank you.

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

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

I want to say to you that he made the statement
that they have the same support that we have. The city
didn't come to support their deal, it came to support
ours. HISD came to support our deal. Board member said
earlier that on something this important she'd like to see
the people here to speak on their behalf. The people are
here to speak on our behalf.

Thank you so very much for your consideration.

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

Marni, any additional comments?

MS. HOLLOWAY: I have nothing else.

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

(No response.)

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

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

   MS. BINGHAM ESCAREÑO: I'll second.

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

   (No response.)

   MR. GOODWIN: All those in favor say aye.

   (A chorus of ayes.)

   MR. GOODWIN: Opposed?

   (No response.)

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

   Thank you all for coming.

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

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

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

   MS. HOLLOWAY: Okay. Application number 18038 for 3rd Street Lofts in Lubbock is a proposed development for new construction serving general population, will provide 72 units. The development site is located within 1,000 feet of neighboring census tracts that have Part 1 violent crime rates that exceed 18 per 1,000 and the proposed development is in the attendance zone of a school
without a Met Standard rating. This application was the subject of a third party request for administrative deficiency that questioned the sufficiency of the mitigation provided by the applicant.

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

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

The applicant provides data from the City of Lubbock Police Department that purports to show the crime is trending down. While the data indicates a reduction in
total crimes from 2016 to 2017, the reduction depicted for
2018 is based on data extrapolated for 12 months based on
the January 1 to April 30 period. The response included
an email from the assistant chief of the Lubbock Police
Department, and we note that per the email, the data
provided by Assistant Chief Brewer is not based on the
census tract but on an area of interest. Maps provided in
the response indicate more instances of violent crime
within a half mile radius of the development in 2017 than
in 2016.

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

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

In response to the RFAD, the applicant provided
a letter from the superintendent which stated that the
current rating for the school is uncharacteristic in that
2017 is the only year that the campus has not received acceptable ratings from the Texas Education Agency in the past 10 years. Because evidence that a positive trend and continued improvement in school performance was provided in the form of the letter from the superintendent, the staff is able to determine that there is a high probability and reasonable expectation that the performance of Cavasos Middle School will be sufficiently mitigated or improved by the time the development is placed in service.

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

MR. GOODWIN: Okay. Any questions?

(No response.)

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

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: Second?

(Unable to hear who seconded the motion.)

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

(A chorus of ayes.)

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

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

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

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

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

Thank you.

MR. GOODWIN: Thank you.

Any questions?
(No response.)

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

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

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

I want to read briefly from the letter that was submitted, which again is in your board packet, and the assistant chief of police states that for the years 2016, 2017 and the first quarter of 2018 the crime is relatively stable with respect to violent crimes which include rape, aggravated assault and arson, but has substantially declining in number of robberies. This includes 2018, extrapolated out for the year the trend is downward for most crime in this area.
The way that the police department is addressing crime is by dividing the city into three sections, north, south and east, and what they do is they move officers around to particular areas, as crime is determined to be increasing or decreasing, they'll move them out, and that's what they've done here. And they're creating substations which will include a substation near this proposed development that will be operational over the next three years that will move officers between substations and these substations will act as their own police department, essentially separately from the other two substations.

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

Thank you.

MR. GOODWIN: Any questions?

(No response.)

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

MR. SALINAS: Hello. My name is Gilbert
Salinas, and I first want to say thank you for the process and opportunity to provide public comment. I'm a resident of Lubbock and I grew up in a neighborhood close to this development.

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

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

Those are my only comments.

MR. GOODWIN: Thank you, sir.

MR. SALINAS: Thank you.

MR. GOODWIN: Anyone else want to comment?

(No response.)

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

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

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

MS. THOMASON: Second.

MR. GOODWIN: So we have a motion and a second to find the site eligible. Any further discussion?
MR. GOODWIN: If not, all in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

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

The undesirable neighborhood characteristics report submitted in response to an administrative deficiency indicates that Parnell Elementary had an Improvement Required rating for 2017. The school achieved Met Standard in 2015 and 2016. The deficiency response included an update to the 2017-2018 campus improvement plan and a letter from the superintendent of the Jasper Independent School District. The letter states that the current update to the improvement plan clearly indicates improvement in each goal stated in the plan. There are several areas in the plan that do not indicate improvement, however, the majority of those areas will not
take place until the end of the school year. Per the update there has been progress made on many of the goals in the plan.

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

MR. GOODWIN: Any discussion?
(No response.)

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

MS. RESÉNDIZ: So moved.

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

MS. THOMASON: Second.

MR. GOODWIN: The motion has been moved and seconded. Further discussion?
(No response.)

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

MR. GOODWIN: Opposed?
(No response.)

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

MR. GOODWIN: And that was 18383.

MS. HOLLOWAY: No. 18274.

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

MS. HOLLOWAY: Yes.

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

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

Under the undesirable site features rule, development sites within applicable distance of any of the identified undesirable features will be considered ineligible unless it is determined by the Board that information regarding mitigation of the undesirable site feature is sufficient and supports site eligibility. The Department's Governing Board has final decision-making authority in making an affirmative determination or finding the site ineligible. Pursuant to the rule, if the Board determines that a development site is ineligible based on this item, the termination of the application resulting from that Board action is final and is not subject to further appeal.
Application number 18274 for Hill Court Villas in Granbury, the development site is approximately 8-1/2 miles from the Comanche Peak nuclear power facility. Our rule requires a 10-mile separation. The rule also includes a provision that where there is a local ordinance that regulates the proximity of the undesirable feature that has a smaller distance than those in the rule, then the smaller distances will be used. The application included a City of Granbury ordinance that allows the construction of multifamily developments funded with low income housing tax credits within the city limits of Granbury but no closer than five minutes from the nuclear plant.

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

MS. BINGHAM ESCAREÑO: Move staff's recommendation.

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

MS. THOMASON: Second.

MR. GOODWIN: Moved and seconded. Any discussion?

(No response.)

MR. GOODWIN: Any comments?

MR. RHODES: Good morning. Devin Rhodes with
Wheatland Investments Group.

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

MR. RHODES: I am not speaking in favor.

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

MR. RHODES: Correct.

MR. GOODWIN: Okay.

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

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

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

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

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

MR. GOODWIN: Thank you.

Any questions?

(No response.)

MR. GOODWIN: Anyone else going to comment?

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

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

And why is that? Our competitor here is trying to muddy the water. What the rule says is that you defer
to the local ordinance. We have a local ordinance that says five-mile radius is sufficient. You only look to the state or federal cognizant agency if they have rules that would require a new facility under their jurisdiction to have a minimum separation from housing. The United States Nuclear Regulatory Commission does not regulate the distance from housing to a nuclear plant, they address the area for evacuation in the event of an emergency, and their rules say that you evacuate in a two-mile radius, you can evacuate in an up to five-mile radius if you're downwind from the facility or there's other factors that require that kind of evacuation.

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

MR. GOODWIN: Any questions? Any other speakers?

(No response.)
MR. GOODWIN: Not hearing any other questions
or any other speakers, we have a motion and a second to
approve staff's recommendation. All those in favor say
aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

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

In your materials we've made a recommendation
that this site be found ineligible because the pipeline
crosses the property rather than lying in an adjacent
easement, which is allowed in our rule. After publication
for the board book, the applicant provided clearer
documentation of the development site which uses a portion
of the property and shows that the pipelines are in that
adjacent easement. Based on this information, staff is withdrawing the published recommendation and now recommends that the site be found eligible.

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

MR. GOODWIN: Revised recommendation?

MS. BINGHAM ESCAREÑO: Revised recommendation.

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

MS. RESÉNDIZ: Second.

MR. GOODWIN: Any comments?

(No response.)

MR. GOODWIN: All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

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

MS. HOLLOWAY: Application 18138, this is Lancaster Senior Village. The applicant did not disclose but staff determined from the environmental site assessment that an above-ground valve station owned by CenterPoint Energy is on the southern boundary of the property. According to HUD guidelines, the valve station appears to conform to the HUD definition of an explosive hazard, which means any stationary container which stores,
handles or processes hazardous substances of an explosive or fire-prone nature. Because it is not known how much natural gas is present in the valve station at any given time, HUD blast zone calculations could not be completed. Per the ESA, CenterPoint Energy has been contacted for further information about the valve station, including the pressure of gas in the valve. No response had been received at the time of application submission and no further information has been provided.

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

MS. BINGHAM ESCAREÑO: Move staff's recommendation.

MR. GOODWIN: Second?

MR. BRADEN: Second.

MR. GOODWIN: Moved and seconded. Any discussion? Did you want to speak to this?
MS. SAAR: Kathryn Saar. I have a quick disclaimer. For those of you who don't know me, I previously ran the 9 percent tax credit program and in that capacity I was subject to the two-year prohibition against representing an applicant under 2306.6733, but that period expired in October of 2017.

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

Furthermore, as far as the blast zone calculation, that calculation actually contemplates a stored facility, and given that this is a natural gas valve station so it's flowing constantly and the rate and pressure could fluctuate at any given time, and based on what we've been told, it's not clear that a HUD blast zone calculation could ever be completed. So I fully anticipate that there will be a condition placed on this award, should we be lucky enough to have that happen, I just think that we need a little bit more information before we actually codify what that condition will be.
MR. GOODWIN: Any questions? So it sounds to me like you would like for this to pass without any conditions?

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

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

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

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

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

MR. GOODWIN: Would that be acceptable?
MS. SAAR: That would be acceptable to the applicant.

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

MS. BINGHAM ESCAREÑO: Absolutely.

MR. IRVINE: Would that work for the staff?

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

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

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

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

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

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

MS. BINGHAM ESCAREÑO: Yes.

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

MS. THOMASON: Second.
MR. GOODWIN: Everybody comfortable with that? And we have a second. All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

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

That ruling relied on a city council resolution that stated: "Mistletoe Station is located adjacent to a railroad and its associated easement, and the city planning and zoning codes and ordinances provide that a development located adjacent to such an easement is permitted with zero feet of required setback." We didn't
have an ordinance but we had a resolution that spoke to
the ordinance, and going back to the transcript, that was
sort of the pivot for that ruling by the Board on that
date.

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

The applicant's engineer has conducted a noise
study and includes a statement that says: "The
development is being designed to distance the units from
the railroad easement as much as possible. The nearest
cottage unit on the proposed site plan is approximately
250 feet from the railroad easement, and the nearest two-
story unit is approximately 260 feet from the railroad
easement. The development is also proposing a solid
barrier between the railroad and the development site.
Detention will create a barrier between the road and the(units, and if noise levels above 65 decibels but not
exceeding 75 decibels are indeed found, we will provide
noise attenuation through certain building design and
construction techniques."
As evidence of mitigation provided for the proximity of the railroad relies solely on previous determinations made by the Board, staff defers to the Board's current determination on this issue. Should the Board find the development site eligible, staff suggests that compliance with HUD standards for noise abatement and control be a condition for any award.

MR. GOODWIN: So you have no recommendation?

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

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

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: Second?

MS. RESÉNDIZ: Second.

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

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

MS. RICKENBACKER: So before we get started, by the way, Beau, are just illustrations of what was already included in our application and what's made part of your board books. Is that okay?
MR. IRVINE: If these actual things are in the board materials, it's permissible.

MS. RICKENBACKER: Thank you.

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

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

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

As stated by other applicants that have come to the Board with similar site features, there are two parts
to the rules: disclosure and regulation or mitigation. With respect to disclosure, we did disclose that we're within 500 feet of a railroad track. Relating to regulation, the rule allows the applicant to provide evidence that the city adopted a railroad quiet zone or evidence that the city regulates the proximity of such feature to a multifamily development that is smaller distance such as an ordinance. We actually provided both in our application.

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

Second, the rule also allows the applicant to provide evidence of a regulation adopted by the city that establishes the smaller distance. We provided a letter from the director of development stating the city does not have any setback requirements relating to housing.
development's proximity to a railroad track. In prior decisions, this Board recognizes that the rule states "such as an ordinance" and gives the Board discretion in accepting alternative forms of evidence in support of a smaller distance. We believe that the director of development is a qualified city official to interpret local ordinances and believe that their confirmation that there's no separation required is proof of zero distance.

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

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

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

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

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

MR. GOODWIN: If she leaves any time left for you.
(General laughter.)

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

MR. GOODWIN: Okay. Thank you.

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

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

So a little bit of background and to explain how you do one of these types of studies in order to meet the requirements to HUD is you go to the noise guidebook as well as regulations found in 24 CFR Part 51. So the standard classifies noise environment for any ambient area below 65 decibels or less is being considered acceptable for residential development. If the noise is between 65 to 75 decibels, it's considered mitigateable to down to 65 by using various types of designs, senders, noise barriers or what's most commonly used is selecting building materials that provide noise attenuation to allow for an acceptable interior noise level of at least 45 decibels.

So this project and what we found in our study that the results were found to be typical of an urban environment and within the 65 to 75 decibel range.

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

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

So the way we do a noise assessment, you look at two major noise assessment locations you measure from and you measure to the closest point to the noise sources. So in our review we felt that they were pretty conservative considering when we count traffic counts we project it out to 10 years, and as well as we believe that the impact from the freeway is a little bit elevated and due to that the freeway is not at the same elevation as the project site, it's elevated, so we expect that there's going to be a variance there.

One of the greatest problems I wanted to just throw in before if finish here is that the impact from the train, you consider either the rail noise itself as well as train horn noise. When we conduct noise surveys, which is completed based on the guidance that HUD provides, is that when you're closer to a crossing, so within a quarter mile of a crossing is when you consider train noise to even be a consideration on your site. This property is
beyond the quarter mile boundary to the closest at grade
crossing, and that particular crossing, if it came into
consideration, is installed with a wayside horn. The
purpose of a wayside horn is that as the approaching train
is coming, there are horns that are affixed to the
crossing itself and it directs noise directly down the
roadway with limiting impacts to the adjacent properties
along the road. So with the purpose of having that
wayside horn, in addition to the crossing distance from
our project site, we found that the use of the train
horn's impact on this site was not even a consideration
which was able to bring down our noise impacts to well
within the normally acceptable range of mitigation.

MR. GOODWIN: If you can wrap up.

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

MR. GOODWIN: Questions?

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

MS. WATSON: No, you don't combine it in
addition necessarily. There's a math that gets into it.
HUD guidelines has these calculations built into it where
you count for a percentage comes from this source and a
percentage comes from this and you determine a combined
input. So usually the combined amount is higher than both
separately but they're not.

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

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

    MR. GOODWIN: Any other questions?

    (No response.)

    MR. GOODWIN: Is someone else going to speak?

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

    We hired Phase Engineering when we started to
do a study for us, and she just talked about the study.
Our opposition, 3rd Street Lofts, they hired someone out
of Louisiana and they said no, and then Phase came back
and they did a study to say that no, we were correct. And
so I then went out and hired another group, another
individual and we have that, a professor, head of the
graduate department of mechanical engineering at Texas
Tech, and he says in his letter he agreed with Phase
Engineering, I have complete confidence in the overall
calculations done by Phase Engineering. So we studied it
and studied it closely.
We also have some neighbors here that are the closest and they're going to say a few words in a few moments. But the directional solution that the city came up with in '08 has worked well and it's there where the crossing is so you don't have the train moving with the noise problem. And we have talked about this when we had notices. We had a meeting in the neighborhood, I had another meeting in a restaurant and invited everyone for lunch, we had about 75 people there with about 40 of them were from the area. But we tried to make sure that everybody is knowledgeable about this.

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

Thank you very much.

MR. GOODWIN: Thank you.

Any questions?

(No response.)

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

I'm interested to hear some of the comments that were just made. This property has been vacant, which I didn't know, for 50 years and there's a reason for that.
This is on a railroad. Nobody wants to live next to a railroad.

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

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

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

I agree with everything in the previous report except for the issue of horns, horns and whistles. The HUD noise assessment guidelines are very standardized and you actually use a web-based tool to calculate what the decibel levels are once you input all the information.
There's a question on the form that says, Are there railway whistles or horns? And that's a yes or no question that you have to answer. The form itself asks it and when you check yes or you check no, the results are higher or lower. It's already stated that there is a wayside horn at the P Street crossing, so that, in our opinion, should mean that you answer the question yes and you let the HUD forms calculate what the effect of that is.

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

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

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

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

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

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

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

MR. GOODWIN: Your name, sir?

MR. SALINAS: My name is Gilbert Salinas, sir.

Thank you.

And so we feel strongly that the site is too
close to a railroad track and the noise from the train and
the horns will not be beneficial for the seniors that will
be living there. We're really looking out for the seniors
living there.

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

So I mentioned the zones that they shouldn't be
honking in but they don't always follow that, and I live
less than a thousand feet away. And the seniors shouldn't
be exposed to this type of noise, they should be able to
sleep.
There's plenty of land in the City of Lubbock. It's not like a concentrated city like Dallas-Fort Worth where you can only build in certain areas. You can spread out the apartment complexes and we're seeing a concentration of actually low income housing complexes in this area. If you go two miles this way there's one, two miles this there's another one, but that's a separate issue.

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

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

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

MR. SALINAS: Yes, sir. So looking out for our seniors, we beg you to consider this application ineligible based on this undesirable site characteristic. Thank you.

MR. GOODWIN: Okay.

MS. THOMASON: I have a question.

MR. GOODWIN: Yes.

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

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

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

MR. SALINAS: So I actually live further up here on the map, so here's Avenue L, I live right up here on Avenue L and there's another railroad track that makes a triangle like this, so this one goes here and there's another one here and they meet in a triangle. I live
closer to this railroad track and even closer to the track than these people live to this track. I live probably less than 900 feet to the track and we hear the noise. And we're normalized to it but if we're having already trouble sleeping at night, it does impact us, and these seniors will be impacted.

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

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

MR. GOODWIN: Inside 500 feet to the track.

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

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

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

MS. THOMASON: Thank you.
MR. GOODWIN: Anybody new that hasn't spoken that wants to speak?

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

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

When the Board approved a site in one of the previous applications that's 427 feet away from the railroad, they didn't just create a new standard that anything that's 427 feet away would rule, they said that the HUD DNL calculator was the correct way to look at this. And I think it's appropriate to look at these previous Board agenda items, and especially look at how Marni spoke of the 500 foot distance. Five hundred feet from a suburban grade crossing creates noise, that's from the Board book talking about HUD attenuation. And when you look at that 500 foot crossing, you're looking at something called the Federal Railroad Administration horn...
noise dissipation model. I know that's a long blurb, but basically a train horn is about 90 to 110 decibels; this wayside horn which is all focused in one area towards the street does not dissipate noise in the same way which is why it is a quiet zone technology.

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

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

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

"On September 25, 2008, Lubbock City Council approved the use of quiet zone technology at the intersection of Avenue P north of 2nd Street. They appropriated approximately $150,000 for the purpose,
installation and maintenance of a wayside horn at Avenue P in the Guadalupe neighborhood. The quiet zone technology has significantly improved the safety of motorists and pedestrians at this railroad crossing while dramatically reducing noise pollution created by train horns in the adjacent neighborhood."

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

Thank you.

MR. GOODWIN: Thank you.

Anyone else that has not spoken want to speak?

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

MR. GOODWIN: Across which street, Stewart?

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

Down to brass tacks. Yes, the quiet zone is in place. Very rarely do I hear trains, very rarely. They do not blast their horns coming across. They used to, yes, I admit it. They put in the quiet noise technology, cut it completely out. I can sit in my house and not even
know that there's a train going by, and that is on the
front lines.

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

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

Thanks.

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

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

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

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unofficial use of this term.

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

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

MS. THOMASON: I have one question.

MR. GOODWIN: Sarah.

MS. ANDRÉ: Yes, ma'am.

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

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

Thanks.

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

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

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

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

MR. GOODWIN: Any questions for Barry?

(No response.)

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

MS. BREWER: Good morning. My name is Sonya
Brewer, and I am Stewart Brewer's wife, I live across the street.

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

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

I believe you would an injustice if you denied this application to the City of Lubbock to the neighborhood of Guadalupe. As has been stated, we went through four meetings, rezoning, the council approved at
two meetings, and really he can say that a gas station would be okay across the street because he doesn't have to live across the street from it, we would. And I think seniors would be a great addition to our neighborhood. I think the longevity, the experience, all the things that seniors could bring to our neighborhood would be a huge plus. Not to mention that this area of Lubbock had not had construction, has not had development, has not had any kind of economic growth in many, many, many years.

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

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

MR. GOODWIN: Thank you.

Anybody else that has not spoken want to speak?

MR. SAILLER: My name is Dan Sailler.

Appreciate the time today, guys.

I have a simple statement that I think can be shown in the easiest way possible. This site is closer to the railroad, the property is closer to the railroad than I am from you. Are we now building on railroads? There's
250 feet of pond between it and the first building, but we're now going from the 500 feet to 120 feet at Mistletoe Station and 450 feet at the Residence of Georgetown, we're now down to zero feet. Let's just get rid of the rule if we're not going to follow the 500 foot rule.

Thanks.

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

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

So there was mention that there's a closer spur to the site, however, when you look at the data that you collect and you're trying to consider the impact of that spur to the property, the Federal Railroad Administration has in their information the most up to date information and it says there's zero train operations completed on that train spur. In addition, there is no public at grade road crossing within the distance appropriate to our property, so that doesn't really come into consideration and that's why it doesn't have an impact on our property.
In addition to the discussion on whether or not the train horns, if they happen to blow their horns, if there's a conductor coming through that's not familiar with the wayside horn at that crossing, the Federal Railroad Administration regulations state that they must blow their horns as they're approaching within a quarter mile of a crossing. As we've already stated, the property is beyond a quarter of a mile, so even if they started blowing the horns, they would have already passed the property before they start blowing their horns, so there's very minimal impact from train horns if that was to even occur.

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

And I also want to point out that when we use the HUD noise calculator, and HUD can attest to this, that when they developed it, it's meant to make the process simpler because there's very detailed calculations. Before they created this web-based program, we had to do these by hand kind of charts, and so HUD explained and they put into the documentation there are a lot of limitations and assumptions that go into play in that
calculator, so you have to consider some of the specifics of your particular property, and I understand that based on my direct guidance I've received from HUD through the training I've experienced.

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

Thank you.

MR. GOODWIN: Thank you.

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

MR. SALINAS: So I just do want to just to clarify and give detail to my comment about the gas station. My point with that was it's not made for human occupancy. That area is so close to the railroad tracks. And they're saying they live across the street but the seniors are going to be living feet from the track. And then building any noise barrier would just provide a home for vagrants that are already in the area.

Thank you.

MR. GOODWIN: Thank you.

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

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

Thank you.

MR. GOODWIN: Okay. Marni.

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

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

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

MR. GOODWIN: Okay.

MS. THOMASON: And I would like for the Board
to find this site eligible subject to mitigation based on HUD standards.

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

MR. VASQUEZ: Second.

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

Now discussion. Any discussion?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: We found the site eligible.

We'll move on. 18254, Marni.

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

MR. GOODWIN: What a surprise.

(General laughter.)

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

The application included a resolution from the
City of Houston, passed on February 28, which states:
"The City Council finds that the city's land development regulations would not require a multifamily development to be a minimum distance from an active railroad track, so that the proposed construction of each community on its development site would not be prohibited based solely on its proximity to a railroad track." I note that this is a resolution, this is not the ordinance that's called for in our rule.

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

Additionally, it was disclosed that the development site is within 300 feet of a junkyard. Per the applicant, the development site is located near a metal recycling facility. The applicant states that based on the definition of a junkyard as stated in the Transportation Code, which is quoted in our rule, and the
definition of recycling business, the metal recycling facility is not a junkyard. Staff agrees with the applicant that the Gulf Coast Scrap Metal facility does not meet the criteria of a junkyard and mitigation is not required, so we're only discussing the railroad.

MR. GOODWIN: Any questions for Marni?
(No response.)

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

MR. BRADEN: So moved.
MR. GOODWIN: Second?
MR. VASQUEZ: Second.
MR. GOODWIN: All in favor say aye.
(A chorus of ayes.)
MR. GOODWIN: Let the record reflect Ms. Bingham has left the dais.

MS. RICKENBACKER: Good morning again -- I guess it's afternoon at this point.
MR. GOODWIN: It's still morning.
MS. RICKENBACKER: Is it still morning? Donna Rickenbacker with Marque.

I'm wearing a little different that on this one, I'm going to be the owner of Somerset, and I'm privileged enough to still be working with Kent Hance, who is going to be a developer partner.
Again, I'm really excited about this development. It's in the City of Houston, it's a proposed development that's going to be located on Hempstead Road at 11th, and as stated by staff, this site is within 500 feet of a railroad track. That railroad track is actually across on the other side of Hempstead Road.

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

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

On the mitigation side, similar to Guadalupe Villas, we fully intend to mitigate any sources of noise to HUD standards. The City of Houston has awarded $6 million in CDBG funding to Somerset, so we're fully committed to lessening any noise impact, which based on our noise study, again, that we did include in our application -- you're not required to do that, we did --
the noise is not derived from our proximity to the railroad track. The majority of the noise is derived from the fact that we are right up against Hempstead Road, but again, we fully intend to mitigate all sources of noise to HUD standards if there's anything that's unacceptable.

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

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

Thank you very much.

MR. GOODWIN: Any other speakers?

MR. MILLER: Good morning again. Just to restate, my name is Ray Miller. I'm with the City of
Houston Housing and Community Development Department within the Multifamily Division.

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

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

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

So thank you very much.

MR. GOODWIN: Thank you.

Any other comments?

(No response.)

MR. GOODWIN: If not, I'll entertain a motion. Do you have any other things you want to say?
MS. HOLLOWAY: I have nothing additional.

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

MR. GOODWIN: Conditions of mitigation.

MS. THOMASON: Second.

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

(No response.)

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Moving on to 18327.

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

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

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

MR. GOODWIN: It shows next on our agenda.

MS. HOLLOWAY: Yes.

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

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

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

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

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

MS. BINGHAM ESCAREÑO: Move to approve.

MR. GOODWIN: Do I have a second?

MS. RESÉNDIZ: Second.

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


We have put our hands on that interlocal agreement fully executed and submitted it to staff, I believe on Monday or Tuesday. So we will accept the recommendation with condition but we would prefer a recommendation for approval without the condition. We
received confirmation from Shay that she received it but I
don't know if they've had sufficient time to review it.
So either way, I just wanted to point out that we've
provided the required documentation.

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

MS. HOLLOWAY: Have we looked at it.

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

MS. HOLLOWAY: If it's fully executed.

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

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

MR. GOODWIN: So the motion stands as made.

All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

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

The applicant did not disclose but staff
determined from the environment site assessment that a 250-gallon above ground diesel storage tank is located on the south adjacent property as part of a cellular tower, approximately 87 feet from the southern property boundary. Per the environmental site assessment, the potential blast zone for the tank was calculated using HUD's acceptable separation distance electronic assessment tool. The acceptable separation distance for thermal radiation for people was determined to be 155.23 feet from the location of the tank, which includes the most southern 61 feet of the development site. Mitigation will be required with the construction of a barrier of adequate size and strength to protect the project.

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

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

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

(General laughter.)

MR. VASQUEZ: You said diesel?

MS. HOLLOWAY: Yes. It's fuel for a generator for the cellular tower.
MR. VASQUEZ: But it's diesel?

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

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

SPEAKER: Yes, please.

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

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: And a second?

MR. BRADEN: Second.

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

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

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

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

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

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

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

Our site plan is not included in your board materials but I've provided copies of that where you can see that the most southern portion of our site is
detention pond, so once you factor in that blast zone radius of what would happen in the event that this backup generator, diesel tank were to explode, the radius of that would only affect what our detention pond would be which is kind of sunk in the ground. So if this tank were to explode and one of our residents happened to be for a walk into our detention pond, it might actually be the most safe place for them because it's kind of sunken in. And anything else would have to through a fence and any other mitigation that we work with staff to deem as acceptable.

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

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

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

MS. THOMASON: How big is this diesel tank?

MR. GOODWIN: It says 250 gallons.

Would you address the kicking it down the road situation?

MS. HOLLOWAY: As you mentioned, now that we're at the end of June and we're making awards next month, anything we push out has the potential to get us into the late July meeting with the list still being -- I've lost my words, I'm sorry -- with still having some questions
about the list, about the awards list, and that creates
the opportunity for errors that I would very much prefer
that we avoid. Sure, we could go to the early July
meeting, and that, of course, would be within the Board's
purview to make that decision.

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

MR. GOODWIN: Okay.

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

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

MR. VASQUEZ: And the building structures are
not 87 feet from the tank, it's from the layout that's
just described, there's an additional retention pond.
MS. HOLLOWAY: I have not looked at the issue from that perspective because the concern here is that the hazard was not disclosed and we don't have anything in the application that describes that distance as a mitigating factor.

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

MR. GOODWIN: Do you like option 3?

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

MR. GOODWIN: Okay.

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

MS. RESÉNDIZ: Second.

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

Any further discussion?

(No response.)

MR. GOODWIN: Did you want to speak?
(No response.)

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

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

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

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

This Board item is limited to a report on the requests received and how staff has resolved just the RFAD, not anything that may have come from it. The RFAD
requester may not formally appeal the result but any party who wishes to may provide testimony to the Board. The Board may direct staff to reconsider action taken in response to any RFAD or may accept the report as presented.

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

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

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

MR. GOODWIN: Okay. There are just three people that want to speak to any of this here, to any of these. If you would, when you come up, get on the first row if you would, when you come up, state the number, give us a little opportunity to find that number, and then we'll hear your maximum three minutes of comments.
MS. HOLLOWAY: Okay. This is 18038 3rd Street Lofts in Lubbock. The request asks if the applicant appropriately notified the superintendent of the Lubbock Independent School District. Staff issued an administrative deficiency and the response included a letter from Dr. Kathy Rollo, superintendent of the Lubbock Independent School District, stating that she was provided the notification upon her hire. Staff determined that the part of the rule that requires notification of newly elected or appointed officials does not apply because Dr. Rollo was not elected but was hired by the Lubbock Independent School District. Staff is considering the issue posed.

MR. GOODWIN: Any action necessary?

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

MR. GOODWIN: No railroads in this.

MR. HANCE: No railroad.

Here's what happened. They're playing on word saying hired. Every school superintendent in the State of Texas is elected by the school board. They have a vote on it and they have to get 21 days after the vote and then they have another vote. They have two points on it. They're elected, they're appointed, they're hired. I think they didn't fill out the application right because
what happened is that on the pre-app they notified the superintendent. We have a letter that we sent to you from the new superintendent. What happened, she had two letters. One, she got the information from the old superintendent, they gave her everything. She never was notified in mail as required by statute and the rules.

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

Thank you.

MR. GOODWIN: Next one.

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

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

MR. GOODWIN: Do you want to comment?

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

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

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

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

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

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

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

Based on feedback that I've received and our colleagues from other applications have received from professional engineers with experience throughout Fort Bend County, there's no obvious reason for this drainage easement based on the material provided in the application or in the application's site feasibility report. The
properties are directly adjacent to one another as they sit today, other than this fabricated ditch that's going to be separating them if they were to be awarded. For all intents and purposes the sites are contiguous and should be deemed in conflict with Section 11.3(g) of the QAP.

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

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

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

(No response.)
MR. GOODWIN: Are you speaking of these?

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

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

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

Three points that I want you to consider today.

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

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

Third point, most important, since we're talking about a technical point, this is a technical determination, what was previously said is, look, it's not that it's contiguous after you gerrymander a site plan, it's contiguous, what is it today, what is the site right now, it is one piece of property. All three of the projects are literally contiguous right now. So if we can, oh, no, it's after you go and draw a site plan around...
it, then the rule makes no sense because any developer is just going to come in and say let me cut my tract, let me conveniently leave something out that's retained by the seller, which has no engineering purpose, has no good general real estate purpose. You don't want someone else owning property in your tract, it serves no purpose.

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

MR. GOODWIN: Thank you. Questions?

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

MR. BRADEN: Could I have one too?

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

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

I'm simply here to correct a misstatement.
This is a fee strip that the seller is retaining in order to separate the tracts, and if that is not the intent to deal with contiguity, as it's defined in the dictionary, then the rule needs to be reviewed for next year. But the fee strip separates the various different tracts.

Thank you. Questions, anyone?

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

MS DULA: Fee simple title, yes.

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

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

MR. BRADEN: You're sure of that?

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

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

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

MR. GOODWIN: Anyone else want to speak to
these three applications, 18033, 18043, and 18047?

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

Furthermore, he's draining to the drainage ditch on the west side. If you're draining straight, the straightest way to go is just across the north property line. That's adding cost. This is pumped storm water, this is not a gravity fed storm line, he's got to pump this, so you're putting additional storm line, now you're going to run south, west and then north again. That's so interesting that that just happened to coincide with leaving a fee simple strip which is also bad, it just bad general real estate practice. Someone owns fee simple, they have access to the property, there's other issues it creates to do this. So there's literally no reason other
than to gain this and we're looking at 32 percent of the credits, potentially, going to the Stafford ETJ with .3 percent of the population.

Thank you.

MR. GOODWIN: Questions?

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

MS. HOLLOWAY: This is a report.

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

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

Beau, would you help with this, please?

(General laughter.)

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

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

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

MR. ECCLES: Well, if I may just quickly
address that issue. Tim is, of course, right. The rule in 11.10 talks about staff shall provide to the Board written reports summarizing each third party request for administrative deficiency and the manner in which it was addressed. Interested persons may provide testimony on this report before the Board takes any formal action to accept the report, and the results of the RFAD may not be appealed.

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

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

I'm not here, there's no letter that I've prepared nor have I fully reviewed this situation or underwritten these transactions, but my only comment would be if there is potential in future years where applications that might create this, again, type of loophole and take resources away from other municipalities -- I'm speaking specifically to the City of
Houston -- would be concerning for us. So I'll conclude with that.

Thank you.

MR. GOODWIN: Any other comments on these three?

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

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

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

MR. GOODWIN: Thank you.

Any other comments on this?

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

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

MR. VASQUEZ: Second.

MR. GOODWIN: Any other discussion?

(No response.)

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

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

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

MR. GOODWIN: So not having anybody else speaking.
MS. HOLLOWAY: We are discussing 18293 Silver Spur Apartments, and 18294 The Legacy.

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

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

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

These two applications failed to comply with the deadline established in the Multifamily Rules and we believe that this failure is incurable, making these two applications subject to termination. We're asking that this issue be remanded back to staff for reconsideration or reexamination based on the facts that I'm about to give.

10 TAC 10.204 outlines the required documentation for application submission. Subparagraph
8(b) of that section related to utility allowances states:
"Where the applicant uses any method that requires
Department review, documentation indicated that the
requested method has been granted by the Department must
be included in the application."

There is an implicit deadline associated with
this provision. If the approval must be included in the
application, it follows that the approval must be dated
prior to March 1. Both of these applications used the
utility allowance requiring Department approval, however,
neither of these applications included that approval as
required under the rule.

Through a public information request, we
discovered that the utility allowance approvals for these
two applications weren't properly requested or granted
until April 4, more than a month after the application
deadline. This was the basis of our RFAD. However,
staff's determination does not address this deadline issue
at all. Staff appears to be using a scoring provision
from 11.9(a) of the QAP to allow the applicant to provide
the missing documentation. This citation allows an
applicant to provide missing documentation related to
scoring provided that it existed at the time of the
application. That's not the case here. This rule has
never, to my knowledge, been used to allow an applicant
additional time to obtain a necessary approval.

Furthermore, the utility allowance has nothing
to do with scoring and the approval requirement doesn't
come from the QAP, it comes from Subchapter C of the
Multifamily Rules which states: "Deadlines are fixed and
firm with respect to both day and time and cannot be
waived, except where authorized and for truly
extraordinary circumstances, such as the occurrence of a
significant natural disaster that makes timely adherence
impossible."

The pertinent facts are the applicant was
required to obtain approval prior to submission of the
app. The applicant failed to obtain that approval until
April 4. Based on staff's determination, it appears this
provision has been waived entirely, despite the fact that
the provision itself does not authorize waivers, nor has
this Board been presented with a waiver request.

Our application also used a utility allowance
that required Department approval, however, we complied
with the rule by obtaining that approval in a timely
fashion and including it in the application, as did many
other applicants across the state. We believe that this
decision should be remanded back to staff.

MR. GOODWIN: Questions? I've got a question
for you. In the RFAD did you specifically point out the
date issue?

MS. SAAR: We believe that we did, yes.

MR. GOODWIN: You believe you did, or you did?

MS. SAAR: I believe that it was clear in the RFAD that the issue was the date.

MR. GOODWIN: Okay. Did you want to speak to this?

MR. MICHAELS: Russ Michaels. I'm an attorney with the developers so I'm in support of what Catherine just said too.

And as she just mentioned, the approval of these utility allowances, they weren't granted until well after the established in clear violation of the rule. And so I think the take-away is when you've got a deadline, you've got to adhere to that. So like earlier a couple of months ago, I think people didn't upload an Excel spreadsheet by March 1, they got terminated. Right? So like if we start having like whimsical deadlines then a lot of our rules just fall apart, so that's kind of the basis of what we're getting at, the deadlines are important.

The applicants were warned in the application webinar that the approval must be granted prior to the application submission and that the last day to submit such a request was February 8. It further clarified that
failure to comply could result in termination. So in response to the RFAD, the applicant indicated that a request was submitted on the 20th of February but no evidence was provided to substantiate that claim.

And in response to a second public information request on the topic, the public information coordinator stated to us: "Please know that TDHCA does not have responsive documents for this request. No request was received on 2/20/2018 regarding these properties, however, attached are several emails concerning the matter." So based on those emails, it does appear that the applicant attempted to obtain approval prior to app submission, however, there were several issues surrounding that attempt.

By rule, the Compliance Division has 21 days to review the utility allowance. This is why the webinar stated that the last day to submit such a request was February 8. A copy of this webinar slide can be found on page 1812 of your 5(e) supplemental. The submission on the 20th was 12 days later and only nine days prior to the application deadline. So you can see this isn't complying with any of the deadline, the hard deadline that we're trying to impose.

So timing issues aside, the approval request was submitted under the wrong application name and number,
too, and the applicant was copied on this request and could have corrected the error that very day, but that didn't happen either. As the application deadline approached, the applicant should have followed up with compliance to check on the status of the document needed for the application submission, however, that didn't happen either. So it wasn't until March 29, almost a month full later after the application deadline that the applicant followed up with Compliance and identified the error.

Regardless of the unfortunate circumstances surrounding this matter, the rule really requires that approval be included in the application, meaning that the approval must be granted prior to March 1. That just didn't happen to this applicant for these two applications. So our application, Palm View Village, which is next in line, we did use a utility allowance that required Department approval but we complied with the provision of the rule. In other words, we did everything on time, so we didn't come in on March 2 and put our full application in, we actually complied with everything intact and these guys didn't do that.

So we ask that the rules be applied as written. There's no remedy for a missed deadline, and these two apps really should be terminated. So just to echo what
Catherine said, to remand this would be our preference at this time.

Thank you for your time.

MR. GOODWIN: Any other comments on these two applications?

(No response.)

MR. GOODWIN: Any questions from Board members?

(No response.)

MS. HOLLOWAY: If I may, this is an issue that turned up a number of times with applications this year, and Shay and I were sitting in Beau's office and we're all trying to figure out what to do with these things, and had Cody from Compliance come up because he's the utility allowances person, and we looked through the compliance rule. The issue is that nowhere in the compliance rule does it say that this applicant had to get their utility allowance from the Department. That information is in some training materials, and actually the Compliance Division has done a tremendous job of explaining this fairly complicated process about which is due when, but the compliance rule doesn't say this applicant must obtain their utility allowance from the Compliance Division, and that was the basis for our action on these RFADs.

MR. GOODWIN: Okay. Any questions?

MR. VASQUEZ: However, someone just said
somewhere else we have a rule saying you must submit this.

MS. HOLLOWAY: Yes. We have conflicting rules in two different sections.

MR. VASQUEZ: Conflicting rules, or one says you must and the other is silent on it?

MS. HOLLOWAY: Yes. That in fact is the case.

MR. GOODWIN: Any other questions?

MR. BRADEN: The only comment I'd make is so this issue was, it sounds like, thoroughly vetted by staff, including general counsel, and ending with a determination that it was sufficiently addressed.

MR. VASQUEZ: I'm sorry. So are there other situations with applicants that missed the deadlines that we said it's okay?

MS. HOLLOWAY: Yes. There are at least a couple of other applications that have this very same situation that we treated exactly the same way.

MR. VASQUEZ: It's just that they didn't get RFADs.

MS. HOLLOWAY: There actually are some with RFADs, but however submitted the RFAD didn't come up to speak.

MR. VASQUEZ: We've been consistent.

MS. HOLLOWAY: Yes. On this issue we have treated them all consistently.
MR. VASQUEZ: Waiving the requirement.

MR. BRADEN: The Board is not waiving it, staff made a determination.

MR. GOODWIN: Good point, good clarification.

MR. VASQUEZ: Thank you, Counselor Braden.

(General laughter.)

MR. GOODWIN: Any other questions?

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

Marni is correct that they could have used a utility allowance without getting approval from the Department. That is a utility allowance that comes from a local housing authority. You don't have to get approval for those. But to use a utility allowance such as a HUD model utility allowance, that has to be approved by the Department, and the rule states that utility allowances which are required to be approved by the Department must have that approval prior to March 1.

MR. VASQUEZ: Let me ask one more question. Is this a scoring item or is this a threshold disqualification item?

MS. HOLLOWAY: This is a threshold item.

Failure to met threshold items would generally result in a termination action and an appeal that would wind up in front of you.

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MR. GOODWIN: Any other questions or comments?

(No response.)

MR. GOODWIN: Anybody else on any of these other items?

MS. HOLLOWAY: I think we have one other item to discuss.

MR. GOODWIN: Does any Board member want to make a motion as it relates to 18293 or -294, or take them in consideration with all of these others?

Do we have somebody else that wants to speak about another case, Marni? Which number is that?

MS. HOLLOWAY: 18305.

MR. GOODWIN: 18305. Okay.

MS. HOLLOWAY: Application 18305 Star of Texas Seniors. The request asks if the application included sufficient evidence of site control and if the development site is appropriately zoned. Staff determined that clarification regarding the zoning through an administrative deficiency was appropriate.

The application included a letter from the City of Montgomery stating that the development is permitted under the provisions of the city's zoning ordinance. Staff determined that the response sufficiently addressed the administrative deficiency.

MR. GOODWIN: Okay.
MR. GLOCKZIN: Good evening. I'm Emanuel Glockzin, the developer of Star of Texas Seniors, and we're proceeding with zoning, we should have zoning completed in a couple of weeks. My issue is through the zoning process that we've been going through, we've been through about maybe four or five meetings with the city council and planning and zoning and our project is one point higher than the project behind us, and that's 18353 Heritage Seniors. That had representatives there, Matt Fuqua and Nathan Kelly, that's here in the audience, talking about their project being superior to mine. They were talking about 80 units, they had market rate units, the income on taxes, city taxes, county tax, school taxes were higher than mine.

MR. GOODWIN: I hate to interrupt you, but this discussion is regarding the RFAD. Do these issues deal with the RFAD as is applies to your project, or are you trying to expand this into a further discussion?

MR. GLOCKZIN: The bottom line is they were trying to derail my zoning.

MR. GOODWIN: Of course. That's what this whole process is about. Everybody here understands what everybody is doing when they stand up here and talk bad about somebody else's project. I think the point of where we are on the agenda is the RFADs, this has been a report.
back from our staff that these have all been dealt with, and usually we hear from the person that filed the RFAD that's not happy, and you seem to be talking about --

MR. GLOCKZIN: Well, I just think the behavior from another applicant interfering.

MR. GOODWIN: Not relevant to this discussion, sir. Might be after the person stands up and says something, but right now the Board is entertaining discussions about this as it relates to the RFAD, and I assume we took it, as related to your project, the staff is happy with it.

MR. GLOCKZIN: They're happy with it.

MR. GOODWIN: So I would say you're hurting your own cause to be up here. I don't want to cut you off.

MR. GLOCKZIN: I understand.

MS. HOLLOWAY: You can make these comment during the public comment period at the end of the meeting.

MR. GOODWIN: At the end of the meeting we do ask for public comments, so that may be the appropriate place you can bring that kind of comment.

Is there any discussion or comments about 18305?

(No response.)
MR. GOODWIN: Any others that we have?

MS. HOLLOWAY: Not that I know of.

MR. GOODWIN: That concludes everything for item 5(e), so we would entertain a motion to accept this report.

Let the record reflect that Ms. Thomason has left.

MR. BRADEN: I make a motion to accept the report except for applications 18033, 18043 and 18047 which we previously voted on.

MR. GOODWIN: Do I have a second?

MS. BINGHAM ESCAREÑO: Second.

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: All opposed?

(No response.)

MR. GOODWIN: The motion is passed.

We move on to item (f) which are scoring appeals.

MS. HOLLOWAY: These are presentation, discussion and possible action on timely filed scoring appeals under 10 TAC 10.902 of the Department's Multifamily Program Rules relating to the appeals process.

The first application is 18000 Evergreen at Garland Senior Community which proposes the new
construction of an elderly development with 105 units in Garland. Staff determined that the application does not qualify for seven points requested for concerted revitalization plans, the CRP, because we were unable to confirm that the application clearly addressed all of the elements of the rule.

The executive director originally postponed the denial of points until the applicant had an opportunity to provide evidence in response to an administrative deficiency. The executive director's letter concluded that the CRP did not, as originally presented, identify the boundaries of a plan and show how it encompasses the proposed development site, did not identify specific measures that will be undertaken on the plans timeline, and did not show that the plan is accessing already identified funding sources that have already begun to flow.

The applicant seeks to knit together multiple plans and fund sources to gain CRP points, which is entirely allowable under our rule, but what they have knit together does not clearly meet the requirements of the rule.

So as regards boundaries, the applicant describes the City of Garland's 2012 Envision Garland Plan as the overall plan for the city which includes seven
smaller areas called catalyst areas and within those catalyst areas there are targeted investment areas. The CRP provided by the applicant covering these areas states that the targeted investment areas are considered to represent the most likely locations within the catalyst areas to leverage public and private investment through quality in-fill development and redevelopment efforts.

The response to the deficiency notice states that the plan identifies the location of the development site as being within the Shiloh/Walnut targeted investment area and is a preferred location for a catalyst project such as a senior independent living development. Mapping indicates that the development site is clearly outside of that targeted investment area. In its appeal to the Board, the applicant states that maps in the plan indicate that the development site is within the targeted investment area but fails to support the claim.

As regards specific measures, the plan indicates the concept for catalyst projects for the targeted investment area. The only project that staff has been able to identify as already moving ahead on a timeline with a potential identified funding source is the current tax credit application that we are discussing today. The applicant has not identified any timeline for completion or even commencement of any other projects.
The response to the deficiency notice discusses vision and issues and potential solutions and additional specific critical issues but does not, as the rule requires, identify any targeted efforts within the plan to address those problems described. The appeal to the Board asserts that the executive director is setting a higher standard than is required by the QAP by requiring identification of specific measures to be taken on the plan's timeline.

The timeliness of the targeted areas is addressed by the requirement that the adopted plan must have sufficient documented and committed funding to accomplish its purposes on its established timeline. That's the requirement in the rule. The plan introduces a concept for what the redevelopment catalyst projects would be but does not provide specifics. As stated in the plan's executive summary, its intent is to assist the City of Garland, property owners and other project partners with a technical framework for discussions regarding market opportunities, development, programming alternatives and partnership strategies, so we're not seeing any specific measures identified within this plan.

Regarding fund source, the applicant mentioned several funding sources. None was found to be sufficient, documented and committed funding, as required by the rule.
They discussed tax increment financing reinvestment zones, TIRZ Number 1. The appeal states that it includes a portion of the plan but no evidence of this was found. TIRZ Number 1 includes the area surrounding two DART stations, approximately a mile and a half away from the development site. TIRZ Number 3 is claimed by the applicant. The Garland City Council voted to create this in December of 2017 and it was actually created on April 3 of 2018, so it did not exist at the time of application.

The appeal states that the plan references use of a portion of the City of Garland's $190 million capital improvements program, or CIP, to provide catalyzing infrastructure investments. The response to the deficiency notice includes a list of 12 capital improvement projects in the area adjacent to the development site, only one of which was completed within the last five years. The plan says this multi-year program plans expenditures over a five-year period, so it appears that those funds have actually expired.

The plan estimates nearly $2-1/2 million in public investment would be needed to leverage the cost for a senior housing development but no evidence has been provided to show that the City of Garland has identified any CIP or economic development funding to leverage the development cost. Also discussed is sales tax funding.
related to DART. There is no evidence that the funds would be used for anything other than maintenance and continued improvement of DART properties.

In response to the deficiency and the appeal to the Board, the applicant mentions $120,000 provided to the City of Garland by the North Central Texas Council of Governments to create the plan. No ongoing funding from the organization was identified.

Staff recommends that the Board deny the appeal because staff was unable to confirm that the application clearly addressed elements of the rule.

MR. GOODWIN: And this is over the scoring of seven points for the CRP?

MS. HOLLOWAY: For the CRP, yes.

MR. GOODWIN: And without those seven points, the application falls down on the list?

MS. HOLLOWAY: Falls down the list.

MR. GOODWIN: Okay. Do I hear a motion to accept comment?

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: Second?

MS. RESÉNDIZ: Second.

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

MS. DULA: Tamea Dula with Coats Rose, here on
behalf of the developer.

If you would like to look at the appeal to the Board, it is on page 1855 of your board book. It's at the very end so I thought that some of might have been exhausted and not actually gotten to that point.

MR. GOODWIN: Read through it twice.

MS. DULA: The City of Garland has put a lot of thought into the revitalization of their municipality. In 2012 they issued the Envision Garland Plan which was an assessment of the entirety of the city to determine what its assets were and what problems it had and what needed to be done in order to continue to be a viable and vibrant city to attract the changing population that they saw evolving in the area, and the intent was that there would be subsequent plans that would be more directive than the overall plan which was primarily to identify catalyst areas that they believed would be necessarily foci for the development and redevelopment of the city.

They identified seven of these catalyst areas. The Forest/Jupiter/Walnut area is one of them. They also identified 13 targeted investment areas where they thought specific projects would be good to get things going and they had ideas with regard to those projects. The Forest/Jupiter/Walnut area that we are involved in has three of these targeted investment areas, and the project site was
initially thought to be in one of those targeted
investment areas as represented by the city, but there are
maps that show that it wasn't in it as originally
contemplated. However, that doesn't matter because it is
not the targeted investment area that we are looking to as
our plan. Our plan is the Forest/Jupiter transit-oriented
redevelopment plan which was put out for the catalyst area
of the Forest/Jupiter/Walnut part of town, and that is the
plan that we are looking to to be considered the concerted
revitalization plan.

If you look at the reply or appeal to the
Board, the first item is the location of the project
within the plan. Admittedly, we had trouble proving that
the city was correct and it was within the targeted
investment area, but it is clearly within the plan.

I will now give you Brad Forslund to talk about
the funding and one of the foci of the plan for the
redevelopment area.

MR. FORSLUND: Good afternoon. Brad Forslund,
Churchill Residential. We are the developer and represent
the applicant as well.

So I'm going to take it down a little more
specific from Ms. Dula's overview of the redevelopment
area, but I'm going to focus specifically on our area
which is called the Health Science District which is on
the northern portion of this catalyst area. And for the
Board's sake and the executive director, the catalyst area
is this green shaded area right here, and our site is in
the northern portion of the catalyst area and the hospital
district.

This is Garland's main healthcare district.
There are two hospitals, there's Baylor Scott and White
which recently closed in February, and Vista Hospital
which has been closed for a couple of years. The hospital
then is supported by multiple medical offices in the
neighborhood. Those still are ongoing and active. And
Baylor right now is in the process of negotiating a new
operating agreement and owner for their facility. This
district also suffers from disinvestment in retail and
residential properties. Garland's goal is to revitalize
this struggling district by attracting private capital in
conjunction with public incentives to create a vibrant and
growing Health Science District.

This district is a major component of the
Forest/Jupiter redevelopment plan and is one of the seven
catalyst areas Ms. Dula mentioned. In 2017 the city
agreed to invest $3.1 million in a mixed use development
called Central Park. This development includes 582 single
family lots, neighborhood retail, and 10 acres of green
space and common area. This investment will be repaid to
the city through TIF 3, which is, again, in the catalyst area. This development has been identified by the city as a revitalization catalyst project for both the Health Science District and TIF 3. This project is underway with infrastructure currently being constructed and completion targeted for December of 2020.

TIF 3 is one of several primary funding sources for the redevelopment plan catalyst area. The city has identified 12 future projects using this TIF, totaling $36 million, including infrastructure, trail systems, and district masonry screening. Mr. Sisk will be speaking next and will give you more details in terms of specific funding sources.

The redevelopment plan identifies the need for workforce housing for nurses and healthcare support and senior housing in the district, all of which need to be in close proximity of the healthcare district.

I'll wrap it up very quickly. The catalyst area is served by DART with bus service to and from the Health Science District which provides a convenient link to the Forest/Jupiter light rail station.

In summary, the Forest/Jupiter redevelopment plan has identified the healthcare district and the DART light rail station as the foundation of the plan. Though in the early stages of revitalization, the commitment of
the city in terms of priority and funding is evident and is growing to meet the objectives of the redevelopment plan.

Thank you very much.

MR. GOODWIN: Thank you.

Any questions?

(No response.)

MR. GOODWIN: Is anyone else going to speak to this?

MR. SISK: My name is Tony Sisk. I'm also with Churchill Residential, the developer of the project.

With regard to funding, in the area that includes the subject site, the Forest/Jupiter transit-oriented redevelopment plan, which includes the Forest/Jupiter DART rail station mentioned and the Health Science area mentioned, includes the subject site. It was created to spur residential and commercial development around this station and the hospital. Both areas are in great need of revitalization. The city has a formal proposed CIP project in the amount of $980,000 which is the Forest/Jupiter streetscape which is across from the station. TIF Number 1 includes this station and has money to invest in the area around the station, and again, that station is in the same plan area as our site.

The Forest/Jupiter plan also includes a map and
narrative contained in our application contemplating a
senior living development on our subject site and it also
mentions tax credit financing. It also mentions that the
city would like to expand the internal roads around the
hospital going north which is Walter Reed which would
touch our subject site.

We have a letter in our application from the
city that said the city has sent $27-1/2 million to DART
and we have a letter from DART confirming that. And if
you take the total cost -- they don't break down the
information in the business plan, but if you take the
total cost divided by the number of stations, it's over
$2-1/2 million each year to maintain these stations, and
because the station is there the city is trying to
generate development both around the DART station and
around the hospital healthcare area where our site is part
of.

We put in our application in further
clarification that there were several projects around the
hospital and the subject site that were CIP projects, and
the first meeting I had with the assistant city manager
and staff, they expressed the desire for us to work with
the city, to contribute land on our site which would be a
greenbelt which connects the new central park development
across the street from our site and goes along the creek
and then into the hospital area.

So in summary, all this stuff fits together.

The city has put $3.1 million in the development across the street. That's the first project, but they anticipate many, many different projects in this area and they're investing a lot of money and time to do so.

Thank you.

MR. GOODWIN: Thank you.

MS. LATSHA: Good afternoon. I can say afternoon now. My name is Jean Latsha, I'm with Pedcor Investments.

I do have some interest in this application since we have a competing application in the region, but I admit I'm not 100 percent sure I'm even helping myself out here right now. There's several factors at play in this region and so this application gaining these points or being denied these points could be good or bad for me either way, depending on a lot of other stuff.

So that being said, I was interested and objective when I read staff's initial decision, the applicant's appeal and the executive director's response, and in short, I think staff got it right. This application does not qualify for community revitalization points. I'll try not to repeat the points that Marni made, I thought very well, but I'll say I agree with all
of them, but I'd like to talk about the bigger picture a little bit here.

This has been said before, I know, but it's important to remember that unlike with the 4 percent deals if this application is not awarded, then there's no resource that's lost to the state, the credits will just go to another worthy applicant which leads me to my next point, the worthiness of the other applicants. The rules that dictate the scoring of these applications reflect Department policy objectives, so it's fair to say that those applications that meet all of the requirements of the scoring criteria represent developments that will further those objectives. There are several applications that have already been reviewed by staff and that have been granted their requested points and that's because those applications are meeting all of the requirements of the rule and so clearly fulfilling some policy objective.

I appreciate that TDHCA does want to incentivize development in community revitalization areas, so it's tempting to grant these points in order to make sure that objective is being fulfilled, but I will say that there are at least three other applications in this region that are in community revitalization areas in good position for an award, one in Fort Worth, one in Plano, and another one just down the street in Garland. It is
clear staff is not being unreasonable in their reviews of these revitalization plans, they've granted points to several of them. They recognize there are other applications that do meet the requirements of these rule, those applications that do truly meet the policy objective of having some of these developments in community revitalization areas. This is not one of them. There is legitimate question about whether or not this application meets the requirement of the rule.

Again, it's tempting, after sifting through hundreds of pages to just say surely there's enough stuff here to say that this meets the requirements, and it's exhausting. I've had them too, it's totally exhausting. But you can't just look at a few highlighted buzzwords and maps that kind of maybe point to areas that are covered by plans. It wasn't enough, there was not enough there, and I appreciate the diligence of staff to realize that it wasn't there. Tamea admitted it, they're not in a targeted investment area, there's no funding for it, the funding that they did talk about was passed after March 1, it's just not there.

So I appreciate staff and hope that the Board would stick with them on this one.

MR. GOODWIN: Thank you.

Anybody else want to comment.
MR. YARDEN: Good afternoon. My name is David Yarden and I'm with Amtex Multi housing.

We have a competing application in Garland, Lavon Senior Villas. It did receive full CRP points. Both of these applications cannot be awarded, they're mutually exclusive, and we want to commend staff for their effort in reviewing application 18000 and coming to the decision they did. We believe the Board should uphold staff's determination not to award points under the concerted revitalization plan. Staff had given the application exceedingly careful review and they've given the applicant numerous opportunities to make its case that the application as submitted meets all the requirements needed for points in this category.

All of the arguments that the applicant has made here today have already been raised time and again by staff. In fact, the applicant has already had four bites at the apple here. I just wanted to outline the process that has gone through before coming here today. Of course, the original application was submitted and staff reviewed it and did not award the points. They appealed to the executive director on that front, he provided careful review and a lengthy response, agreeing with staff's decision, but giving the applicant the opportunity to come back and make its case, organize its notes and
remake its case. The applicant resubmitted those
documents to staff, and again staff determined that the
points were not there. The applicant then appealed again
to the executive director who concluded with another
further detailed analysis, different from the one before, but reaching the same conclusion: no points were
justified. So finally, we're here at the fifth
opportunity, the appeal to this Board.

Staff has given meticulous consideration of the
issue and provided specific feedback to the applicant. Each applicant in this 9 percent round is required to
provide all the proper documentation in its application
and to present its material in an understandable and
logical way. The application materials here simply do not
support the award of the points the staff has determined
again and again.

Thank you.

MR. GOODWIN: Anybody else want to comment.

MR. PALMER: Barry Palmer with Coats Rose.

So I think my reading of the responses that we've gotten back from the executive director on the plan
was that we had a plan but that there was not identified
funding for it, and so Mr. Sisk and Mr. Forslund have gone
through a number of sources of funding that are available
for improvements in the plan area, including TIRZ-1 and
TIRZ-3 and the DART revenue to the DART stations, including the station that's located in this plan, so I think we have provided evidence of funding and that there obviously is plan, there are a bunch of plans that the City of Garland has that include the development of senior housing. So we believe that we have satisfied the requirements.

MR. GOODWIN: Thank you. Anybody else want to comment? (No response.)

MR. GOODWIN: If not, time to entertain a motion. We have the recommendation from staff to deny the seven points for the CRP. Do I hear a motion regarding that issue?

MS. THOMASON: I'll make the motion to uphold staff's recommendation.

MR. GOODWIN: We have a motion to uphold staff's recommendation. Do I hear a second?

MR. BRADEN: Second.

MR. GOODWIN: Any discussion? (No response.)

MR. GOODWIN: All those in favor say aye. (A chorus of ayes.)

MR. GOODWIN: Opposed? (No response.)
MR. GOODWIN: Okay. Staff's recommendation is upheld.

Item 5 (f)

MS. HOLLOWAY: 18057, the applicant is withdrawing their appeal for 18057, so we don't need to take the item.

MR. GOODWIN: Okay. So that leaves us with item (g). That's already done. Right?

MS. HOLLOWAY: We haven't done (g).

MR. GOODWIN: This is the list.

MS. HOLLOWAY: This is the big one, we've got to do this one.

MR. GOODWIN: Sorry about that.

MS. HOLLOWAY: 5(g) is presentation, discussion and possible action to issue a list of approved applications for the 2018 housing tax credits in accordance with Texas Government Code 2306.6724(e), so we are statutorily required to bring to the Board by the end of June the list. The same section requires that the Board shall issue final commitments for allocations of housing tax credits each year in accordance with the Qualified Allocation Plan, not later than July 31, so that's what we'll do next month.

Not all applications on the current approved list, as published in your book, have completed the review
process and not all will ultimately receive an award of
tax credits but they are continuing to be reviewed in
accordance with the Qualified Allocation Plan and
constitute the complete list of applications that may be
eligible for commitments of allocations of housing tax
credits in this competitive cycle.

Staff recommends that the list in your book of
active applications for the 2018 competitive housing tax
credit cycle be approved, subject to meeting the
requirements of the QAP and associated applicable rules.

MR. GOODWIN: Do I hear a motion to accept the
list as published?

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: So moved. A second?

MS. THOMASON: Second.

MR. GOODWIN: Any discussion?

(No response.)

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: That concludes our posted agenda
items. We are at a spot where we will accept public
comment only for the purposes of possibly creating a
future agenda item. Do I hear any public comment?
(No response.)

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

MR. BRADEN: So moved.

MS. BINGHAM ESCAREÑO: Second.

MR. GOODWIN: So moved and seconded. All in favor?

(A chorus of ayes.)

MR. GOODWIN: We are adjourned. We'll see you on July 12.

(Whereupon, at 12:38 p.m., the meeting was adjourned.)
CERTIFICATE

MEETING OF:    TDHCA Board
LOCATION:     Austin, Texas
DATE:         June 28, 2018

I do hereby certify that the foregoing pages, numbers 1 through 212, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Donna Boardman before the Texas Department of Housing and Community Affairs.

DATE:    July 6, 2018

(Transcriber)

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