TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

Dewitt C. Greer State Highway Building
Ric Williamson Hearing Room
125 E. 11th Street
Austin, Texas

May 23, 2019
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

DAVID CERVANTES, Acting Director

ON THE RECORD REPORTING
(512) 450-0342
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### 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 January 17, 2019

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

- **LEGAL**
  - c) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Northwood Apartments (HTC 11081 / HOME 1001590 / CMTS 1303)
  - d) Presentation, discussion, and possible action on the final 2019 State of Texas Consolidated Plan: One-Year Action Plan

- **HOME AND HOMELESSNESS PROGRAMS**
  - e) Presentation, discussion, and possible action to authorize the issuance of the 2019 Emergency Solutions Grants Program Notice of Funding Availability and publication in the Texas Register
  - f) Presentation, discussion, and possible action on the reprogramming of Program Year 2018 Community Services Block Grant Administrative and Discretionary funds

- **OCI-HTF-NSP DIVISION**
  - g) Presentation, discussion, and possible
action authorizing extensions to Neighborhood Stabilization Program 3 Contract and Program Income Reservation Agreement

h) Presentation, discussion, and possible action to amend the 2019 Amy Young Barrier Removal Program Statewide Allocation Notice of Funding Availability and publication of the Notice of Funding Availability in the Texas Register

BOND FINANCE

i) Presentation, discussion, and possible action on Resolution No. 19-033 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds, authorizing state debt application, and containing other provisions relating to the subject

MULTIFAMILY FINANCE

j) Presentation, discussion, and possible action on the Second Amendment to the 2019-1 Multifamily Direct Loan Notice of Funding Availability

k) Presentation, discussion and possible action on an extension for AHA! at Briarcliff, Application #17511 (PULLED)

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

- 19421 Hampton Homes Texarkana
- 19422 HATT Scattered Sites Texarkana
- 19423 Robison Terrace Texarkana
- 19424 Williams Homes Texarkana
- 19425 Bright Street Texarkana
- 19403 Mesa West San Antonio
- 19404 Legacy Ranch at Dessau East Austin

ASSET MANAGEMENT

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

- 97104 Oak Meadows Townhomes Commerce
- 98191 Casa Pointe Villas San Antonio

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99147 Ridgecrest Inn Apartments Livingston

n) Presentation, discussion, and possible action regarding waiver
15251 Casa Verde Apartments Laredo
16197 Taylor Senior Village Mission

o) Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit Application
16098 Parkdale Villas Denison

p) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and changes to the Direct Loan
18036 Clyde Ranch Clyde
18040 Farmhouse Row Slaton

q) Presentation, discussion, and possible action regarding an increase to the Housing Tax Credit amount
13428 Village at Palm Center Houston

r) Presentation, discussion, and possible action regarding a Placed in Service deadline extension for a development located in a Major Disaster Area
16258 Provision at West Bellfort Houston

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS: 12

a) TDHCA Outreach Activities, (April-May)

b) 2020 QAP Planning Project report

c) Report on proceedings to remove the eligible entity status and terminate CSBG contracts and funding for Cameron and Willacy Counties Community Projects, Inc.

d) Quarterly Report on Texas Homeownership Activity

ACTION ITEMS
ITEM 3: HOUSING RESOURCE CENTER
Presentation, discussion, and possible action on the draft 2020 Regional Allocation Formula Methodology

ITEM 4: OCI-HTF-NSP DIVISION
Presentation, discussion, and possible action on the Maverick County Colonia Self-Help Center Program Contract in accordance with Tex. Gov't Code Chapter 2105 and 10 TAC, Chapter 1, Subchapter D, §1.411(f)(1)(F)

ITEM 5: RULES
Presentation, discussion, and possible action on the proposed new 10 TAC Chapter 23 Subchapter H, Homebuyer Assistance with New Construction (HANC) or Rehabilitation, and directing its publication for public comment in the Texas Register

ITEM 6: BOND FINANCE
Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds Series 2019 Resolution No. 19-034 and a Determination Notice of Housing Tax Credits for Northgate Village (#19603) in Dallas

ITEM 7: MULTIFAMILY FINANCE
a) Presentation, discussion, and possible action regarding changes to the capital structure for Highlander Senior Village (HTC #18019/HOME Contract #1002875)

b) Presentation, discussion and possible action regarding an Award of Direct Loan funds from the 2018-1 Multifamily Direct Loan Notice of Funding Availability

18506 Golden Trails West
18137 New Hope Housing Dale Carnegie Houston (Pulled)
18369 The Residence at Canyon Lake Canyon Lake

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111

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Availability

19504 Avanti at Sienna Palms Legacy
   Weslaco

d) Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer, an Award of Direct Loan Funds, and a waiver of 10 TAC §10.613(i)

19409 Grim Hotel Texarkana

e) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds Series 2019 Resolution No. 19-035, a Determination Notice of Housing Tax Credits, and on an Award of Direct Loan Funds for McMullen Square Apartments (#19601) in San Antonio

f) Presentation, discussion, and possible action on staff recommendations regarding Application disclosure under 10 TAC §11.101(a)(2) related to Undesirable Site Features

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19185 Edgewood Villas Killeen (Pulled)
19225 Rosewood Senior Villas Tyler

19125 Alice Lofts Alice 134
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19013 Our Lady of Charity Apartments San Antonio 72
19050 Wayman Manor Temple (Pulled)

h) Presentation, discussion and possible action on timely filed appeals

19368 Sweetwater Springs Sweetwater (Pulled)
19229 Hacienda Santa Barbara Socorro
I) Report on Requests for Administrative Deficiency

19013 Our Lady of Charity Apartments San Antonio
19063 Residences at Lake Waco Waco
19079 Provision at Patriot Parkway Venus
19100 Carver Ridge Apartments Midland
19189 Lakewood Crossing Granbury (Pulled)
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19244 Mariposa Apartment Homes at Harris Road Arlington
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19266 County Line Lofts Venus
19277 Cielo Place Fort Worth
19301 Prince Hall Port Arthur (Pulled)
19307 Briarwest Apartments Houston
19315 Hammack Creek Apartments Kennedale
19319 Bardin Apartments Arlington
19365 Heritage Estates at Huntsville Huntsville

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

none

EXECUTIVE SESSION

none

OPEN SESSION

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ADJOURN

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MR. GOODWIN: I'm calling to order the Texas Department of Housing and Community Affairs Board meeting for May 23, 2019.

Having done a visual roll call, all members are present and we have a quorum, so we will begin.

Please stand and join as David leads us in the pledge to the flags.

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

MR. GOODWIN: Much better job this month, David. Way to go.

MR. CERVANTES: Thank you, sir.

MR. GOODWIN: Michael will read a resolution recognizing June as Homeownership Month.

MR. LYTTLE: Thank you, Mr. Chairman.

The resolution reads as follows:

"Whereas, June 2019 is Homeownership Month in Texas;

"Whereas, the goal of the Texas Department of Housing and Community Affairs (Department) that all Texans have access to safe and decent affordable housing;

"Whereas, this year, the Department is Texas' only state housing finance agency;

"Whereas, it is the policy of the Department to
support equal housing opportunities in the administration of its homebuyer and homeownership programs and services;

"Whereas, since 1981, the Department has served as the State's housing finance agency, providing a choice of mortgage products and services to accommodate market opportunities and buyer needs as appropriate;

"Whereas, the Department offers a free online homebuyer education tool, Texas Homebuyer U, and administers funds to support the Texas Statewide Homebuyer Education Program to inform and prepare buyers for successful homeownership;

"Whereas, the Department applauds all those who work to achieve and maintain affordable, responsible homeownership and recognizes those who provide services and resources to all homebuyers regardless of race, color, national origin, religion, sex, disability, or familial status; and

"Whereas, the Department encourages Texans to explore the numerous affordable home buyer resources available during Homeownership Month and throughout the year;

"Now, therefore, it is hereby

"Resolved, that in the pursuit of the goal of affordable homeownership opportunities for all, the Governing Board of the Texas Department of Housing and

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Community Affairs, does hereby celebrate June 2019 as Homeownership Month in Texas and encourages all Texas individuals and organizations, public and private, to join and work together in this observance of Homeownership Month.

"Signed this Twenty-Third Day of May 2019."

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

MS. RESÉNDIZ: So move to approve.

MR. GOODWIN: Moved. And second?

MR. VASQUEZ: 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: The resolution is passed.

We're moving on to the consent agenda which is consent agenda and report items, and we have one item, item 1(k), that is being pulled for this month, and then we have on item 1(f) a technical correction, and Mr. DeYoung will give us that technical correction.

MR. DeYOUNG: Good morning. Michael DeYoung,
Community Affairs Division.

Item 1(f) is the presentation, discussion, and possible action on the reprogramming of Program Year 2018 CSBG funds.

At the end of the year, annually, we kind of go through all the pools of money that haven't been spent and we reallocate them to the network for additional funding.

Your Board book has a table contained in it for the award. Subsequent to us posting the Board book, there was an EARAC meeting where some conditions were placed on two of the awards and one of the entities, the City of Lubbock, doesn't have the ability to correct their condition due to the fact that they're a body of government and it's actually contained in their ordinances. Additionally, there are some of the awardees -- I believe nine -- who have not fully completed the PPR process.

So staff is asking for your approval to award these funds by the formula contained in the TAC and the flexibility to deal with, if anybody has special condition that they can't meet that we could subsequent re-award those funds by formula to the other remaining entities so that we can fully expend the funds before we lose access to the federal funds. And you have a revised table in your hands just placed. That's the one.
Staff moves your approval.

MR. GOODWIN: Thank you, Michael.

Any questions or any other items any Board member want to have pulled from the consent agenda?

(No response.)

MR. GOODWIN: If not, I'll entertain a motion to approve the consent agenda and report items as amended.

MR. BRADEN: So moved.

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

MS. BINGHAM ESCAREÑO: Second.

MR. GOODWIN: Any discussion?

(No response.)

MR. GOODWIN: All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. DeYOUNG: Thank you.

MR. GOODWIN: Thank you, Michael.

So now we're moving into the action items, of which we're going to jump around, so if we miss something, please stand up and say, Oops, you missed me.

We're going to start with action item 7(g) first, and on 7(g) we are going to deal specifically with one item which is application 19133. And I'm going to ask and remind those of you that are going to speak to please
come up and sit on the front row if you're intending to speak. Also, because we have a very packed agenda, we are not going to have debates on these items. If you've got something to say, please come up and say it, and please condense it into three minutes because at the end of three minutes we're not going to be borrowing somebody else's time, we're going to move to the next person. We'll do a speaking for the recommendation and speaking against and take them in alternative orders, but we're not going to have a debate.

Marni.

MS. HOLLOWAY: Good morning, Chairman Goodwin, members of the Board. I'm Marni Holloway. I am the director of the Multifamily Finance Division.

This item is presentation, discussion, and possible action on staff determinations regarding neighborhood risk factors for 19133, Alazan Lofts.

This application was submitted in 2018 and at that time they disclosed four of what we then called undesirable neighborhood characteristics -- it's now neighborhood risk factors. Of those four, one of them actually has been resolved. They had a school that was Improvement Required and it has now Met Standard.

The other three that are left, as far as crime is concerned, they're triggering the notification in
Neighborhood Scout for 18 violent crime incidences per thousand population, but when we looked at the actual crime data, it's lower than that, so staff is recommending eligibility on that item.

They have disclosed some blight within a thousand feet of the development site. We did do a site visit and looked at the neighborhood and we are recommending eligibility on that item.

So what we're really discussing right now is the poverty rate. The census tract in which the development is located has a poverty rate of 65.7 percent in 2017. That's an increase from 62.4 percent in 2016. The applicant has said that -- excuse me. Take the coughs out of my three minutes.

MR. GOODWIN: You need to shorten your introduction too.

(General laughter.)

MS. HOLLOWAY: I do the best I can.

The applicant has reasoned that this high poverty rate stems from the fact that there is currently a public housing development in the census tract with more than 700 units, so that skews that poverty rate lower. As mitigation, they point to a contiguous census tract with a poverty rate of 6.2 percent, but the boundary between this census tract where the development site is and that 6.2 is...
a highway, it's separated by an eight-lane freeway, so it's clearly a separate and distinct neighborhood. The three contiguous census tracts on the same side of the highway all have rates above the Department's threshold of 40 percent with no physical barriers between them.

On page 849 of your Board book there's a chart that charts out what's been happening with poverty rate since 2012 and also with median income. Staff does not believe that sufficient mitigation has been provided to justify finding the site eligible due to the increased and increasing high poverty rate, and we are recommending that the Board find the site ineligible with regard to this issue.

I'd be happy to answer any questions.

MR. GOODWIN: Any questions from any Board members for Marni at this point?

(No response.)

MR. GOODWIN: I'll entertain a motion not to approve what staff is recommending but to take discussion.

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: Second?

MR. VASQUEZ: Second.

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

All in favor say aye.

(A chorus of ayes.)
MR. GOODWIN: So we'll begin discussion. I assume there are a number of people here to speak against. Is there anybody here speaking in favor of what staff is recommending? You're going to speak in favor? We're not going to call on you first; we're going to first have those people that are opposed to staff's recommendation. Who wants to be the first speaker?

MS. GUERRERO: I'll be the first speaker, Mr. Chair.

MR. GOODWIN: Okay.

MS. GUERRERO: My name is Debra Guerrero. I am representing the NRP Group, co-developer of Alazan Lofts. Today we are asking the Board to approve our appeal of the staff's recommendation of denial for Alazan Lofts.

And I completely understand how if you just look at the percentages and not really understand the neighborhood, where the recommendation would come from. But today we have a host of speakers that will talk to you about what this neighborhood really looks like. I know the biggest concern is that highway and how that highway is actually not a deterrent to get directly to jobs in the downtown area. And in fact, if anybody has ever been to Market Square, they've been underneath that highway. It's almost like a little city of pedestrian easy access back and forth. And I did want to start by saying that because
that does seem to appear one of the reasons that the contiguous census tract is not taking into account when it comes to the mitigation.

So again, the QAP allows the Board to approve our appeal if it's consistent with achieving the goals, including the preservation of existing occupied affordable housing units to ensure that they are safe and suitable, or the new construction of high quality affordable housing units. And that's the part that I want to stress is the high quality affordable housing units. And determination that the risk factors that have been disclosed are not of such a nature or severity that would render the development site ineligible. So the Board also has to document the reasons, and I'm going to tell you the reasons.

Beginning with the preservation of existing occupied affordable housing units. This Alazan Lofts is actually kicking off a larger master plan for the area, one that has been a concerted community-driven plan that will actually demolish the public housing units eventually and reconstruct them from 100 percent public housing units, not displacing anybody, but bringing in a mixed income. So this census tract will then have the opportunity to actually lower that poverty rate. It's really the first step in taking children and families out
of substandard housing and putting them in, again, the new
construction of high quality affordable housing units.

The second reason, the risk factor disclosed is
not of such a nature or severity to render the site
ineligible. We provided information in the mitigation
that despite the high poverty rate in the census tract
that there is a contiguous census tract with a poverty
rate below 20 percent. The staff used 2017 so we went
ahead and included 2017 figures, and if you see the
contiguous census tracts, darn it, they have gone down in
poverty rate.

So we have a list of speakers. I will let them
back it up, but at the end of the day, the two reasons are
for those very two reasons that we ask you to grant the
appeal. Thank you.

MR. GOODWIN: Okay. Now someone that is in
favor of staff's recommendation, whoever wants to come up.

Come on up, sign in and tell us your name and who you
represent.

MS. FLORES: Good morning. My name is Yaneth
Flores. I'm with the Esperanza Peace and Justice center,
based in San Antonio's West Side. We are located at 816
South Colorado, directly in front of the proposed project.

We're here today supporting staff recommendations because
we do have a concern regarding fair housing in our
We know that this is the poorest census tract in San Antonio. We are greatly in need of housing. That land needs to become housing but we are concerned as to how we are moving into this. We cannot keep concentrating affordable housing in low income, high poverty areas when it is clear that we do need low income homes. Right? We need public sector housing to be in that neighborhood. If the project moves forward as presented, we will be looking at the demolition of the Alazan Courts and the possibility of that turning into market rate housing. What would we do without public sector housing? Where will all those folks go? There are 500 units in the Alazan Courts; well over 1,200 folks are living in those homes; 88 units in the proposed Lofts, only 40 of those will be public sector housing. What will happen to the rest of the folks living in Alazan Courts?

We are concerned with the design working against the historic neighborhood. It is a historic neighborhood, and we are in the process of creating a design look for the Lofts, but we're concerned that it will not fit the historic neighborhood in which we find ourselves.

We are also kind of struck that no one let anybody know about this. We found out yesterday when it
seems like the city was well aware of it.

So again, we do support staff recommendations
and hope that you consider that as direct neighbors of the
project. Gracias.

MR. GOODWIN: Thank you.

Someone against staff's recommendation, next
speaker? If you're going to speak, please come up and sit
as close to the front as possible.

MR. NISIVOCCIA: Good morning, Mr. Chair.

MR. GOODWIN: Make sure you sign in, please.

MR. NISIVOCCIA: I will. My name is Dave

Nisivoccia. I'm the president and CEO of the San Antonio

Housing Authority. On behalf of my board, the fellow

employees at SAHA, as well as, most importantly, the

residents of Alazan, I thank you for the time that you've

graced us with this morning.

I want to talk about the property specifically.

Alazan Lofts sits in the center of a vibrant historic

neighborhood in the hear of San Antonio's West Side that's

with close proximity to downtown, job opportunities, good

medical care for our clients. The inner West Side

residents have been waiting for generations, quite

honestly, since former First Lady Eleanor Roosevelt first

helped bring affordable housing in the late '30s to San

Antonio. It's our perspective how much longer should our
clients wait for investment and opportunity to economically grow their portion of the city. Quite honestly, our solution is to implement a multi-phase, mixed income, multifamily housing plan that would spark economic development in the immediate inner West Side to help reshape the trajectory of the neighborhood, and quite frankly, the community. As Debra mentioned earlier, this is just the beginning, Alazan Lofts, of a multi-phase, multi-income family housing plan.

My board has allowed us to spend about $1.2- to $1.5 million on cobbling vacant land already that sits adjacent to Alazan, which is the public housing development, so we can start this revitalization. None of our residents would be displaced. As we move forward in the removal and the redevelopment of Alazan, people will have the opportunity to live there as we continue to bring new units, have a voucher and then move back within the community. It's our promise to all our clients that they never will be displaced if they don't want to be. As I mentioned earlier, we need to take action today for the new development to help alleviate poverty and tax credits will help us get there.

In San Antonio we've already seen the success of tax credits and the impact it can have on communities. On the near east side of town it used to be called
Wheatley Courts, now it's a vibrant public housing mixed unit, mixed finance development that has brought income, that has brought opportunity, that has brought economic opportunity, as well as educational opportunity, to the community, and tax credits were the funding vehicle that helped us get there. It's 100 percent occupied in most phases currently and it's stabilized the neighborhood, and everybody who's lived there previously still has the opportunity to live there. We're grateful for the tax credits.

In fact, quite honestly, we feel that if the tax credits aren't approved, the residents of the inner West Side will have to wait potentially another generation for the opportunity that we provide, and we want to ask everybody to have in San Antonio. I think it's dangerous when we start to romanticize poverty and stipulating that housing that was built in the 1930s is viable for the way we live today in America, regarding the square footage and regarding to attributes that we can provide, such as in Texas central heat and air which is a rather important item.

Therefore, we look forward to this Board amending the staff's position and granting our approval today. Thank you very much.

MR. GOODWIN: Thank you.
Any questions?

(No response.)

MR. GOODWIN: Now I have a person speaking in favor of staff's recommendation next. Please sign in, if you would.

MS. VALDEZ: My name is Amelia Valdez and I'm with the Historic West Side Residents Association in the West Side of San Antonio. I am here in favor of the staff recommendations.

Even though this is a phase one, the San Antonio Housing has been notorious for doing things in other parts of town as far as displacement, as far as giving out vouchers, throwing people outside the city, and my concern is that the smaller little things become big things. There has been things prior to phase one that has not even been talked about. How do you get to phase one? Well, it's all these secretive things that go around that people don't talk about as far as those errors and mistakes that were done with the Wheatley Courts are not being said, but there were people that were displaced, there were people that were sent outside the limits, there were kids that were displaced with their families, and it's really important to know that phases do take the turns that are not really good for the residents.

So it's important as the president of the
Historic West Side Residents Association that our residents have the concerns that displacement is big and displacement is tearing to a family, so it's very important that phase one -- even though it's phase one -- that's when things start. Okay?

So thank you so much for giving me the time this morning. Again, my name is Amelia Valdez and I'm with the Historic West Side Residents Association in San Antonio, Texas. Thank you so much.

MR. GOODWIN: Thank you.

Now we have someone that wants to speak against staff's recommendation?

DR. DRENNON: Good morning. My name is Christine Drennon. I am a professor of sociology and anthropology at Trinity University and the director of the urban studies program there. I speak to you today about the poverty in the neighborhood, not about the project itself.

The West Side of San Antonio we claim to be the heart of the city. It's the culture that we prize in every way, the food, the art, the language, the families, but we also tend to romanticize. But poverty rate in our West Side neighborhood is 65 percent. Why so high? Lots of reasons: historic neglect, gerrymandering of our resources, federal policy that divided the neighborhood
from economic engines of the city downtown in the form of an interstate highway. Years and decades of policy produced a neighborhood with a poverty rate so high it doesn't even qualify for affordable housing tax credits. But also a neighborhood in which the resilience is so high that the local culture has flourished to create the San Antonio that love.

In 2014 we came here to request consideration for 9 percent tax credits for our East Side Choice project that we today call East Meadows. For the last seven years I've been doing research on the East Side Choice project, and some of the concerns but also some of the celebrations that have been raised I've researched deeply. The neighborhood had had violent crime rates three times those of the city, narcotic crime rates ten times of the city, a neighborhood poverty rate three times that of the city, and two schools that failed to prepare their students for success. It's a neighborhood immediately east of downtown, divided from downtown by an eight-lane highway that was built with the intent in mind to keep opportunity out of our non-white neighborhoods.

You say these neighborhoods are too poor. I say of course they're poor. They were built to be poor, they were built for the poor, so our policy so far has been successful.
The circumstances on San Antonio's east and west sides are similar: poor neighborhoods developed in the early 20th Century under a discriminatory policy to house poor non-whites in substandard housing. A poor neighborhood separated from our centers of economic activity by highways built with federal policy money to isolate communities; poor neighborhoods where schools have been gerrymandered into segregated and unequal districts. These policies were effective and they isolated our poor into our neighborhoods that are separate from our economic activities.

Similar situations, so let's look at the East Side since investment. Poverty is down 10 percent, property crime rates are now at the same level as the city, economic activity is beginning to flourish. What worked? Public investment is beginning to work. We know that unregulated private investment and development will produce and has produced exclusive neighborhoods that are not inclusive of the entire city. Public investment with a watchful eye and significant partnerships may produce inclusive development.

MR. GOODWIN: Any questions?

(No response.)

MR. GOODWIN: I have a question for you.

DR. DRENNON: Please.
MR. GOODWIN: It seems to me that in the last ten years the economic boom in downtown San Antonio has been absolutely phenomenal. Would you agree with that?

DR. DRENNON: The economic boom in San Antonio. Downtown San Antonio now is booming with a lot of high dollar residential property. Our jobs are still a bit scattered but they're starting to centralize also. So the city is booming. The geography of it is a little bit more dispersed. We have put a lot of emphasis into higher dollar residential property in our downtown that a lot of us feel needs to be balanced, and that's why we argue for this project, that we need more publicly funded residential property as well.

MR. GOODWIN: More specifically, it seems like there's about 15,000 hotel rooms that have been built in the last 10 or 15 years.

DR. DRENNON: That's a great example.

MR. GOODWIN: Those are the jobs that are available to these people. How come the poverty level has stayed at such an exorbitant rate?

DR. DRENNON: In our downtown neighborhoods? You have to come see. We built them that way. When we built those downtown neighborhoods right around the inner city, they were built without restrictive covenants, and so our non-white populations were funneled into very dense
settlements right around the inner loop. Then we redlined them, completely denied them any kind of investment whatsoever, and gerrymandered the schools. What happened in the meantime through the century actually we celebrate because the communities and the families is where we still consider the heart of the city. That's where the energy is, that's where the creativity is. But some of the children are now suffering in schools especially.

So there's real political and policy reasons why the poverty is there, it's not the families, it's the policy. We produced it like that. And now we do have the growth in terms of these jobs and people are unable to get to them. So the highways that have been identified in these reports as being a problem, we built the highways with federal dollars in order to isolate these communities from the economic activity. Yay, we were successful.

MR. GOODWIN: I think that's your interpretation of that. By the way, I have been there. The very first time I was there was 55 years ago in it would have been 1964, and that was before that highway was built.

DR. DRENNON: Yeah, those are federal highways, 1954 projects.

MR. GOODWIN: And the same poverty was there at that level back 55 years ago.
DR. DRENNON: Right. So go back to the 1930s and redlining.

MR. GOODWIN: Thank you.

Is there anybody else that wants to speak in favor of staff's recommendation? Because I only saw two people.

(No response.)

MR. GOODWIN: Okay. Now we'll take additional speakers that want to speak against staff's recommendation.

And staff's recommendation is on one item and that is the poverty. Do I understand that correctly, Marni?

MS. HOLLOWAY: If I may clarify for a second? In order for this application to continue, the Board must find the site eligible because it has these neighborhood risk factors, so staff is recommending that it be found eligible on crime and on blight, we are recommending that it not be found eligible due to the poverty.

MR. GOODWIN: So my comment to other speakers is that, you know, you've gotten a checkmark on everything except the poverty level, so if you would, address the poverty level. That's really what's in front of this Board.

MS. GARCIA: Hello. Good morning. My name is
Janna Garcia. I'm currently Alazan Resident Council vice president, and I also live there at South San Marcos right across the creek.

Sorry, I'm a little nervous.

Them building this is an opportunity to see for our future, our children live there, and I know that by them building these apartments, it brings opportunity and brings investment and for other people to come and see us and want to invest in us.

Sorry, I'm just very nervous. I know that SAHA has committed in building the new development and before demolishing them they have to have somewhere to place us, and I also have here some residents from the Alazan that are for it and I know that it brings hope to us, it brings a different perspective. When we build buildings like this, it's just like something new, something that we have to take care of, something different, and it's just hope for us.

So I want to thank you for giving us the time to be here.

MR. GOODWIN: Thank you.

Any questions?

(No response.)

MR. GOODWIN: Next speaker.

MS. GONZALEZ: Hi. Good morning. My name is
Victoria Gonzales, and I'm here on behalf of San Antonio Mayor Ron Nirenberg. I'm one of his senior policy advisors. And he couldn't be here today but he asked me to read a statement from his office.

"On behalf of the City of San Antonio, I want to reiterate the city's support for the Alazan Lofts multifamily development. As you know, the San Antonio City Council passed a resolution of support for this project because it contributes more than any other to the concerted revitalization efforts in the city. As a result, Alazan Lofts, this project in front of you, was the only development this year to receive a resolution of support.

"In the fall of 2017, I created the Mayor's Housing Policy Task Force to create a comprehensive and compassionate housing policy framework that allows residents to live with dignity, age in place, rehabilitate their housing, and preserve the integrity of their neighborhoods. I challenged them to provide recommendations to protect and connect the neighborhoods amid our historic growth. As a result, the city council passed a resolution to accept San Antonio's housing policy framework and make housing a priority for the first time in our city's history. This policy document was produced through a comprehensive, data-informed community
engagement effort which identified recommendations and 
implementation steps to help alleviate housing insecurity 
and affordable challenges in San Antonio so that way our 
families can experience economic mobility. 

"The Alazan Lofts development aligns with the 
work of the Mayor's Housing Policy Task Force in many 
ways, but the location in the near West Side in the census 
tract makes it extremely important to our community. This 
development would increase the number of quality, 
affordable housing units and leverages funding for new 
rental units in a community linked with transportation, 
jobs and cultural assets. Additionally, it would provide 
affordable housing options in a neighborhood experiencing 
change and significant public improvements. 

"The project site is located within the West 
Side TRZ, an opportunity zone area, neighborhood 
 improvement bond area, and community members, including 
neighborhood associations, businesses, property owners, 
employers, cultural institutions have been envisioning a 
plan for the West Side community through the SA Tomorrow 
comprehensive planning process. Because of its 
significance, the city prioritized the West Side community 
plan as the first community plan to go through this 
process because we knew that the West Side deserved the 
revitalization that we're here seeking today.

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"Additionally, the city has invested in infrastructure projects to improve the drainage, road and bike infrastructure in the area.

"Due to Councilwoman Shirley Gonzales's leadership on this issue -- who you will hear from later on -- our city council prioritized the Alazan Lofts project in an effort to provide quality affordable housing options on the near West Side, so as our city continues to revitalize the near West Side, families may have the opportunity to benefit from these improvements.

"Our city is committed to the revitalization of this area and I respectfully request you support our local efforts by awarding the Alazan Lofts development 9 percent tax credits this year."

MR. GOODWIN: Thank you.

Next speaker.

MS. GONZALES: Good morning, everyone. I'm Shirley Gonzales, city councilwoman from District 5, which Alazan resides.

As you all have indicated, we have been working very hard to overcome the issue of poverty in our community, but I believe one of the greatest reasons why this area should be invested in is because it's in the West Side Opportunity Zone which was designated by Governor Greg Abbott, and it was also a coordinated effort
to dedicate especially HUD low income tax credits into
opportunity zones.

As you all may know, the president also
established the White House Opportunity and Revitalization
Council in April to target, streamline and coordinate
federal resources to be used in opportunity zones, so I
believe that this could be a coordinated effort, all the
way from the president of the United States down to our
local governor and then our local area, our mayor and many
of the residents that you see here today requesting an
investment in this community.

As you have mentioned, poverty has been a
problem in this area for many generations and I think Dr.
Drennon explained many of the reasons why that persists,
however, we believe that we are making steps to mitigate
that by some of the things that you've heard here today,
especially regarding the opportunity zones. We know that
we need private investment in order to thrive. It takes
public investment but private investment as well, and we
have some our developers here today to talk about what
they plan to do.

We also have Albert Carrizales who is here from
the UTSA downtown campus to talk about the educational
opportunities for our students as well. We expect that
they will benefit and then become more prosperous as our
educational institutions are also aligned with the opportunity zones.

It was given examples of what has happened on the Near East Side with Wheatley Courts and what happened as an investment of, at the time, Promise Zones that was created by President Obama, and we have seen the change in the community. And while there has been some concern with displacement, the strategy in this scenario is to move residents into new housing and also look for other opportunities to create new housing in the area so that the residents who are here with us today can move into some of those new properties, have basic amenities that most people expect in today's environment, issues concerning, for example, the existing Alazan Courts don't have air conditioning, they also don't have sufficient Wi-Fi and they don't have dryers, so it makes it very difficult for kids to have their clothes washed and dried on a regular basis because people have to go to laundromats to do their laundry. So if we could have updated facilities, most of which any of you all would expect in your housing development, we can improve the quality of life for all of our residents.

So I would appreciate your consideration in this request to mitigate the poverty in my neighborhood. As a longtime resident of the neighborhood, we know that
poverty continues to plague us and we look for the 
investment to make those changes. Thank you.

MR. GOODWIN: Thank you.

Any additional speakers?

MR. ARECHIGA: Good morning. My name is Jason 
Arechiga with the NRP Group. Hopefully conclude. We've 
had a lot of speakers today but I will conclude speaking 
specifically about the poverty. You had mentioned focus 
on the poverty.

There are 773 households in this census tract, 
of which 502 are public housing in Alazan Courts, so to 
some degree there will be a degree of poverty, there will 
be in this census tract. But let me tell you about 
mitigating part of that poverty. We were talking about 
proximity to downtown, and that's important, but let's 
talk about mitigating some of the poverty that's inside 
the actual census tract itself.

Alazan Lofts is the first step to mitigating 
that poverty because if you look at the actual unit mix, 
you will notice that there are public housing, market rate 
housing, 60 percent, 50 percent, 30 percent housing, that 
it's across the board, and it is the first step to move, 
along with the combination between NRP and SAHA, to move 
and build new housing very similar to this with Alazan, 
the whole Alazan Courts. We plan on demolishing that and
rebuilding it, just like we did with San Juan I and II and how they did on the East Side, and that has proven to be successful. And if nothing else, I'll say this with something that Senator Jose Menendez always mentions to me: children don't know if they're poor but they do know if they're not living in an air conditioned unit, they don't know the age necessarily but they do know that their unit is old, it was built in the '30s and '40s.

So what we're trying to do is we're trying to replace that housing, and in some cases we will be replacing public housing, so will that poverty number to some degree stay up? Yes. Will it come down? Yes, it will do that too because we're replacing it with market rate and 60 percent. So part of the speakers that were here today that were for this were speaking that did not want the people displaced, and we don't want that either.

We want to bring a complete community to the area, and the first step into bringing a complete community, while it is small at 88 units, this is the first step and this is proving that we can get federal and state funds here.

So we ask that you please vote against staff's recommendation so that we can start this first step towards mitigating that poverty, and if nothing else, just replacing the housing that currently exists in the area.

Thank you.
MR. GOODWIN: Thank you. Were you the final speaker?

Beau, did you have a question?

MR. VASQUEZ: And I have some questions.

MR. GOODWIN: Did you want to speak? Come on up.

Beau, do you have a question first? I'm sorry.

MR. VASQUEZ: Jason would be a great person to answer.

MR. GOODWIN: Then ask that question.

MR. VASQUEZ: Just so I can understand, this is replacing existing units, this phase, this 88 units?

MR. ARECHIGA: Half of them are replacing and half of it is market rate, 60 percent and 50 percent. So if you'll notice this is what the ultimate plan is going to be doing. Of the 88 there's about 42 of them that are public housing units, so if you look at the unit mix.

MR. VASQUEZ: How many existing public housing units?

MR. ARECHIGA: There are 502.

MR. VASQUEZ: In this 88 units.

MR. ARECHIGA: Oh, no. We are going to be building 42 public housing units.

MR. VASQUEZ: How many are you replacing with this 88-unit development?
MR. ARECHIGA: We're going to be replacing 42.
That's all we can do is replace the 42 so that we do not
displace them. So we can move 42 from Alazan Courts into
Alazan Lofts, and then when we can build, hopefully, a
second phase of a 9 percent that's very similarly done, we
can move 40 more from Alazan, and now instead of 502
you're at 422. And then that's when we can begin part of
the demolition process. If we'd just begun the demolition
process of the existing Alazan Courts as it is, they would
be displaced. If we just demolished it right now, the
people that live there right now would not be able to have
the opportunity to live in the same neighborhood. And so
that is really ultimately what we're trying to achieve
here is by building a place for them to move to so that we
can start that displacement -- actually, I wouldn't call
it displacement, I would call it we can start that
relocation right across the street.

MR. VASQUEZ: All right. Thanks.
MR. GOODWIN: Any other questions? Paul.
MR. BRADEN: I have a question. So there's a
freeway that's sitting between your census tract and
downtown. Is it up on like stilts?
MR. ARECHIGA: And everybody is shaking their
head. Debra, do you want to speak to it?
MS. GUERRERO: No. Go ahead.
MR. ARECHIGA: And I go down there. There's something called the Market Square. If you've been down to San Antonio, it's a neat little area separating this census tract and the other, and what it's done is you have market days where people go. It's under stilts and there's activities and there's city events and there's events that are held underneath there, and so it's not like an actual barrier that you can't cross, you can walk underneath it. And one of the examples that we show over here as a direct connection to opportunities, there's bus routes that go frequently underneath it. Because that is where the jobs are, as you had said, Chairman Goodwin, about the hotel jobs, there's buses that take you directly under there, but you can walk there too, it is under stilts.

So yes, it is a physical barrier but it is a physical barrier that is not difficult to cross and it is integrated into the community. We try to bring and the city tries to bring a lot of the stuff that's happening at Market Square down underneath that, we use it. It's not just always used for parking.

MR. GOODWIN: Any other questions? Did you have a question, Beau?

MR. ECCLES: I'm going to have to introduce the standard that's in our rule.
MR. GOODWIN: Okay.

MR. ECCLES: Could you describe the actions that are being taken that would lead the Board to conclude that there is a high probability and reasonable expectation that the poverty rate will be sufficiently mitigated or significantly improved within a reasonable time frame, typically prior to the placement of service of this development?

MR. ARECHIGA: Okay. So the actions that have taken place so far have been the investments that the city has shown, and while it did have a small uptick this last year, at the time of application it was 62.7 percent but if you look at the previous history, in 2013 it was over 70 percent. So the actions that the city has been -- again, if you look at 2011, 2012, 2013, the poverty rate was over 70 percent and a lot of the infrastructure and improvements and commitments that the city has made have been reducing that poverty. An uptick of 3 percent, well, you know, I mean I can't explain that, but if you look at the surrounding neighborhoods -- it's on this poverty map right here, you'll notice that four of the six census tracts contiguous to the tract have all dropped down for a net loss of 18.6 percent. So in general, not just this census tract, but in one year the contiguous census tracts have dropped by 18.6 percent. Yes, this census tract a
tiny bit but it has also gone down from 70 percent to the mid 60s over this period.

MS. GUERRERO: To clearly answer your question, Beau, the mitigation is the investment that's being made, the creek investment by the San Antonio River Authority and Bexar County, UTSA expansion.

MR. ECCLES: And if you could, as you're ticking these off, talk about when they happened and the effects that you see that have happened and you are projecting will happen to the poverty rate.

MS. GUERRERO: Absolutely. So beginning with the neighborhood and bond investment areas and the capital improvements that are being made in the area, it has improved the infrastructure currently and there is more planned. And what it has done is actually eliminate the need to come talk to you about blight, and you've seen that and staff talked about that. Also, the capital improvements, again, lead to that as well, it's infrastructure improvements and pedestrian access and the designation of the opportunity zone and leveraging the opportunity zone with those improvements.

The creek improvements along Alazan, which is within the census tract, is improving the pedestrian access to UTSA and their expansion, as well as into the downtown area where most of the jobs are located or
concentration of jobs. The city TRZ which is the $35 million investment, and there's a list within your packet of the specific developments. How that contributes to lowering the poverty rate, again, it's improving the access to jobs and to the contiguous census tracts.

So all of that together, unless, Councilwoman, I might have missed what's coming now, and the placed in service is usually a year and a half to a two year window.

MS. GONZALES: And I know that we referenced the opportunity zone, so we do know that we require private investment as well, in addition to the capital improvements that we've made in order to see a real turnaround. And so we anticipate with our opportunity zones that there will be more private investment which would then lead to more jobs, better higher paying jobs. I think the university and the school system is doing its part to transform the neighborhoods and the school districts, as was mentioned before, so the capital improvements that we've seen in the neighborhood have been significant, but we just need for the private investment to catch up to what the public investment has been doing.

MR. GOODWIN: Okay with that? I didn't hear the exact dates.

MR. ECCLES: Nor did I.

MS. GONZALES: So the West Side Creeks was
completed about two years ago. The UTSA expansion, they just received $110 million -- Albert Carrizales is here that can talk a little bit about that -- that's just a little bit to the east which is in the immediate downtown but it's within walking distance. I think we've secured about $110 million for the university to do this expansion. The phase two part of the expansion is yet to be finalized, but we see that as well. Also, the school district has a bond program. I think they've invested about $30 million into Lanier High School which is the school that's in this immediate census tract.

So we've had some other 9 percent tax credits that are still in the works, they have not been finalized yet. But we also had just yesterday or a few days ago we did a $4.5 million complete street program right in this existing census tract, and then in the next few months or so we will break ground on another part of the Complete Street program that's also in the census tract.

So we've done quite a bit of also smaller scale improvements to the neighborhood, including lighting, landscaping, that kind of thing to do aesthetic improvements to the area that have all been done within the last maybe three years or so. I've been on the council now for six years, I was just reelected to my last term so I've got two years left, so most of the things
that I'm talking about have all been done in the last six years minimum.

MR. ECCLES: And have you seen a relationship between those investments and the poverty rate in this particular census tract?

MS. GONZALES: Well, I think as the numbers show, this census tract still is very poor, but we know that it's primarily because we have such a large public housing complex that really engulfs most of the census tract. And the surrounding census tracts do show some modest improvements, so we know that as we've been investing public dollars in owner-occupied rehab, the focus of my attention has been to help the existing community mitigate any potential gentrification that may happen as a result of some of this public investment. So we've done about $6 million total in the city so I would say at least $2 million or so has been dedicated to the area around the near West Side to help stabilize homes and work with owner-occupied rehab so that people don't get displaced in the event that we see what we hope will be an improvement in our neighborhoods, more affordable housing. We hope to bring in more mixed housing. We know that we need that in order to reduce the amount of poverty. We need to have more market rate projects in our district, so we've had a couple of those a little bit to
the south of this census tract, but we really need this investment in order to adjust that sort of demographic of what has been a very, very poor community for many generations.

MR. GOODWIN: Any other questions?

(No response.)

MR. GOODWIN: We have one additional speaker?

MR. ARECHIGA: Is it okay if I answer his question pretty directly? He asked about placed in service.

MR. GOODWIN: Sure.

MR. ARECHIGA: I wanted to make sure that was okay. And I know we have two more speakers and that should be the conclusion.

Beau, you had asked about placed in service, the mitigating of the poverty to get before that?

MR. ECCLES: Yes.

MR. ARECHIGA: I would say that the lease up of the market rate and 60 percent units here would help towards mitigating that while this is built and being leased up. That's going to be reducing the poverty rate with the market rate units that are coming in here and setting the standard to show other developers that they can do the same thing.

MR. ECCLES: Okay.
MR. GOODWIN: Any other questions, additional speakers?

Are you for or against staff recommendation?

MS. ZATARAIN-FLOURNOY: I am against staff recommendation. Thank you very much.

My name is Josefa Zatarain-Flournoy and I work for the Aging and Disability Resource Center, funded by the State of Texas under the initiative of the federal government's Health and Human Services collaborative effort with the Department of Housing and Urban Development to dispatch housing professionals into communities across this country to look for ways and opportunities to change, affect, improve, add to or otherwise impact policy and programs, housing policy and programs for the benefit of the populations that we serve -- as I said, it's the Aging and Disability Resource Center. I also am an avid participant in TDHCA's Housing and Health Services Coordination Council.

I would like to take this opportunity this morning to share with you that in my 39 years in the affordable housing and its great many related industries in this very community of San Antonio, but more specifically in the urban core, I've had an opportunity to observe how affordable housing initiatives, reinvestment initiatives, and community development
efforts/initiatives, including economic development, has unfolded in my little town of San Antonio, now the seventh largest city in the country. And what I'd like to do is maybe if you can give me an opportunity to just address two things.

Number one, I'd like to just answer a little bit about the question that was asked just prior to me stepping forward. I worked very, very closely with the effort in 2010 and 2011, in conjunction with the New York Mayor's Office through a social innovation fund, that brought to San Antonio what had been seen as a successful program in Los Angeles, California, which was referred to as Jobs Plus. And so that award of many millions of dollars over a number of years was awarded specifically the San Antonio Housing Authority specifically to be launched in this very community at the Alazan and its immediate surrounding community.

And what the Jobs Plus effort was was this concerted effort where we would bring all of the supportive services needed and necessary to help people transition into employment opportunities, and so that included everything from child care to employment search to resume preparation to actually placing them and providing follow-up and other supportive services. That was launched in 2011 and it has shown many successes.
If we go on HUD's website today, we will see that HUD has since taken the Jobs Plus initiative and has now taken that pilot program that showed success in this very community, in this very neighborhood and census tract that we're talking about and has now made it a national program and has a NOFA that it will be funding and awarding to other communities, so much so that East San Antonio in it's Promise and Choice neighborhoods have also adopted and taken the Jobs Plus initiative.

MR. GOODWIN: In the sensed of fairness, I asked everybody to keep their comments to three minutes.

MS. ZATARAIN-FLOURNOY: Okay. If I can just say one other thing.

MR. GOODWIN: Be quick.

MS. ZATARAIN-FLOURNOY: I will, 30 seconds.

This community has asked to have its resources, it's historical and cultural resources protected and one of those many resources is that close knit family and family support and union, and by giving people, young folks and other working folks an opportunity to have a unit, an affordable unit that keeps them close to mom and dad and grandma and grandpa, that keeps that close knit community and gives them an opportunity to provide supportive services for each other, which, as I said, was one of the many pieces of the Jobs Plus program.
MR. GOODWIN: Thank you.

MS. ZATARAIN-FLOURNOY: Thank you so much.

MR. GOODWIN: One other speaker?

MR. LARRALDE: Good morning. My name is Tomas Larralde and I'm chief of staff for State Senator Jose Menendez. He apologizes for not being here. We had a late session yesterday and he drives back to San Antonio because his wife is very ill, so he sends his regards. And one thing I want to say is thank y'all for your service. I know this is a lot of work that y'all do on a daily basis, so we appreciate that.

So this area, Alazan, is very important to the senator. It's right smack dab in the middle of his district and he has been a champion for a lot of these developments in the past. I know nearby there's one at San Juan that has really been transformative, and while I think there's a perception about this community, I think one of the things that's happened that's really been transformative as well is UTSA, and that has really been a gateway into the West Side and has really created, I think, a lot of opportunities and will continue to do that.

The fact is the city has made a lot of investment and I think there's still a lot of opportunity.

There's a lot of cultural districts that have been
developed now along that corridor that I think are bringing a lot of people, not just from the area but from other parts of San Antonio into the district, and I think the continued support could really help. There is a huge need for the mixed housing that they're proposing, and one of the things that will do is by bringing these families into that community it will spur a lot more reinvestment.

I think we've seen some of the private sector in some of the other areas where these developments have occurred really beginning to put more emphasis and put more interest. I think we've seen some transformation in the East Side where now you have these older neighborhoods that were stagnant for a long time that are now blossoming and we're getting a lot more families that are coming into those communities. And I think if we can take that first step, we can make a big difference.

And the senator has constantly advocated and continues to do that. We'll be sharing with you guys a letter in support of this project, but we really appreciate your reconsideration of staff's recommendation and going with investing in Alazan. And this is kind of a personal thing for me. My parents were living there, they had a grocery store before the property was built, and I think if we can get back to those mixed use where folks are there and can invest and have these little small
businesses around, I think we can begin to turn the corner in that community, and they really deserve that kind of investment and effort.

MR. GOODWIN: Thank you.

And final speaker, Michael, we have a letter you want to read into the record?

MR. LYTTLE: Yes, sir. We have a letter from State Representative Diego Bernal, State Representative District 123. It's addressed to you, Mr. Chairman.

"I'm asking you and the TDHCA Board to grant the appeal of the staff's denial for Alazan Lofts. This particular development is the City of San Antonio's number one priority because it is the first housing initiative that will deconcentrate poverty in the area by providing mixed income rental housing.

"Under the current leadership, hundreds of millions of dollars of public and private investment is allocated to improve neighborhood infrastructure in this area, create new jobs and provide access to higher education. The State of Texas is doing its part, not only with the expansion of UTSA in the adjacent census tract, but also with the governor's designation of the census tract as an opportunity zone.

"The Low Income Housing Tax Credit Program must work in conjunction with state and local priorities, not
in contradiction, and according to your own rules, Alazan Lofts can be considered an eligible site despite the presence of such neighborhood risk factor if 'actions being taken that would lead staff and/or the Board to conclude that there is a high probability and reasonable expectation the risk factor will be sufficiently mitigated or significantly improved with a reasonable time, typically prior to placement in service, and that the risk factor demonstrates a positive trend in continued improvement.'

"The funding initiatives of the city, Bexar County, the San Antonio River Authority and the State of Texas all demonstrate a high probability that the risk factor will be sufficiently mitigated, therefore meeting the requirement for granting the appeal.

"Thank you for your service to the working families of Texas.

"Regards, Representative Diego Bernal, Texas House of Representatives, District 123."

MR. GOODWIN: Thank you, Michael.

I think we're at a stage where we've heard what our standard is as a Board and it's time for a motion to either accept staff's recommendation or to deny staff's recommendation and find the site eligible.

MS. Bingham Escareño: Mr. Chair, can I just
make a couple of comments, because this is difficult and I
know everybody on this side of the room gets and then we
have awesome residents that have shown up that you
probably know kind of what we're struggling with and what
we're trying to do here.

But I think our responsibility, you definitely
deserve safe, comfortable places to live that provide you
with opportunities for you and your family to grow and
thrive. Right? And you would like to do that where you
are, you would like that to happen in your neighborhood
and you love your neighborhood. Our challenge is trying
to figure out if your neighborhood represents the best
opportunity for your future.

The city and the people here that are
advocating, it's a great thing for the city and your
councilwoman to do everything that they've done to develop
your area. Our responsibility is just to figure out
whether or not it's headed in the right direction pretty
quickly so that it really does offer your families, you
know, the best opportunity to be successful, and it's kind
of tough, it's a tough area.

If I were going to look at what I think are
mitigating, I think some of what we consider are
mitigating are the fact that some of the other areas that
were previously risks are starting to reduce. Right? So
crime is looking better, I think blight is kind of
decreasing. Your census tracts around your neighborhood,
the poverty isn't so bad. We're struggling a little bit,
I think, with the whole expressway and the fact that under
the expressway on the other side there's some really nice
opportunity and some growth over there.

And I think the idea, the last letter that was
read into the record from the state representative, and
Tomas, what you pointed out from the senator in terms of
the plan that the city has is to attract folks that can
pay higher rents so that the affordable housing is also
mixed with what we call market rate housing that would
allow other people to live there, the jobs.

But that's kind of our dilemma is really just
trying to weigh out that, yes, we know you love your
neighborhood, and our responsibility is just to make sure
that we're identifying places that we can support housing
that will give you the best chance for a good future.

And we're not approving the development.
Right? All we're doing is saying whether or not it can
compete with any other development that's going to show up
this year for San Antonio. So even if we approve it as
being eligible today or recommend that it's eligible, it's
still going to have to compete with other developments
that might have other attributes that Alazan may not be
able to compete on.

So I would like to, Mr. Chair, make a motion that I do believe that the site should be found eligible based on the mitigation that has been provided by the folks that spoke in support of the development today, which would be the contiguous census tract that isn't at poverty level, that has a much lower poverty level, the commitment from the City of San Antonio to continue to provide improvements in the area that were in the form of the creek project and the TRZ and some of the other things that were read into the record.

Is there anything else you need from me?

MR. ECCLES: Do you mean the census tracts that have lower poverty levels on the same side of the highway as the census tract?

MS. BINGHAM ESCAREÑO: I mean the census tracts that are contiguous and that would include the ones that aren't on the same side of the expressway.

MR. ECCLES: Let me just read from QAP 11.101(a)(3)(B)(i) which is dealing with mitigation. "Evidence that the poverty rate within the census tract has decreased over the five-year period preceding the date of application, or that the census tract is contiguous to a census tract with a poverty rate below 20 percent, and there are no physical barriers between them, such as
highways or rivers, which would be reasonably considered as separating or dividing the neighborhood containing the proposed development from the low poverty area must be submitted."

MS. BINGHAM ESCAREÑO: Great. Thank you, Counsel.

I believe that the census tract that is contiguous that has a highway that's in between it, that the highway doesn't represent a barrier to that contiguous census tract because it's elevated and we all move underneath that structure.

MR. GOODWIN: Okay. We have a motion. Do we have a second?

MR. VASQUEZ: Second.

MR. GOODWIN: Any other discussion?

(No response.)

MR. GOODWIN: All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: It's passed.

(Applause from audience.)

MR. GOODWIN: We are moving back to action item number 3 on the Housing Resource Center. Elizabeth.

We're going to change the agenda. We're
bringing up item 7(d), the presentation, discussion, and possible action on a determination for tax credits for file 19409 Grim Hotel in Texarkana.

MS. HOLLOWAY: Yes. This is presentation, discussion, and possible action on a determination notice for housing tax credits with another issuer, an award of direct loan funds, and a waiver of 10 TAC 10.613(i).

Grim Hotel is a proposed redevelopment of an historic hotel in Texarkana. It was originally constructed in the 1920s and operated as a hotel until the '90s, after which it was vacant and began to decline. The development will have 93 tax credit units and 22 NSP units. The units will be restricted at 60 and 50 percent of AMI.

The $4 million direct loan award will be sourced with NSP-1 program income funds and is proposed to be structured as a repayable construction to perm loan at 2 percent interest with a 30-year amortization and a 30-year term. The Department's loan will maintain first lien position during the permanent period.

There is a unique ownership structure that is being utilized for this development as a result of receiving equity from both housing tax credits and historic tax credits, which requires the Department to use a structure to secure our loan that differs from what we
have used in the past. Our legal staff is continuing to
work through this process and there's a description in the
background. Simply, the property will be ground leased
from the fee title owner. The leasehold owner will, in
turn, lease the property to a master tenant, who will be
the party that enters into leases with residents. This
structure allows the development to maximize the historic
tax credits. It's one that we've seen in the past but not
with the added complication of a direct loan.

On May 14 we submitted the update to the
substantial amendment to the NSP-1 action plan that you
approved last month. That update allows the NSP-1 funds
to be used in the manner proposed by this applicant.

All multifamily direct loan developments are
required to provide match by our rules. So in addition to
the update from HUD, we're also going to be requesting a
waiver from the of certain aspects of the Federal
Regulations regarding match.

The applicant has requested and staff is
recommending a waiver of our rules regarding lease
requirements. The need for the waiver was not reasonably
foreseeable or preventable in that the unique ownership
structure that must be utilized to take advantage of all
of the credits is necessary to get to a feasible and
viable development.
The direct loan rule requires that direct loan awardees submit a fully completed environmental review within 90 days after Board approval and to execute a contract within 60 days of environmental clearance. Staff is recommending an extension to the contract execution deadline because the property has already received their environmental clearance. The recommended extension is to six months beyond the 60 days after the environmental clearance, which would put it now at December 16, 2019, and that would be the contract deadline.

Regarding neighborhood risk factors, the applicant has disclosed that the poverty rate for the census tract containing the development is 51 percent. They've also included a great deal of information about revitalization efforts in downtown Texarkana. There has been private investment of approximately $48 million over the past five years and another $10 million in public infrastructure over the next five years is planned. The city has committed funding to the redevelopment efforts of the hotel which will support continued revitalization in downtown Texarkana. Based on these efforts, staff is recommending that the proposed site be found eligible under that neighborhood risk factor.

The reservation from the BRB will expire on June 9 of 2019. The proposed issuer of the bonds is the
Premier Texarkana Development and Management Facility

Corporation.

Staff is making the following recommendations:

that the site be found eligible pursuant to the
neighborhood risk factors rules; that the waiver of tenant
lease requirements necessary under this ownership
structure be granted; the extension of the NSP-1 contract
execution to December '19 be granted; and that the
issuance of a determination notice of $1,006,241 in 49
percent housing tax credits and $4 million in NSP-1
program income funds be approved.

I will be happy to answer any questions.

MR. GOODWIN: Any questions?

(No response.)

MR. GOODWIN: If not, we'll entertain a motion
to accept staff's recommendation.

MS. BINGHAM ESCAREÑO: I'll move staff's
recommendation. Do we have to say anything about the
waiver, or can we just move staff's recommendation? I'll
move staff's recommendation.

MR. GOODWIN: Second?

MS. THOMASON: Second.

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

It's my understanding we had a state
representative that was here and wanted to speak. Did he
leave, Michael?

   MR. LYTTLE: No. He's good.

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

   (A chorus of ayes.)

   MR. GOODWIN: Opposed?

   (No response.)

   MR. GOODWIN: Okay.

   MS. HOLLOWAY: Thank you. Are we still going?

   MR. GOODWIN: No. We're going to go back to item 3.

   MS. YEVICH: Good morning, Chairman Goodwin, Board. My name is Elizabeth Yevich. I'm director of the Housing Resource Center, known as HRC, and I'm here before you this morning for item number 3 which is about the methodology for the Regional Allocation Formula, and that is affectionately known in our alphabet soup of acronyms as the RAF.

   Now, the RAF has been around a long time, almost 20 years now. It was created in 1999 through the passage of Senate Bill 1112. The bill directed TDHCA to create a formula for use in distributing HOME, investment partnerships, our State Housing Trust Fund, and of course, the Housing Tax Credit awards, and they use these with the uniform state service regions across the state. So since
it's creation, the RAF has driven to objectively measure
the affordable housing need and available resources in our
state's 13 service regions and the 26 subregions for
Housing Tax Credit, HOME and the State Housing Trust Fund
programs. The 26 subregions consist of the state's 13
service regions metropolitan statistical areas, the MSA
counties with urban counties and the state's 13 service
regions with MSA counties and the non-MSA counties with
only rural places.

So the methodology has always been taken out
annually for public comment and revised accordingly if
needed. So I wanted to point out that what is before you
today is just the methodology and it bases the formula on
data that measures the need for housing assistance, the
availability of housing resources, and other factors
relevant to the equitable distribution of housing funds in
urban and rural areas of the state in keeping with the
statutory requirements detailed in Section 2306 of the
Texas Government Code.

So we have HOME single family, HOME
multifamily, Housing Tax Credit and the State Housing
Trust Fund programs, they all use the RAF just slightly
different formulas because the programs have different
eligible activities, households and geographic service
areas.
As I mentioned before, the Board today is only approving the methodology, not the allocation numbers themselves. Example amounts are included but these are not the actual numbers yet as the funding amounts are still unknown.

And just a few other things I wanted to point out of note this year because, really, the methodology has not really changed. The only thing that has changed, Bastrop County is no longer considered rural, so by Bastrop County being considered urban, the allocation to Rural Region 7 has gone down which affects the funding allocation in Rural Region 7 across all three of the RAF funded programs.

And another thing to point out also of interest is that most of the rural and urban subregions saw overall decreases in need variables and urban region subregions saw increases in housing availability, so while this does not mean that all needs are being met, it would start to indicate that the need is not increasing.

So with that, the RAF is going out for public comment, if you approve, May 24 through June 14. There's going to be a public hearing next week on May 29, and then the RAF will be brought back in July for final approval.

Any questions?

MR. GOODWIN: So approval will basically allow
you to publish this in the Texas Register.

MS. YEVICH: That is correct.

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

MR. BRADEN: So moved.

MR. GOODWIN: Second?

MS. THOMASON: Second.

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

Any questions?

(No response.)

MR. GOODWIN: All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. Thank you, Elizabeth.

MS. YEVICH: Thank you.

MR. GOODWIN: Now we're going to move around in the agenda a little more just to make it interesting, item 6, Teresa, and then after Teresa does item 6, she's going to do 7(e).

MS. MORALES: Teresa Morales, manager of Multifamily Bonds.

Chairman Goodwin and members of the Board, item 6 involves the issuance of multifamily revenue bonds by the Department for the acquisition and rehabilitation of
168 units serving the general population in Dallas. Under the proposed financing structure, the Department will issue tax exempt bonds in an amount not to exceed $20 million, and it utilizes Fannie Mae's pass-through mortgage-backed security program. This is a structure that we have seen and closed before which includes previous transactions with this applicant.

The bonds will bear interest at an all-in rate of approximately 4-1/2 percent and the loan will have a term of 17 years and a 35-year amortization, as reflected in the bond resolution in your Board materials.

To date for 2019, Northgate Village is the fourth transaction to be funded by the Department's private activity bond program, bringing the total issuance to just over $60 million and serving 630 households.

Staff recommends approval of Bond Resolution No. 19-034 in an amount not to exceed $20 million, and a determination notice of 4 percent housing tax credits in the amount of $1,142,704.

MR. GOODWIN: Any questions?

(No response.)

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

MR. BRADEN: Move to approve.

MR. GOODWIN: Move to approve. Second?
MS. RESÉNDIZ: Second.

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

Any further discussion?

(No response.)

MR. GOODWIN: All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. Moving to item 7(e).

MS. MORALES: Chairman Goodwin and members of the Board, item 7(e) involves the issuance of multifamily revenue bonds by the Department for the acquisition and rehabilitation of McMullen Square Apartments in San Antonio. The Board previously approved Bond Resolution No. 19-021 in the amount of $10 million for McMullen Square in January of this year. A determination notice of 4 percent housing tax credits was also approved.

Subsequent to the January Board meeting, as the equity partner continued their underwriting and due diligence, the assumption on the amount of permanent debt that the transaction could support changed. Based on their underwriting standards, the permanent debt needed to be reduced by $350,000. This reduction in debt increased the deferral of developer fee which impacted the underwriting parameters of JPMorgan Chase, who was
providing the construction loan. Chase was requiring a lesser percentage being deferred to provide more cushion in the event that the transaction does not stabilize at the expected loan amount.

It was at this point when the applicant approached the Department to seek funds under the direct loan program. In March the applicant applied for $500,000 requested in the form of TCAP repayment funds under the current NOFA. Including the $500,000 in the capital structure reduces the deferred developer fee to a level that is more palatable for JPMorgan Chase.

The proceeds of this loan will be used to replace part of the permanent loan debt and cover construction loan increases that have occurred since the transaction was originally bid last year. The TCAP loan will be structured as a surplus cash flow loan at zero percent with a 15-year term and a 40-year amortization.

Pursuant to Section 13.5(h)(2) of the direct loan rule, for developments that were already found feasible and awarded by the Board but come back requesting additional funding, an applicant is required to demonstrate eligibility for the direct loan funds. Staff believes that the aforementioned factors that describe the need for the additional funds meet this requirement.

The changes resulting from the inclusion of the
direct loan and continued underwriting of the financing partners affected aspects of the transaction that was previously approved, namely the credit amount previously recommended has increased by about $35,000. Recognizing the changes that have occurred and to have a cleaner record of approval, Board action today is intended to supersede the action associated with the prior bond resolution and is based on the terms outlined in the Bond Resolution 19-035 and the referenced bond documents as noted therein, along with the addendum to the original underwriting report reflecting the updated tax credit amount and direct loan recommendation.

Staff recommends approval of Bond Resolution No. 19-035 in the amount of $10 million, a determination notice of 4 percent housing tax credits in the amount of $460,738, and an award of TCAP repayment funds in the amount of $500,000.

MR. GOODWIN: Any questions?

MR. VASQUEZ: Just so I understand. So what's the net difference between where we started when it was first approved and now? I mean, we're just swapping out $435- for $500-?

MS. MORALES: Correct. So the loan amount that we started with back in January was approximately $7.95-, and as Hunt Capital Partners, who is the equity investor,
when they started going through their additional due
diligence, they decided that this transaction could not
support that full $7.95-, and so they were only in a
position of feeling comfortable with a $7.6 million perm
loan, and so that left a difference. And I guess you can
look at it as equity having their own box and their own
standards and parameters, the construction lender had
theirs, and so it kind of created this ripple effect.

MR. VASQUEZ: So technically they still
defered --

MS. MORALES: They're still deferring fee but
just not as much.

MR. VASQUEZ: But then we're lending the funds
up front. Okay. All right. Thanks.

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

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

MR. VASQUEZ: Move to approve.

MR. GOODWIN: Second?

MS. BINGHAM ESCAREÑO: Second.

MR. GOODWIN: Moved and seconded. Any further
discussion?
(No response.)

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

MR. GOODWIN:  Opposed?

(No response.)

MR. GOODWIN:  Okay. Thank you, Teresa.

Now we're going to move back to 7(g), application 19013, Our Lady of Charity Apartments. Took you a little off guard there, didn't we?

MS. HOLLOWAY:  Yes. You've done that a few times today.

MR. GOODWIN:  Well, we have a council member, as I understand it, here from San Antonio that would like to speak on this, and in consideration of time that they are spending to come forward, we would like to accommodate.

MS. HOLLOWAY:  This item is presentation, discussion, and possible action on staff determinations regarding neighborhood risk factors for 19013, Our Lady of Charity.

This is a proposed new construction/adaptive reuse development of historic church structures on properties owned by the San Antonio Housing Authority. The buildings will be converted to residential units and existing residential units on the site in non-historic buildings will be demolished and replaced with new construction.
Regarding neighborhood risk factors, the proposed development is located in a census tract with a poverty rate of 48.4 percent. The applicant claims that there has been a decrease in poverty in the past three years, and then while that's true as it was presented in their application, the statement is based on the selection of the highest and lowest points of past poverty rates. Looking back over five years, as required by the rule, poverty has increased in the census tract. Over that five-year period the poverty rate has risen as high as 45.1 percent, it has never fallen below 42.5. That was back in 2013.

Given the fairly static poverty rate over a five-year period, staff is not able to conclude that suggested gentrification in the materials provided by the applicant has had an impact on the socioeconomic indicators in the neighborhood. Given the ambiguity in this situation, staff is requesting that the Board make a determination regarding eligibility of the proposed development site in regards to this neighborhood risk factor.

In addition, the applicant disclosed that the Part 1 violent crime rate, according to Neighborhood Scout, is above 18 incidences per 1,000 persons annually. Looking at the actual crime data, the rates are actually
much lower than that, so staff is recommending that the site be found eligible as regards crime.

The applicant disclosed that there are some homes or properties that are vacant or in disrepair near the proposed development. A staff visit to the site confirmed that the blight in question was not of such a nature as to render the site ineligible, and staff can confirm that several homes are being rehabilitated throughout the neighborhood. Staff is recommending that the Board find the site eligible in regards to this issue.

Lastly, the Davis Middle School was rated Improvement Required for 2018. As mitigation, the applicant provided the school's targeted improvement plan and a letter from the superintendent of the San Antonio Independent School District. Additionally, students zoned to Davis Middle School may attend a school in the district that has a Met Standard rating, and the applicant commits that if the school district will not provide transportation to those alternative schools, it will provide no-cost transportation until such time as the school has achieved a Met Standard rating. This mitigation provided meets the requirements of the rule but staff recommends find the site eligible in regards to this issue, subject to a condition that the no-cost transportation appear in the land use restriction.
So regarding the four neighborhood risk factors, staff has found mitigation to be acceptable for crime, blight and schools, we are requesting that the Board make a determination regarding the poverty rate.

MR. GOODWIN: And staff's recommendation that the site be determined ineligible because of poverty?

MS. HOLLOWAY: Well, our concern is that the rate has been really static, and as Beau read the rule earlier, the requirement in the rule is that there be movement or evidence that by the time the development is placed in service, that poverty rate will have decreased.

MR. GOODWIN: So it's the same standard as we did with Alazan.

MS. HOLLOWAY: Exactly.

MR. GOODWIN: And would ask that those of you who are going to speak would speak specifically to that point. We don't have to hear about everything else; everything else is okay.

Is there anyone that's going to speak in favor of staff's recommendation.

MR. LYTTLE: Mr. Chairman. I do have a letter from a state rep on this. Would you like for me to read that right now before we begin public comment?

MR. GOODWIN: Yes.
MR. LYTTLE: Okay. Thank you.

The letter is from State Representative Barbara Gervin-Hawkins, and it reads as follows:

"Please accept this letter of support for the proposed new complex, Our Lady of Charity, on San Antonio's East Side. We understand SAHA is planning to transform the convent at Springview on Grimes Street into a new 72-unit multifamily development which will include renovations to B and C buildings and the former Miller Child Development Center building.

"We know the City of San Antonio's East Side neighborhood is in dire need of reinvestment with modern, safe facilities to address the affordable housing needs in the area and the proposed Our Lady of Charity development is an important stepping stone to achieve these housing needs. SAHA has indicated the following unit availability for families: eight units at 30 percent AMI, 29 units at 50 percent AMI, and 35 units at 60 percent AMI. For a family of four, this would mean 30 percent AMI is approximately $25,100 in annual household income.

"My office is appreciative of SAHA's innovative strategies to serve the low income and affordable housing needs of the community. I look forward to the Texas Department of Housing and Community Affairs supporting this worthwhile new development.
"Signed, Barbara Gervin-Hawkins, Texas State Representative, District 120."

MR. GOODWIN: Thank you, Michael.

Now we'll have the speakers, and as I understand it, you know, sign in, tell us your name, and three minutes.

MR. WILSON: I've got three minutes. I'll make it happen, Chairman. Thank you.

My name is Ryan Wilson. I'm with Franklin Companies out of San Antonio, proud to be a housing partner with San Antonio Housing Authority on our Lady of Charity Apartments.

And I want to also thank you for your consideration. We do have a councilman with us today, and I really do appreciate the Board's time in helping us with that. It's really, really appreciated from our perspective, so thank you, Board, for that.

We want to start off, in light of your comments earlier, as opposed to other things you've heard earlier, we strongly believe there's ample evidence that actions are already taking place such that there's material impact to the economic indicators, and therefore, we think there are certainly reasonable expectations and current proof that you're going to hear that the poverty risk factor is significantly improved.
And I just want to throw a couple of facts out here. I'm not going to hopefully take the whole three minutes here, but consider that over the last five years the crime rate has decreased, over the last five years employment has gone from 45 percent to over 50 percent, the home values in this particular census tract have actually increased faster than San Antonio as a whole. In fact, in this census tract alone the home values have increased over 23 percent in the last five years. Household income in this census tract is increasing faster than in San Antonio as a whole, and to us that is a sustained action that we are seeing results on the ground currently of an increased poverty rate.

And I think also we wanted to bring up a clear and we think a very compelling reason of why we chose this site. As you've heard, we're preserving what many of us consider in San Antonio as a landmark. The convent was built in 1899, it's a fixture in the Near East Side and has been for whatever the math is, that's over 100 years, it's a long time. This is a piece of history and the adaptive reuse of this building not only provides the affordable housing that we need, but allows a landmark to be preserved.

And I think it at least bears a comment about the poverty rate. I think while staff certainly didn't
say anything incorrect, we want to also point out that since 2015 we are seeing a precipitous drop in the poverty rate. In fact, it's been a 6 percent drop over the last couple of years, and the latest data was from 2017. If you run that same rate of change out to today, we're actually going to be below 40 percent.

I think it's important to know that we're not asking this Board -- and you're about to hear a bunch of really cool capital improvements and job placement and job creation, you're going to hear a lot of that in a second -- but I think it's important to know we're not asking you to look forward with what's going to happen, I think we're hopefully proving what's already happening in this census tract. We're going to show you evidence of that in a second but we feel strongly that the risk factor is obviously improving and we request to rule our site eligible.

MR. GOODWIN: Thank you.

MR. WILSON: Three minutes, perfect.

MR. GOODWIN: Any questions?

MR. WILSON: I'll stick around for questions as well.

MR. ALCOTT: I'm Tim Alcott with San Antonio Housing Authority. I'm the real estate and legal officer, and I'm asking the Board to approve the eligibility of Our
Lady of Charity.

I think this is an easier decision than you had earlier with Alazan. We appreciate that, by the way. But this one is barely above threshold. And also, the reason I think that this site is very good and I think that probably will go down is because we're a partner in this development, and we're very unique in that regard because we have the ability to transform communities. We're not a developer that just puts in a development and walks away.

We actually have a people component and a housing component whenever we put in one of our developments, and this is one of them.

And so because Chairman Goodwin talked about poverty, I can talk about the neighborhood, just because I only have three minutes. So some of the revitalization that we're putting in the area will be done with partners. Some of our partners have been St. Philip's College, Bexar County, VIA, SA ISD and the City of San Antonio.

Let me go through that list real quickly, and this is all in the Board book, because I know that Beau is concerned about that new evidence. But UIW Bowden Eye Clinic is $8 million; Good Samaritan Veterans Outreach Center is $7 million is in the neighborhood. And this is something that's brand new, Terramark Homes has agreed to put 12 brand new homes in the neighborhood. The Robert
Hilliard Health Care Clinic is $8 million, 12,500 square feet that's already built.

The business facade program, we put $300,000 in the business facade program. It's like a broken window theory in reverse, and the people have received the grants put in two times the amount, so it's a total of $900,000 going to the neighborhood in the business facade program.

We put in the Biblioteca, and I think you probably have heard of that, it's received some national awards, it's an electronic library, we put that in the neighborhood as well. The city gave us $6 million for public improvement, so we have sidewalks, curbs, driveways and lighting. We have a three-acre urban farm, and the first planting is actually now and so that's happening.

SA Corridors, we worked with VIA to make the transportation better because you used to have to take three different buses just to get to St. Philip's college from where the development is, now we have a direct path so students can potentially live in the area. The St. Philip's Culinary Center for Excellence started construction December 2018 and will finish in July 2020, so hopefully they'll use my urban farm for all of their food as they go through the class.

IDEA schools which is about a quarter mile, less than that away, we've sold them some land, 12 acres.
They have 1,296 students that are going through 10th grade but it's going to go to juniors and seniors next, so it's growing.

And as Ryan said, by the time this project is completed, we believe that the poverty rate will be low enough where actually we will meet threshold. But what is happening is the poverty change is trailing the improvements, so we put all these improvements in but it doesn't happen right away. What you have to have is you put the improvements in and then people follow that thereafter.

Thank you very much.

MR. GOODWIN: Thank you.


Five years ago we stood here to request consideration for 9 percent tax credits for our East Side Choice project that today we call East Meadows in a neighborhood just north of the site under consideration. That neighborhood had a violent crime rate of three times that of the city, narcotics crime ten times that of the city, a poverty rate three times that of the city, and two schools that failed to prepare their students for success. Student mobility in that neighborhood was nearly 35 percent. A third of a classroom would leave and be
replaced in a school year. This was the population under the severe stress of poverty.

When we applied for tax credits for that project, you weren't sure. The neighborhood was too tough. Was it capable of stabilizing and even changing? Should we invest public dollars there? Will there be a return? Is it responsible? Today after five years of intense study of this project in real time, I can report to you that you made a sound investment.

East Meadows and Wheatley Senior Living have been built, two houses have been renovated and ten more have been done since then, 20 business facades have been improved, there's a new digital library and a new health clinic, streets have been paved, sidewalks recreated, street lights have new efficient light bulbs, there's a new linear park, real estate values are creeping up, and property taxes are going up even further. Property crime is down and neighbors feel safer than they did five years ago. But the most important thing probably for today is that the neighborhood poverty rate in that area when from 57 percent when we began to 45 percent today. Yes, it's still high but 10 percent lower than it was in only five years.

The tract is two above this site under consideration today. I speak to share this experience of
nearby developments and the impact on our community. Nearby investments illustrates a pattern that our experience is beginning to show that investment sometimes has to proceed improvement, like Mr. Alcott said. In some cases such as these where poverty has been multi-generational and the built environment and infrastructure hasn't been invested in. And so our experience has shown that with proper investment as a catalyst, community development is following, and the neighborhood just to the north of this one is the best example that we can offer of that pattern in San Antonio.

Thank you.

MR. GOODWIN: Thank you.

Any questions?

(No response.)

MR. HALL: Good morning. My name is Art Hall. I'm the current city councilman for District 2 in San Antonio, and I understand I'm the second city council member from San Antonio, and I appreciate you all's support for Councilwoman Gonzales's project at Alazan Courts, which I supported as well.

My name is Art Hall, as I mentioned, and my district encompasses 19013 Our Lady of Charity Apartments, which we affectionately call The Convent.

To briefly describe my district, it is often
referred to as the East Side, located just east of
downtown. It is the location of the Alamodome, the Spurs
arena, the Fort Sam Houston Army Base, and historically
black college, St. Philip's College. Previous mayor, and
now U.S. presidential candidate, Julian Castro, pushed
what was called the decade of downtown. This highly
concentrated and incented effort has now begun to impact
and spill over into District 2, such that the number one
issue in my district right now is gentrification. My own
property value has increased 100 percent in four years.

Just in the last five months the Texas Research
and Technology Foundation, TRTF, purchased an old
dilapidated property on the East Side called the Merchants
Icehouse, and will be investing $227 million over ten
years, hiring 665 people and establishing an incubator
accelerator for emerging tech ventures right there on the
East Side in my district in District 2.

In December the city approved $2.34 million as
part of an incentive package for a $65 million
redevelopment package of an old refrigeration company
called the Friedrich Building. This development will
serve those who are 80 and 60 percent AMI.

The 85-acre Red Berry Estate is becoming the
home of a $61.8-, 330-unit mixed income housing
development, with 50 percent of the units targeting those
at 80 percent AMI.

Echo East is a 20-acre mixed use development in which 10 acres of previously city-owned property will be dedicated to 100 percent affordable housing for those at 60 percent AMI.

In November H-E-B held a groundbreaking for its regional warehouse on the East Side.

At St. Philip's College, located less than one mile from The Convent, president Dr. Adena Loston indicates that in her 12-year tenure she has either renovated or newly constructed nearly 75 percent of the campus's infrastructure, an investment of hundreds of millions of dollars on the East Side by the Alamo colleges. She's got a new welcome center, a new library, a new science center, a new student center, and is currently building a culinary arts and hotel management and hospitality center on the East Side, less than a mile away from The Convent.

I tell my constituents that rising property values usually mean that good things are happening on the East Side. It's hard to have good things happening and prevent rising property values at the same time. My challenge and the challenge for future city council members is to continue the good while ensuring we place opportunities for diversity, affordable housing and other
elements that build stronger cities and communities. As such, in addition to our other investments and incentives, council has approved freezing property tax values for our seniors and we've also set aside a million dollars to mitigate displacement from homes and to provide emergency assistance.

We appreciate your consideration. Thank you.

MR. GOODWIN: Thank you.

In light of the other situation that we had, is somebody ready to make a motion?

MS. BINGHAM ESCAREÑO: Yes, sir.

MR. GOODWIN: It doesn't mean we'll stop discussion.

MS. BINGHAM ESCAREÑO: I'll move to accept the mitigation that has been presented per QAP mitigation for this neighborhood risk factor of poverty mainly through the evidence that the poverty rate within the census tract over the five-year period preceding the date of the application, evidence of gentrification in the area, including an increase in property values, as referenced by the councilman. I would add that I do believe that we see leading indicators of a decrease in the poverty rate, even though the poverty rate looked like it was lower earlier, like in 2012, and then our tables are showing the poverty rate actually crept back up a little bit and now it's
trending back down, but that there is stable increase in
median income and an improvement in the employment rate.

So I would recommend those as acceptable
mitigation for the poverty rate not meeting the threshold
and would move to find the development eligible.

MR. GOODWIN: Okay Do we have a second?

MR. VASQUEZ: Second.

MR. GOODWIN: Do you want her to repeat the
motion before you second?

MR. VASQUEZ: What she said.

(General laughter.)

MR. GOODWIN: Do you still want to speak?

MS. ZATARAIN-FLOURNOY: Just 30 seconds?

Josefa Zatarain-Flournoy, the Regional Aging
and Disability Resource Center housing policy navigation
service professional.

So I just wanted to say two things. Number
one, that I pointed out earlier to you that the Jobs Plus
initiative had been expanded into the East Side of San
Antonio, and that has shown some results and so that is
something that is contributing and will continue to
contribute to that.

You've already heard a lot about the other
investments but one point that I wanted to add was that
the San Antonio Independent School District has in very
recent years expanded the magnet programs and even into the high school in that area to include a STEM magnet program. As you know with magnet programs, students that choose to stay and families that choose to stay in their communities in their homes have a commitment by the school district to be bused to other schools where the magnet program and choices are of their preference. And so we have more and more school district students being bused into the magnet programs, as we also have opportunities for students that live in this community to choose other professions at other school district magnet programs.

So one way or another the school district is committed, the community is committed, the county, the city and all of it residents are committed to making sure that this community does not stay behind and we will improve all the areas that we have been making commitments to in the past years and will continue to do so.

Thank you so much.

MR. GOODWIN: Any other comments?

(No response.)

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

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)
MR. GOODWIN: Okay.

Now we're going to go to a bathroom break. We will be back here in ten minutes.

(Whereupon, at 9:48 a.m., a brief recess was taken.)

MR. GOODWIN: We are going to reconvene the meeting and we're going to start with item number 4. Raul.

MR. GONZALES: Yes, sir. Good morning, Chairman Goodwin and Board members. My name is Raul Gonzales and I'm the director of Colonia Initiatives, Housing Trust Fund, and Neighborhood Stabilization Program.

The colonia self-help center program was created in 1995 by the 74th Texas Legislature. The purpose of the program is to assist individuals and families of low income and very low income to finance, refinance, construct, improve or maintain a safe, suitable home in the designated colonias.

Pursuant to Texas Government Code Chapter 2306, Subchapter Z, the Department has established colonia self-help centers in Cameron, El Paso, Hidalgo, Starr, and Webb counties. The Government Code also allows for colonia self-help centers to be established in any other county if the Department deems it necessary and
appropriate and if the county is designated as an economic
distressed area under Chapter 17 of the Water Code. In
2001, the Department established additional centers in
Maverick and Val Verde counties.

The colonia self-help centers are funded
through a 2.5 percent set-aside, approximately $1.5
million per year, of the annual Texas Community
Development Block Grant non-entitlement allocation to the
State of Texas. The Texas Department of Agriculture
receives the allocation from the U.S. Department of
Housing and Urban Development, and the Texas Department of
Ag and the Department together manage these funds and
implement the colonia self-help center through a
memorandum of understanding.

The colonia self-help center contracts have a
term of four years. The Department may allocate up to a
million dollars per contract in accordance with program
rules. The subrecipients, in conjunction with the Colonia
Residential Advisory Committee and the Department,
designate five colonias in each county service area to
receive concentrated attention from the respective colonia
self-help centers.

Up to 2015, Maverick County had administered
the colonia self-help center program, however, due to
concerns from HUD and delinquent single audits, Maverick
County became unable to continue contract administration, so the City of Eagle Pass agreed to administer the Maverick County self-help center. The Department has worked with the City of Eagle Pass since August of 2015 to administer the program. The current four-year contract ends on August 17, 2019. The City of Eagle Pass was awarded a million dollars in August of 2015, and as of today approximately $121,000 has been expended.

In order to have an eligible subrecipient under contract after August 17 to serve Maverick County colonia residents through the colonia self-help center program, staff is recommending to publish a request for administrator for the Maverick County colonia self-help center program for the next contract term and accept applications from eligible units of general local government to utilize the Community Development Block Grant funding to serve Maverick County colonias and hopes to identify a provider for the Maverick County colonia self-help center who will have the capacity to fully expend funds on eligible activities.

MR. GOODWIN: So your request for us is to go out and seek someone that possibly can handle these funds and get them out to people in the community.

MR. GONZALES: That's correct, sir.

MR. GOODWIN: And would anything exclude Eagle
MR. GONZALES: No, sir. The City of Eagle Pass would still be eligible to apply, and the county has approached us as well that they're interested. Both units of local government have passed resolutions; the commissioners court for Maverick County and the council for the city of Eagle Pass have both passed resolutions.

MR. GOODWIN: Okay. Any questions?

MR. VASQUEZ: So is Eagle Pass doing anything right now to distribute funds?

MR. GONZALES: Yes, sir. They have expended funds. This project originally started as an infrastructure for drainage, and I will go out and say that the City of Eagle Pass, the colonias that are being served are outside the city limits. In 2015 the county did approach the City of Eagle Pass to take over this contract, so they switched from a drainage project over to a rehab project now and they have identified approximately 20 households that they could assist and currently six are in the process of trying to get the rehabilitation completed prior to the expiration.

MR. GOODWIN: Okay. Any other questions?

(No response.)

MR. GOODWIN: Michael, do you have a record to read into the record?
MR. LYTTLE: As a matter of fact, I do. The letter is addressed to Raul Gonzales, director of the Office of Colonia Initiatives, Housing Trust Fund, Neighborhood Stabilization Program.

"Dear Mr. Gonzales,

"On behalf of the City of Eagle Pass, our mayor and city council, we would like to share our regret for not being able to attend the meeting in person.

"This self-help center colonia program is a great service to our community. We are grateful for the opportunity to partner with you and serve the residents of our colonias. With the outstanding assistance of Juan Palacios and Albert Evitras, we have navigated through a steep learning curve on this program. Staff turnover within our organization resulted in some bumps in the road but we now have a great team of people working on this project.

"Our staff cares deeply for the community we serve, especially the residents who are part of the housing rehabilitation program. Our main goal is to ensure the colonia residents continue to receive the best service possible under this program. The City of Eagle Pass is here to do everything possible to assist your agency with that goal.

"Thank you, Placido Madera, Assistant Finance
Director, City of Eagle Pass."

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

MR. BRADEN: So moved.

MR. GOODWIN: Second?

MS. RESÉNDIZ: Second.

MR. GOODWIN: Any speakers that want to speak?

JUDGE SAUCEDO: Good morning, Chairman, members of the Board. I'm David R. Saucedo; I'm the Maverick County judge. I'm actually the individual who went before the City of Eagle Pass to, unfortunately, at that juncture relinquish our program.

I would like to take the opportunity to thank the City of Eagle Pass for the support that they gave Maverick County during difficult times. Maverick County was mired in scandal when I asked the City of Eagle Pass to take over the project. We were under federal investigation; four members of the court were actually removed, unfortunately, indicted and incarcerated. Me, myself, as the county judge saw it prudent and wanted to make sure that Maverick County didn't lose this project.

I was the county commissioner who actually brought the project to Maverick County in 1999 and 2000 when it was actually funded. We were having trouble meeting thresholds and we were also having trouble with
our audits at the time, actually, and we were in non-
compliance and we didn't want to lose the funding for the
community so we went and asked the City of Eagle Pass to
take over the project.

At that juncture, Maverick County got in a
situation where we were finally able to work through some
of the problems that we had. I have a new administration,
I appointed all new county commissioners, and fortunately,
we have a court that's working very well. Maverick County
is now in compliance. We have had four years straight
with audits turned in on time, the last two with
unmodified opinions which is the best that you can
possibly get.

As mentioned by Mr. Gonzales, the area that is
served is actually outside the city limits, it's outside
of the City of Eagle Pass, it's in a colonia called Loma
Juanita serves five different colonias within our
community. They are all under the guise of Maverick
County and they all belong to Maverick County.

At the juncture when we relinquished the
program to the City of Eagle Pass, we actually supplied
not only facilities but made sure that they had some staff
available from Maverick County. Since then,
unfortunately, it has become a program that only has
availability to the public 24 hours a week, so it's really
turned into a part-time program for the city, hence, I think when Mr. Gonzales mentioned that you've only expended a little over $100,000 out of a million.

Now we have adequate staff, as I mentioned before. Maverick County is in the black for the first time in many years. We've got approximately $6- to $7 million that we operate on a monthly basis that we have in reserves in case we have any issues. So I would like y'all to take into consideration to please give back the program that was rightfully part of Maverick County and allow Maverick County to give the services to its citizens, which is what we should be doing, and to make sure that they get the services that they deserve on a timely basis.

I don't know if any of you have any questions.

MR. GOODWIN: Thank you, Judge. I don't know that we have that power in today's agenda. Today's agenda is strictly the issue of looking for somebody.

JUDGE SAUCEDO: I understand that.

MR. GOODWIN: I assume nothing would prevent, Raul, Maverick County from being one of those entities that asks to administer this program. Right?

MR. GONZALES: That's correct. We would have to contract with a unit of local government.

MR. GOODWIN: Thank you for your comments.
JUDGE SAUCEDO: And I'm just asking that you take Maverick County back into consideration. Thank you, gentlemen, thank you, ma'am.

MR. GOODWIN: Any other discussion?

(No response.)

MR. GOODWIN: We have a motion and a second. All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: We're moving on to item 5.

MS. VERSYP: Good morning. I'm Abigail Versyp. I'm the director of HOME and Homelessness programs here at TDHCA. I'm here to present item 5. This is a new HOME program rule for a new HOME program activity. It's a mouthful: Homebuyer Assistance with New Construction or Rehabilitation, and as Elizabeth has duly pointed out, we like our acronyms, so we're calling this one HANC.

This is the first new single family HOME program activity that's been proposed since the colonia model subdivision program which is now known as single family development. We're proposing to expand the offerings available under the single family HOME program by offering up to a million dollars under this new program as a pilot project.
HANC is designed to address two major housing issues that low income housing families are faced with. Primarily, the activity is designed to address the lack of availability of high quality affordable housing stock in rural communities. For example, the latest data from the Texas A&M Real Estate Center shows that on average Texans have to make 113 percent of median income to be able to afford the average house in the State of Texas. That's a conglomeration of different areas, but let's take Kerr County, they have to have 83 percent of AMI to afford a home, but in Wichita Falls it's up to 193 percent of median income to be able to afford the average house in that area.

This program allows HOME administrators, which is going to be cities, counties, nonprofit organizations and COGs, to identify eligible low income buyers who'd like to obtain a HOME program loan in order to purchase land with either no unit or an existing unit on it, and the loan could also pay to either build a home on the site or rehabilitate the existing housing. These homes would all have to be affordable to those at or below 80 percent AMFI, and in the study none of the homes, on average, there are no homes affordable to that income group.

HANC would also address another need that was seen in particular focus after Hurricane Harvey. Many
households owned and lived on land but they didn't meet HUD's stringent definition of homeownership, so we could not assist these households under HRA. So these are families that are living on land they own in a recreational vehicle or in a unit of manufactured housing that is so old that it could not be titled. They fell into a gap and were not able to be assisted by our programs. This would allow those families to borrow money from TDHCA under the HOME program to build a home on the site that they already own or purchase a new unit of manufactured housing to place on that site which would be properly titled.

In addition to expanding the number of households that could be qualified to be assisted with their particular housing need, HANC was written to allow great flexibility in the type of housing options that may be provided, greater than our legacy HRA program. The reasoning is that since everybody assisted under HANC is a homebuyer and they're taking out a mortgage loan, just as anybody else would when they go to a bank or financial institution to purchase a home, they would be in a unique position to select what best suits them. We recommended it intentionally so that administrators could either build traditional homes, purchase new units of manufactured housing, or even some more innovative housing solutions.
For example, one proposed to us was the Mi Casita program by CDC of Brownsville.

Prior to bringing this draft rule to the Board, we did conduct some roundtables throughout the State of Texas. We went to El Paso, we went to Brownsville, and we had one here in Austin. The proposed draft rule was really well received and the feedback from the roundtables that we got was incorporated into the draft that's before you today.

I'm happy to answer any questions that you might have.

MR. GOODWIN: Thank you, Abigail. And the request is to put this in the Texas Register and get public comment and then you'll come back to us for approval of the program as amended.

MS. VERSYP: That's correct. And we anticipate bringing the NOFA at the same time as the rule adoption.

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

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: Second?

MR. VASQUEZ: Second. And I have a question. So is this new HANC program going to be more streamlined and make it faster to get funds to these people needing assistance.
MS. VERSYP: Unfortunately, it is a federal program so we still have to go through a lot of the steps, like environmental review. The idea is to capture folks that we were not able to capture before. We'll streamline the best we can, but we're kind of between a rock and a hard place a lot of times. You know, we won't have some of the pitfalls we've had with HRA with providing evidence of homeownership. That's something that before we even see people they may spend years getting their homeownership straight. You know, in Starr County they have undivided portions, that takes forever in court hearings. This way a family would be just purchasing a lot that has clear title already, and we hear that is honestly the biggest hurdle more than even environmental review.

MR. VASQUEZ: Sounds like a positive step.

That's good.

MS. VERSYP: We're trying.

MR. GOODWIN: Any other questions?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)
MR. GOODWIN: Okay.

MS. VERSYP: Thank you.

MR. GOODWIN: Thank you, Abigail.

MR. VASQUEZ: Mr. Chairman, if I may just quickly interject. We had the HANC program that you talked about, and earlier I held back from asking the way that we state out loud the acronym for State Housing Trust Fund, H-S-T-F. I was going to ask Elizabeth what's the proper way to say that one out loud. I was just curious, I saw that.

(General talking and laughter.)

MR. GOODWIN: Andrew, I'm going to ask you to be brief. I understand you are going to present 7(a), 7(b), as amended without 18137, which has been pulled.

MR. SINNOTT: Correct.

MR. GOODWIN: And I understand you're also going to present 7(c).

MR. SINNOTT: Yes.

MR. GOODWIN: All of which staff is recommending approval. We have a couple of Board members trying to catch a two o'clock plane, so if you will be brief.

MR. SINNOTT: I will attempt to be brief.

Good morning, Chairman Goodwin, members of the Board. And just to give you an overview of all these
items that I'm presenting, they're all kind of dealing with increased costs. You'll see that's kind of a common theme among all of these items.

So the first one up is presentation, discussion, and possible action regarding changes to the capital structure for Highlander Senior Village. So this deal received an allocation of 9 percent credits at the Board meeting of July 26, 2018. After the 9 percent award, the applicant submitted an application for $3,090,000 in HOME funds which was approved at the Board meeting of December 6, 2018. The $3,090,000 HOME loan was underwritten and approved to be subordinate to a $3,095,000 USDA 538 loan.

Last month, as part of the loan closing process, the applicant submitted a revised budget and revised financing documentation which reflected approximately $668,000 in increased costs since December 2018, primarily as a result of increased site work costs that were primarily due to increased fill needed to elevate the development out of the flood plain.

According to the applicant, it was assumed at application that only the building pads would need to be out of the flood plain, however, additional due diligence by the civil engineer revealed that the entirety of the site is subject to a conditional letter of map revision,
which is a FEMA term, and would be required to be elevated above the flood plain in order to receive a letter of map revision from FEMA which is required in order to obtain environmental clearance for the HOME funds.

In addition to that primary reason for increased costs, three other things drove the increasing costs. First, preliminary plans assumed the building pads would only have to be one foot above base flood elevation. Further due diligence on the City of Bulverde's flood plain construction requirements revealed that the lowest floor must be two feet above base flood elevation. Secondly, the applicant switched from asphalt paving to concrete paving in order to respond to the soil conditions on the site and achieve better durability. And thirdly, the applicant switched from a low pressure grinder pump system to a lift station to meet sewage and wastewater needs since the low pressure grinder pump system was not sufficient.

So all this leads us to why this deal is back before the Board today which is because the applicant secured an additional $580,000 in first lien loan proceeds on the USDA 538 loan to absorb the bulk of the increased costs, while additional deferred developer fee and slightly improved credit pricing are anticipated to absorb the other $88,000 in increased costs.
The multifamily direct loan rule states that increases in the principal or payment amount of any superior loans after the initial underwriting report must be approved by the Board, so we are now looking at a $3.675 million first lien loan instead of the previously underwritten and approved $3,095,000 first lien loan. Despite the 18.7 percent increase to the first lien loan, annual repayment increased only 11 percent, or $21,511, due to the fact that the interest rate dropped from 4.85 percent to 4.35 percent.

Additionally, as a result of using recently released 2019 tax credit rents, the debt coverage ratio on all debt has remained fairly steady at 1.15 which is only slightly lower than the previously underwritten 1.16.

For these reasons, staff recommends approving the increased principal and annual repayment amounts on the first lien loan for this transaction.

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

MS. THOMASON: So moved.

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: Second?

MR. VASQUEZ: Second.

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

Any discussion, questions?

MR. VASQUEZ: We're not putting in any more
money?

    MR. SINNOTT: No, no more money. This is just
    approving the increased first lien loan amount and
    slightly increased annual repayment amount ahead of us.
    
    MR. GOODWIN: Any other questions?
    (No response.)
    
    MR. GOODWIN: All those in favor say aye.
    (A chorus of ayes.)
    
    MR. GOODWIN: Opposed?
    (No response.)
    
    MR. GOODWIN: 7(b).
    
    MR. SINNOTT: Okay. So these next three, actually, are instances in which costs have increased and
    we are providing additional direct loan funds.
    
    So 7(b), the first one, is an award recommendation for application 18506 Golden Trails in the
    City of West.
    
    This development received awards of 9 percent
    credits and $2,055,000 in HOME funds in July 2017.
    Closing on their financing occurred in July of 2018, and
    construction commenced soon thereafter. In November of
    last year they submitted an application for direct loan
    funds under the 2018-1 multifamily direct loan NOFA
    requesting an additional $445,000 in direct loan funds at
    a 1.75 percent interest rate, as well as a decrease in the
interest rate on the previously approved $2,055,000 from 2.0 to 1.75 as well.

There are several sections of the multifamily direct loan rule and 2018-1 NOFA that are particularly relevant to this application given the facts that it previously received Department funding in the form of 96 percent credits and HOME funds and the fact that construction is nearing 50 percent completion.

First, applications for developments previously awarded funds by the Department must be found eligible by the Board. To that end, this application has provided evidence of adverse factors, including increased foundation costs as a result of having to mitigate the impact of the highly expansive soils on the site beyond the applicant's control that could materially impact their ability to provide affordable housing as a criteria for the Board to consider in affirming their eligibility.

Some background on the site conditions that led to the applicant requesting these additional funds. So invasive subsurface explorations were conducted post-award in October 2017 that revealed highly expansive soils which necessitated a structural slab foundation constructed over a void space and supported by drilled piers 35 feet deep rather than a standard concrete slab foundation. Most of the costs associated with these construction elements were
known in July 2018 when the loan closed and when construction started, however, the final costs associated with these construction elements, compounded with weather-related delays as a result of having to give the soil time to stabilize after rain events, ended up greatly exceeding what had been budgeted.

Second, the second relevant section of the rule was costs that have been allocated to or paid for by another fund source and deferred developer fee as ineligible costs for reimbursement with direct loan funds.

Finally, the NOFA states that awards to refinance or of supplemental financing will not exceed an amount necessary to replace lost funding or maintain original anticipated levels of feasibility as determined by staff.

To meet these last two requirements, staff has determined that reducing the request from $445,000 to $245,000 is the amount necessary to maintain original anticipated levels of feasibility and to ensure that direct loan funds do not pay for costs allocated to another fund source, such as deferred fee.

With regard to the requested 1.75 percent interest rate on the direct loan funds, as well as the previously awarded HOME funds, staff has found that the deal can continue to support a 2.0 percent interest rate
on the previously awarded HOME funds as well as these additional $245,000 in HOME funds.

As a result of the additional $245,000 in HOME funds, an additional six units will be restricted under the HOME land use restriction agreement to households at 50 percent AMI for a total of 23 HOME units layered among the 45 housing tax credit restricted units.

With that, staff recommends $245,000 in HOME funds with a 2.0 interest rate and 30-year amortization term consistent with the previously awarded $2,055,000 HOME loan.

MR. GOODWIN: Motion to approve staff's recommendation?

MS. BINGHAM ESCAREÑO: Move to approve.

MR. GOODWIN: Second?

MR. VASQUEZ: Second.

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

Any questions?

MR. VASQUEZ: Just a question. So is the developer good with this?

MR. SINNOTT: Yes. We're kind of sharing in the increase in costs, so the developer is deferring more fee and we're providing just a little bit more in HOME loan proceeds.

MR. GOODWIN: Any other questions?
MR. GOODWIN: All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay.

MR. SINNOTT: So the second award recommendation under 7(b) is application 18369 Residence at Canyon Lake in the City of Canyon Lake.

This development received awards of 9 percent credits and $1,060,000 in HOME funds last July. In November they submitted an additional request for direct loan funds under the 2018-1 NOFA requesting an additional $1.44 million in direct loan funds with an interest rate of 1.5 percent to match the interest rate on the previously approved $1,060,000 HOME loan. The same sections of the multifamily direct loan rule and NOFA mentioned earlier are relevant to this deal as well.

With regard that this application must be found eligible by the Board, the applicant presented increased site work costs due to limestone rock at shallow depths below the surface that were not discovered until invasive subsurface explorations were conducted in October 2018. The costs associated with the removal of limestone rock by heavy equipment with the excavated rock material needing
to be processed onsite in order to be used as site fill
were not fully accounted for until submission of the
additional direct loan request in November.

With regard to ensuring ineligible costs are
not being reimbursed and maintaining original anticipated
levels of feasibility, staff has determined that the
additional $1.44 million in direct loan funds replace the
previously proposed $1.1 million first lien loan, combined
with approximately $1 million increase in development
costs would result in original anticipated level of
feasibility being maintained with no direct loan funds
reimbursing deferred fee or costs allocated to another
source.

As a result of the additional $1.44 million
HOME investment, 18 additional units of the 35 units will
be restricted by HOME rent and income restrictions under
the HOME LURA.

With that, staff recommends the additional
$1.44 million in HOME funds at a 2.15 percent interest
rate, with the interest rate on the previously approved
$1,060,000 increasing from 1.5 to 2.15 percent interest
rate as well, all with a 30-year amortization term.

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

MR. VASQUEZ: Can I ask some questions?
MR. GOODWIN: We'll have a motion and then we'll have questions.

MS. BINGHAM ESCAREÑO: I'll move to approve staff's recommendation.

MR. GOODWIN: Second?

MS. THOMASON: Second.

MR. GOODWIN: Okay. Questions.

MR. VASQUEZ: So this developer was surprised to find limestone?

MR. SINNOTT: That's what they provided to us.

MR. GOODWIN: That thought crossed my mind, having dug a one-foot hole there when I was about ten years old.

(General laughter.)

MR. SINNOTT: Also worth mentioning, so in August of last year, after the 9 percent awards had been made, staff reached out to some 9 percent applicants to let them know about available funds under the 2018 NOFA because we were at that point trying to decrease our uncommitted balances at the Department, so we let this applicant know about HOME funds that were available. They went ahead and applied for these additional funds. And with these additional funds, we'll become the first lien lender so we're taking out the previous $1.1 million first lien.
MR. VASQUEZ: You're getting to my next question. I'm very pleased with the answer I think you're about to give. So this $1.44 million additional loans --

MR. SINNOTT: To get up to $2.5 million total.

MR. VASQUEZ: Okay. But we're taking out other debt in the project.

MR. SINNOTT: Correct.

MR. VASQUEZ: So the net increase in debt and we're getting a first lien position.

MR. SINNOTT: Correct. So the previous total debt on the project was $2.16 million, it's now $2.5 million, all of which TDHCA will be the first lien lender for.

MR. VASQUEZ: Okay. So it's a $400,000 increase?

MR. SINNOTT: Right. So that's absorbing some of those cost increases from the time of application till now. The other source that's absorbing some of that increase is additional deferred fee.

MR. VASQUEZ: And they're probably getting a better interest rate with us doing the whole $2.5-.

MR. SINNOTT: Yeah. I think before they were at a 3.03 effective interest rate between the first lien and ours and now it's 2.15.

MR. VASQUEZ: Okay. So it wasn't $1.44
million, this is a $400- increase.

MR. SINNOTT: Right, exactly.

MR. VASQUEZ: All right. I'm satisfied.

MS. BINGHAM ESCAREÑO: I have one more question too. And then the agreement to have the 18 additional units that would be restricted HOME rent, is that like a wheeler-dealer kind of thing, or is that a calculation? Like how does that happen?

MR. SINNOTT: So there's a minimum amount of direct loan units that they need to provide in connection with however much they're requesting. The 18 that they're providing in connection with this $1.44- is beyond the minimum. I think a minimum would be maybe 10 or 11 units, so they're providing more. And so with that 18 additional, we'll have 29 total HOME-restricted units.

MS. BINGHAM ESCAREÑO: But Andrew, the fact that they're kind of going above and beyond is just a good faith gesture?

MR. SINNOTT: Right.

MR. GOODWIN: Other questions?

(No response.)

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

All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?
MR. GOODWIN: Okay. Andrew, item (c).

MR. SINNOTT: All right. So this is, again, an additional direct loan request post 9 percent award.

So similar to the other two direct loan award applications, this application is also requesting direct loan funds post 9 percent award, however, this application was submitted under the 2019-1 multifamily direct loan NOFA, the other two were under 2018, and is requesting $1.5 million in direct loan funds as a subordinate loan to replace some of the originally anticipated $4.6 million in FHA financing. The remainder of the $4.6 million is being made up with a $2.575 million loan from Community Bank of Texas and additional deferred fee.

As a result of having previously received Department funding, the applicant was required to provide evidence of adverse factors beyond the applicant's control. The applicant cited increased building and site work costs, as well as general pricing increases and labor shortages in the area as justification for a direct loan funds request post 9 percent award. With $1.65 million in direct loan funds, 11 of the units will be restricted by HOME rent and income restrictions under a TCAP repayment funds LURA.

Staff recommends approval of $1.65 million in
TCAP repayment funds, subject to the conditions placed on the applicant by the Executive Award Review Advisory Committee, with a 2.5 percent interest rate and 30-year amortization and 18-year term to match the term of the senior loan. So similar to Canyon Lake, the previous one, this is just replacing some of the previous anticipated permanent debt.

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

MR. VASQUEZ: Move to approve.

MR. GOODWIN: Second?

MS. THOMASON: Second.

MR. GOODWIN: Okay. Questions?

(No response.)

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

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Thank you, Andrew.

MR. SINNOTT: Thank you.

MR. GOODWIN: And if my scratched agenda is correct, I think that moves us to 7(f), and on 7(f) we have two applications that have been pulled, 19180 and 19185.
MS. HOLLOWAY: Correct. We are not presenting those two today.

MR. GOODWIN: So we are going to deal with 19225.

MS. HOLLOWAY: This is presentation, discussion and possible action on staff determinations regarding application disclosures under our undesirable site features rule for 19225 Rosewood Senior Villas.

There are two undesirable site features for this development. One is the development site is located less than 15 feet from a railroad track. The applicant has certified that they have engaged a qualified third party to perform a noise assessment and that the proposed development will incorporate any necessary sound mitigation according to HUD standards, as if these standards apply directly to the development. This proposed mitigation meets the requirements of the rule and staff is recommending that the Board find the development site eligible in regard to this issue.

The proposed development site is also located approximately 310 feet from a concrete batch plant. In looking at our rule, the heavy industry requirement says the site will be found ineligible if it is located within 500 feet of heavy industry, and the concrete batch plant may constitute heavy industry. Also, you'll recall the
last time we talked about concrete plants we discussed TCEQ regulations which require a 440-yard separation between permanent residences and a concrete batch plant unless the municipality has zoning that allows it.

This does not clearly meet up with our rule that after the last time we went through concrete plants, we added: "If a state or federal cognizant agency would require a new facility under its jurisdiction to have 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." So applying that part of the rule, we would require that it be 440 yards away, but the TCEQ rule does not allow closer distances if it's allowed under the municipal zoning, and it's not clear to us that there's a connection there. One talks about distance between features and the other talks about land use.

So the City of Taylor does allow multifamily zoned land adjacent to industrially zoned land. The proposed development site is across the train tracks from the batch plant. It is currently zoned for multifamily residential housing. In addition, Taylor's development code requires buffer yards that will be provided on this site to create like a vegetative separation between the uses.
The batch plant is located on approximately 12 acres of land and it has two pieces of machinery. The environmental site assessment did not observe excessive noise resulting from the operation during their visit to the development site. Trucks could not enter or exit the facility, the batch plant, on the same road as traffic to the development site, and another multifamily development appears to have been established and is occupied in a location considerably closer to the facility than the proposed development site.

Staff is recommending that the Board find this site eligible because we're not able to get to a very clear yes, this is mitigation because of the difference between the distance and land use ordinances.

MR. GOODWIN: But your recommendation is to find the site eligible.

MS. HOLLOWAY: Yes.

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

MR. BRADEN: So moved.

MR. GOODWIN: Second?

MS. THOMASON: Second.

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

Do you want to speak? Are you in favor of staff's recommendation or against?
SPEAKER: I am speaking against staff's recommendations.

MR. GOODWIN: Against staff's recommendation. Okay. We'll do the against and the in favor of.

MS. GONZALES: Good morning. My name is Julie Gonzales with BETCO Consulting. We are consultants to the applicants of Legacy Trails of Longview, a competing application in the subregion. I'm here today to speak against staff's recommendation to find application number 19225 eligible.

Section 11.101(a)(2)(F) of the QAP states: "A development will be found ineligible if the site is located within 500 feet of heavy industry." The applicant of Rosewood Seniors acknowledges that they are within 500 feet of a concrete plant and disclosed that information at the time of application.

Now, the two exceptions to this rule, as Marni stated, is if you include in your application the local ordinance that specifically states a smaller distance is allowable between a heavy industrial site and a multifamily site. In that case, the smaller distance can be used. If you have a state or federal agency requirement that says a new concrete plant must be a minimum distance away from housing, then in that case the Department would defer to that agency.
The applicant has failed to provide
documentation under either of these exceptions. A zoning
map and development standards for a buffer yard were
included in the Rosewood Seniors disclosure. Neither of
these documents is a local ordinance that specifically
regulates an acceptable distance from the undesirable
feature to a multifamily development or housing. Section
11.101(a)(2) requires this.

By staff's concession in the Board's
supplemental writeup, zoning does not regulate the
proximity of an undesirable site feature to the zoned
property. I understand that upon review of other
applications, staff has found a 440-yard distance
requirement being applicable to concrete plants located in
areas without municipal zoning. The City of Tyler has
municipal zoning, so this TCEQ regulation would not be
applicable to the site. Staff's writeup agrees that the
applicant provided neither local ordinance nor a state or
federal requirement that would allow a smaller distance
between the undesirable site and their site.

Whether noise-generating operations are within
1,000 feet away is irrelevant because the rule states that
the boundary of the development site must be at least 500
feet away from the boundary of the undesirable site
feature. The Rosewood Seniors site is approximately 310
feet away from the boundary of the concrete plant, and the
applicant did not provide documentation showing a
regulation that requires less than a 500-foot separation.
So we're asking that you find this site ineligible.

MR. GOODWIN: Any questions? Anybody that wants to speak in favor of staff's recommendation?

Before you speak, Marni, just a point of clarification. This really comes down to whether or not we as a Board consider the fact that the land is zoned for multifamily as tantamount to an ordinance saying that it was okay to build multifamily this close?

MS. HOLLOWAY: Yes.

MR. GOODWIN: That's the interpretation here.

MS. HOLLOWAY: That's the question to be answered.

MR. GOODWIN: That's the real question to be answered. Okay.

MR. KROCHTENGEL: Zach Krochtengel, representing Rosewood.

I think that the question to be answered is not just that the zoning ordinance was submitted, however, we also made the argument that the concrete batching facility should not be considered a heavy industrial use and should be considered a light industrial use. There is a
definition of heavy industrial in the QAP which is 
extensive use of machinery, extensive use of land, high 
levels of noise and maintaining a fuel storage facility. 
Twelve acres is not an extensive use of land. Most of 
that land is vacant. There's only two pieces of heavy 
machinery on there but it is not heavy industrial use. 

As our ESA stated, the noise level is 
acceptable from this particular facility, and we 140 
yards, we're further than that if you measure it from the 
concrete bagging facility to our nearest unit, which is 
actually the measurement that's used by TCEQ. So if we 
took that TCEQ application and said the 440-yard 
separation, that's not a separation from border to border, 
that's a separation from the central bagging facility 
which is over 440 yards away from our nearest unit which 
is the TCEQ measurement. 

Now, we submitted a zoning ordinance and that's 
part of the City of Tyler ordinance, but we also submitted 
the argument that we believe that this is not a heavy 
industrial use, that this is a light industrial use, and 
that's also consistent with previous TDHCA Board actions 
that found that a concrete batching facility was a light 
industrial use and not a heavy industrial use. 

Those buffer yards that we were discussing, 
those are specifically in the Tyler zoning ordinance to
separate pieces of land that have a greater intensity of use from pieces of land that have a lesser intensity of use. Now, when you look at this concrete batching facility, to the north there's a self storage facility and a church bordering it, there's also the existing multifamily land, and to the south there's a hospital administrative building.

Now, this is an entirely developed out piece of property. The only vacant land is the land that's zoned multifamily. That land that's zoned multifamily is in between existing multifamily and higher end single family residential. So when you look at this and you also compare it to a lot of other decisions that are being made about heavy industrial, there's no more land in the area that can be expanded, they can't add another concrete batching facility, they can't add more manufacturing.

There's no heavy industrial use in this immediate vicinity. This should not be considered heavy industrial use because it does not use an extensive amount of land or machinery, nor do any of the surrounding land uses, and there is no vacant land available to increased the use in light industrial in that area.

Thank you.

MR. GOODWIN: Thank you for correcting me.

Any further questions?
(No response.)

MR. GOODWIN: I've got a question for you. What actually happens at a concrete batching facility?
I'm not sure I'm a concrete expert.

MR. KROCHTENGEL: So they bring in dry goods, aggregate, and they mix them and put them in trucks and the trucks take them away. There's no manufacturing of anything, there's specifically mixing of the raw materials and then they're taken away by trucks.

MR. GOODWIN: You're talking about the big concrete trucks?

MR. KROCHTENGEL: Yes, but as another note --

MR. GOODWIN: That go round and round and round?

MR. KROCHTENGEL: -- they go to one specific place and then they leave and that area is over 2,000 feet away, and as noted in the staff writeup, it's on a totally separate road from where our ingress and egress would be, so we're very well separated from where a concrete truck would be as well. And the concrete batching facility itself, that bagging plant, is on that very far road, furthest away from our site as possible, and if you go as the bird flies, that entire other multifamily site is actually for the most part between our proposed units and the concrete batching facility as well.
MR. GOODWIN: Any other questions?

(No response.)

MR. GOODWIN: Kent, I assume you're going to speak in favor. Do we have anybody who wants to speak against?

MR. GARRETT: I'm Kelly Garrett, the competitor in the region, and I've been in the construction business 30 years, I can answer your concrete question.

This is a photo that's similar to what's in your Board book, and if I could step up here so I could show you what I'm talking about.

(Not speaking directly into microphone.)

This is the concrete facility there, this is where they bring the dry goods in on the railcars, these are silos -- you can see how large they are by the size of the railcars. Everything you see that's white, including the roads and the surrounding railroad track and everything, that's cement dust that's put off by this batching facility because they bring in chemicals, they bring in sand, they bring in rock. It all unloads here which is 500 feet from this site which this is the concrete site, and like I said, it's all white. You can see where they drive the trucks in here and load this, and this part up here, this is where your chemicals are. This is where they actually load the round trucks that go round
and round and round, but the heavier duty trucks come here, and like I said, you can see that.

And anything that's white, you can go to Google Earth and look at any cement mixing plant in Texas and everything around it is white. That is cement dust. It's on everything out there, it bounces around and comes off of every vehicle. Like I say, you can see in this photo.

This road up here is supposed to be black, definitely white, the railroad is white, everything here is white and that's cement dust.

And I lost a deal here one time because I was told the rules are the rules, and I understand that, and the rule here is 500 feet and the only way to mitigate distance is distance, in my opinion.

So I won't take up any more of your time, but this is a photo, like is said, this is 500 feet from here. The mixing where they actually load the truck is here, but it starts here and it's moved all the way down the line here until it gets in a concrete truck that goes round and round and leaves the site.

Thank you for your time.

MR. GOODWIN: Any other questions?

(No response.)

MR. GOODWIN: We're not going to have debate back and forth. Let Kent talk about it.
MR. HANCE: Mr. Chairman and members. I'm Kent Hance, and this is my family's development firm.

A couple of things. One, the rail issue is really not much of an issue. I mean, we have a barrier there, there's a forest there. If you look out our front door, the multifamily is to our left and the residential, those houses are $350,000 that are to the right that we're immediately close to. Any of that property up there that you grate it's going to have a chalky look, you know, if you grate anyplace like that.

In talking to the Tyler officials, they consider it light industrial because it does not have a rock crusher with it, and a rock crusher does create noise and would be heavy industrial.

We're over three football fields away from where the mixing takes place, and what they do, they bring in the mixing, you bring in cement and sand and mix it into concrete. The trucks, as they said, they go out a different way, they don't even come down our street.

And we feel like, also on the railroad, there's only two trains a day and so we're in good shape on that.

And the city officials, they've looked at it and they approved it, and we felt like we're in good shape and that they fully support us and the state representative supports us. We feel like we have a good
project, and we would ask that you approve the staff's recommendation.

Thank you.

MR. GOODWIN: Thank you, sir.

Any questions for the Honorable Mr. Hance?

(No response.)

MS. THOMASON: I do have a question for our legal counsel. What is the rule regarding the 500 feet? How does that read?

MR. ECCLES: It is under 11.101(a)(2)(F) development sites, it's an undesirable site feature if a development site is located within 500 feet of heavy industry, i.e., facilities that require extensive of land and machinery, produce high levels of external noise, such as manufacturing plants, or maintains fuel storage facilities, excluding gas stations.

MR. GOODWIN: Any other questions?

(No response.)

MR. GOODWIN: Is there anybody that wants to speak against this that hasn't already spoken? We're not going to get into a debate.

MR. GARRETT: I was just going to answer her question.

MR. GOODWIN: Okay. Any other questions?

MS. RESÉNDIZ: I'd like for him to answer my
question, Mr. Chairman.

MR. GOODWIN: Okay. Can you come to the microphone and announce who you are.

MR. GARRETT: Kelly Garrett, Salem Clark Development.

The 500-foot rule is as simple as Beau just said, it's 500 foot from heavy industry, and that includes fuel storage, which is also on this facility too. They have a fuel storage tank, it's 12,000 gallons of diesel fuel above ground. So I hope that helps to answer your question.

MR. GOODWIN: Anybody else that wants to speak in favor or against that hasn't already spoken?

MR. ECCLES: Well, just on that point, is a fuel storage facility within 500 feet?

MR. GARRETT: A fuel storage facility, I don't know how far it is. It's on that site and the site is border to border.

MR. ECCLES: Mr. Krochtengel?

MR. GARRETT: There's a picture of it right here I can show you. It's right there, 12,000 gallons of diesel fuel.

MR. KROCHTENGL: There is a fuel storage facility right there, it's in our ESA. There is regulation for that as well through HUD which is called an
acceptable separation distance. In our ESA we calculated the acceptable separation distance which takes into account if a person is in a building or if a person is in a parking lot. The acceptable separation distance is a circle that they've drawn out that you're not allowed to build in one circle and you're also not allowed to have public communal gathering in a much larger circle. They drew those two circles around the diesel plant and it doesn't even touch our site. So the fuel storage facility in no way impacts our site based on HUD rulings and HUD requirements of acceptable separation distance from a fuel storage facility.

So when you look at that -- and we understand the 500-foot rule. That is not what we're trying to say. We're saying that this is not a heavy industrial use, this is a light industrial use, and we're also saying if you did find it a heavy industrial use that the local ordinance allows us, using this zoning, to create a buffer yard on our site and our site alone to ease the intensity of the use of this site under the Tyler development code to allow for the development of multifamily housing. We did not get this rezoned, this has been zoned multifamily housing as long as this has been there as well.

MR. GOODWIN: Any other questions?

(No response.)
MR. GOODWIN: Any other speakers?

(No response.)

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

(No response.)

MR. GOODWIN: If not, we'll take a vote. All those in favor of staff's recommendation signify by saying aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. Thank you. We're moving on to item 7(g).

MS. HOLLOWAY: That is correct.

MR. GOODWIN: We have pulled 19050.

MS. HOLLOWAY: Right. And then we've already addressed 19013 and 19133.

MR. GOODWIN: Okay. So we're on 19125. Right?

MS. HOLLOWAY: Correct.

So this neighborhood risk factors item that we've already taken up a couple of them, these are all applications that staff was not able to get to a recommendation of eligibility. Any of them that were presented to us that provided sufficient mitigation to meet the requirements and rule, you actually approved last
month on the consent agenda.

As a brief refresher, applicants are required to disclose neighborhood risk factors and provide sufficient information regarding mitigation of the factors that leads to a conclusion that they will be sufficiently improved by the time the development is placed in service in order for the Board to arrive at a decision regarding eligibility of the site. In some instances staff is recommending eligibility for one risk factor and makes the opposite recommendation for another. Should you make the determination that a site is ineligible under any of these risk factors, the resulting termination is final and not subject to appeal.

The first one we're taking up is 19125 Alice Lofts. This is the adaptive reuse of the Physicians and Surgeons Hospital in Alice. In addition to 9 percent credits, the applicant will be using historic tax credits. The development will consist of 44 residential units, 39 will be housing tax credit units and five will be market rate. As a historic adaptive ruse, this proposed development has the highest per unit cost in this cycle at $327,000 a unit.

The applicant has disclosed five instances of property neglect or deferred maintenance that were disclosure to TDHCA for blight. The instances of blight
disclosed by the applicant are relatively minor. Staff believes that the blight is not of such a nature as to render the site ineligible. Staff is recommending that the Board find the site eligible in regard to this issue.

The proposed development site falls within the attendance zone of Schallert Elementary School which was rated Improvement Required in 2018. The school did achieve a Met Standard in 2015 through 2017 and the Alice Independent School District has implemented a 2018-2019 campus improvement plan. So there are four paths to mitigation for schools that have Improvement Required ratings, and I think that we've talked about all of them over the years so we're aware of what those are. The applicant has not presented evidence of mitigation that meets any of the requirements in the rule. While the applicant has described past achievements of the elementary school and has commented on the school's improvement plan, that alone and by itself is not sufficient mitigation per the requirements of the rules.

These materials that are being presented to you, these graphs, the package of information, staff has not seen, we have not evaluated. Staff is recommending that the Board find the site ineligible in regard to this issue.

I'll be happy to answer any questions.
MR. GOODWIN: Any questions?

MR. VASQUEZ: So just to clarify, it doesn't qualify due to the school needing improvement?

MS. HOLLOWAY: Yes.

MR. VASQUEZ: But the blight is okay, it's mitigated?

MS. HOLLOWAY: We're recommending eligibility under the blight issue. Yes.

MR. GOODWIN: And just so you realize, just to make sure everybody is aware, if we decide it is ineligible, that is a non-appealable. Right, Beau? In fact, that basically terminates the application.

MS. HOLLOWAY: Correct.

MR. GOODWIN: Beau, a question for you. Marni, before you leave. This material has not been presented before.

MR. ECCLES: Well, that would be my question for whoever put these things up. Is this evidence that was submitted in the application?

MR. GOODWIN: Who is responsible for putting these things up?

MS. BURCHETT: Good morning. My name is Sallie Burchett.

The representatives here will elaborate on these graphs and read into record. So we apologize for
bringing it to the table late but we will read it into the record, and yes, staff has not evaluated or seen it yet.

MR. GOODWIN: So this was not a part of the original application, correct, these two plaques that are up?

MS. BURCHETT: Yeah. This is new data. Correct.

MR. ECCLES: I have to tell you this Board cannot use that information if it's not part of the application.

MS. BURCHETT: I'm sorry. What?

MR. ECCLES: This Board cannot use information not contained in the application as part of its determination.

MS. BURCHETT: Okay. So we will -- I realize now I should have asked permission and I will withdraw the visuals.

MR. ECCLES: Thank you.

MR. GOODWIN: Thank you.

And we have people I know that are going to speak against. Do we have anybody that's speaking in favor of staff's recommendation? We have one that's speaking in favor of staff's recommendation? I was just asking the question, I wasn't asking you to come up?

Sorry. So are you the only one that's going to speak in
favor of staff's recommendation, everybody else is going
to speak against?

SPEAKER: We're all for it, we're pro.

MR. GOODWIN: For staff's recommendation.

SPEAKER: We're for approving the project so
that we can move forward.

MR. GOODWIN: Staff has made the motion to us
that we not approve, so anybody going to speak in favor of
staff's recommendation?

(No response.)

MR. GOODWIN: No. Okay. Then you're welcome
to come up. Three minutes.

MR. RACKLEFF: Thank you, Mr. Chair and members
of the Board. It's a pleasure to be able to visit with
you this afternoon.

We recognize that we had submitted a fair
amount of information regarding Schallert Elementary
School but we want to add to that because we clearly
needed to make a better case in the fact that this really
was an anomaly.

MR. ECCLES: Neal, if I could ask you to
identify yourself.

MR. RACKLEFF: Sorry. Neal Rackleff with Locke
Lord, representing applicant number 19125 on Alice Lofts.

Thanks.
So we think that this was very much an anomaly.

So all of the schools hit the Met Standard rating, this school has hit Met Standard rating in the past, there was only one year where we had a blip. And so in response to staff's request for recognition that we needed to provide additional evidence of the mitigating factors here, we have brought the superintendent of the school district, Mr. Carl Scarbrough, along with Erica Vasquez who is the district director of School improvement, and Mr. David Flores who is the CFO of the school district, all to clearly demonstrate that this school is on the path to improvement.

This was an anomaly, this is not indicative of a trend. There has already been significant progress with the student body in this school just this year. There's been a significant change in instructional leadership. They've added a full-time instructional facilitator to help the students, and they've seen, as I mentioned, significant progress across all grade levels. So this is not a situation where we have a bunch of bad schools, this is a situation where we had an anomaly with one school, and therefore, we do disagree with the recommendation of the staff and hope that this additional information that we present to you will help you to come to that conclusion as well.
So I would introduce Ms. Erica Vasquez.

MS. VASQUEZ: Good morning, Chairman Goodwin, members of the Board. My name is Erica Vasquez, and I am the district director of school improvement for Alice ISD.

I have a letter that I will read to you for the record that was submitted on behalf of our superintendent of schools.

"As superintendent of schools for Alice Independent School District, it is my honor to speak on behalf of one of our finest schools, Schallert Elementary.

Although Schallert Elementary was given an accountability rating of Improvement Required by the Texas Education Agency, I feel it is important to share the progress the school has already made this academic school year.

"In August of 2018, the campus leadership team for Schallert Elementary developed a targeted improvement plan, along with the district coordinator of school improvement, Erica Vasquez, and the professional service provider provided by Texas Education Agency. This targeted improvement plan is in addition to the campus improvement plan that has been provided. The strategies on both plans are aligned and are designed to ensure student progress. Due to the implementation of this plan, the students at Schallert Elementary have access to quality educational and engaging experiences."
"Recently Schallert Elementary had a change in instructional leadership. This decision was made to ensure that the leadership on this campus had a primary focus on instruction for all grade levels. This change has resulted in a coordinated concentration on instructional best practices including data-driven professional learning communities, student engagement strategies, standard space planning, depth of knowledge, rigor and targeted professional development. These strategies are grounded and effective school turnaround plans that have yielded positive results, including bringing Dubose Intermediate, which is Schallert's feeder campus, to a Met Standard status this year.

"Additionally, we have added a full-time instructional facilitator to help guide embedded teacher learning. The district also added a professional development project coordinator to align student and staff needs to prescriptive learning opportunities provided by the district and service center. At Schallert the school culture is inviting, enthusiastic about learning and committed to student success. A positive behavior support system is in place and is evident in the decrease of student incidents regarding discipline.

"In 2020 all elementary schools will be trained in Capturing Kids' Hearts which is the program that is
designed to help teachers and staff build positive relationships for students and parents. Schallert actually has the highest parent involvement rate and community support as opposed to our other elementaries in our district. There are numerous activities that parents and kids can participate and they're all with a focus on academics.

"Academically, we've seen improvements in the data across all grade levels. The district benchmark administered in the spring has shown that Schallert has made significant gains in both third and fourth grade. This benchmark is a STAAR simulated assessment that is used to compare and gauge student achievement and academic growth. Scores in third grade reading and mathematics have already had an increase of 30 percent, while fourth grade had an increase of 20 percent. The writing scores have also increased as well.

"This school year Schallert has also received a grant that will allow them to recruit and hire teacher leaders that will help build capacity in teachers. These leaders are for job embedded support as well as mentors, coaches, facilitators."

And I have Dr. Scarbrough who will come up and talk a little bit about some other changes.

Thank you.
MR. GOODWIN: Questions?

MR. ECCLES: Who was that letter from?

MS. VASQUEZ: Dr. Scarbrough.

MR. ECCLES: And when was that dated?

MS. VASQUEZ: May 23.

MR. ECCLES: May 23. Okay. So not submitted with the original application.

MS. VASQUEZ: No, sir. Thank you.

DR. SCARBROUGH: Good morning, Chairman Goodwin and members of the board. I'm Carl Scarbrough. I'm the superintendent, the honored superintendent of Alice ISD. I've spent the last 31 years of my career in San Antonio and listening to the first session was a number of my schools that did come out of school improvement.

But what I'd like to do is just summarize and conclude that, you know, when we look at Schallert Elementary it is a vibrant school. The community supports it. We just recently passed a bond in our community that hasn't been passed, there hasn't been a bond passed in the last 12 years. And so the community came out, 73.5 percent in favor that's going to make significant changes to our facilities, to add additional classrooms, enclose gymnasiums and realign grade levels, and this will be completed by 2021, and Schallert will be part of that. Fifth grade will go back to the elementary schools in our
The reconfiguration of grade levels, along with the improvement of learning experiences for our kids will help significantly with the student mobility rate. Our teacher turnover rate is already beginning to decline. We are highly optimistic and confident that Schallert will come out of Improvement Required status, and when it does, the implementation of the effective school framework will serve as a progress monitoring tool to ensure that they continue to make growth.

This continuous improvement model will ensure that the best practices are being implemented by all stakeholders. District-wide we are committed to the four pillars: quality customer service, stakeholder accountability, building efficacy, and a focus on the instructional core. Our moto is Our Kids Are Our Future, and to experience excellence with Alice ISD, and we are 100 percent confident that our school will show great progress this year and for years to continue.

Thank you.

MR. GOODWIN: Any questions?

(No response.)

MR. GOODWIN: I have a question. How many elementary schools are there in Alice ISD?

DR. SCARBROUGH: We have five of them, sir.
MR. GOODWIN: Five. Okay.

Any additional questions? Any other speakers?

(No response.)

MR. GOODWIN: Beau, do you want to comment on what we've heard here that wasn't in the application?

MR. ECCLES: Actually, I'll ask Marni this question.

MS. HOLLOWAY: Yes.

MR. ECCLES: Of the information that we've just heard from the last two speakers, how much of that was contained in the neighborhood risk factors report as it relates to school performance?

MS. HOLLOWAY: It was not.

MR. GOODWIN: So any advice from counsel you have?

MR. ECCLES: I'm not going to give advice of counsel, but I will read a couple of rules.

10 TAC 11.101(a)(3)(C)(vii), when you're talking about should any of the neighborhood risk factors described which includes that has not met Met Standard, the applicant must submit a neighborhood risk factors report that contains the information described in clauses (i) through (vii) of this subparagraph. (vii) is the assessment of performance for each of the schools in the attendance zone and it includes this phrase at the bottom
of that subsection: "This is not just the submission of
the campus improvement plan but an update to the plan, or
if such update is not available, information from a school
official that speaks to the progress made under the plan
as further indicated under subparagraph (d)(4) of this
paragraph, and that includes documentation from a person
authorized to speak on behalf of the school district with
oversight of the school in question that indicates the
specific plans in place and current progress toward
meeting the goals and performance objectives identified in
the campus improvement plan and in restoring the schools
to an acceptable rating status."

So essentially, the things that are being
presented now needed to have been included in the
neighborhood risk factors report submitted with the
application.

MS. BURCHETT: Sallie Burchett with Structure
Development.

So when we prepared the neighborhood risk
factor report, we gathered information from the school
district and included the campus improvement plan. Today
we heard more about the improvement plan that the school
district is implementing and the recent benchmarks from
test scores that hadn't happened at the time of
application. So we are connecting the dots, and yes,
giving you new information. We gave you everything we were able to extract from the school district at that time. You know, it is a difficult process. They are busy, they are testing kids, teaching, and we are doing something else.

And I'd like to ask you to also consider the intent of the rule, that the kids who live at Alice Lofts have a good education and go to good schools, and I think by the commitment of the folks here today, that they're confident that the schools are adequate and where the kids can excel.

Thank you.

MR. GOODWIN: Thank you.

Any questions? Did you have a question?

MR. VASQUEZ: I was just going to remind us. So did we have a staff recommendation on this?

MR. GOODWIN: Staff recommendation, right, Marni, is to find the site ineligible because of the school.

MS. HOLLOWAY: Ineligible because we did not receive the information regarding mitigation.

MR. GOODWIN: In the original application.

MS. HOLLOWAY: Yes, in the original application.

MR. VASQUEZ: Okay. But the improvement plan,
the original improvement plan was still in our materials here.

MS. HOLLOWAY: Yes.

MR. VASQUEZ: It was submitted with the application.

MS. HOLLOWAY: And the part that Beau read about the letter that goes with it and all of that is because when we first started dealing with IR schools, everyone would just send us the plans and we'd have to sort through them, so what we need is assistance from the school districts in understanding what's going on with those plans and what the progress has been since the plan was first implemented.

MR. VASQUEZ: Okay. And given that we have the leadership of Alice ISD here reinforcing to us, the Board, their commitment to this, if we don't accept that kind of input, we should make it clear to everyone just don't show up -- I mean, don't bother showing up. So again, from my perspective, I think we have the school district and the applicant have met the burden of proof that, again, this is not a way off, hopefully they'll get there someday, it's close to begin with. So again, unless there's something specifically or counsel says we don't have that leeway to interpret as a Board.

MR. GOODWIN: Well, I'm not sure that we don't
have the leeway, and I'll let Beau answer in just a second, but also, feel like we've got to get in a position where we don't continue these applications because for every applicant that we're evaluating, there's one standing behind them that did everything right. It may sound nitpicky but somebody else included that kind of stuff, and otherwise, we will be approving amended applications right up until the date of eligibility which creates a bigger realm, in my opinion, of uncertainty.

I have every confidence that the people in Alice are heartfelt and well intended with this, but it didn't come in in the time that it should have. And I realize from a development perspective they may have had trouble getting it, but that's what our rules require.

MS. BINGHAM ESCAREÑO: Mr. Chair, if I could just ask Leo, what I hear you saying is they did submit a campus improvement plan. What they might have been planning to do today was share some great news about their progress, which they can't really do because they didn't submit it within time, but we still have a campus improvement plan, and our rules do say that the campus improvement plan can be acceptable mitigation if -- no?

Okay.

MR. ECCLES: The rule specifically says this is not just the submission of the campus improvement plan but
an update to the plan, or if such update is not available, information from a school official that speaks to the progress made under the plan as further indicated in a subsequent rule that is discussing documentation from a person authorized to speak on behalf of the school district about the progress toward meeting those goals and the performance objectives identified in the campus improvement plan.

MS. BINGHAM ESCAREÑO: Okay. Because I think our Board book may have abbreviated that a little bit. Give me a second.

Remember, Marni, where it said there are like five ways that you can mitigate, one of which is, something like that.

MS. HOLLOWAY: There are --

MS. BINGHAM ESCAREÑO: I found it, I think I found it. Okay. Permits four paths to mitigation for schools that have Improvement Required ratings, including but not limited to documentation from a person authorized to speak on behalf of the school district with oversight, and performance objectives. Oh, I see what you're saying. So it's the documentation of the person that can speak to the progress toward the campus improvement plan, not just the campus improvement plan.

MR. ECCLES: That's correct.
MS. BINGHAM ESCAREÑO: Additional paths to mitigation include confirmation from the school district that they can choose another school, which doesn't sound like that's an option; commitment from the applicant to offer a minimum of 15 hours weekly, which doesn't sound like that was in the plan; or that the applicant has partnered with the school district or a Head Start provider or something like that. Okay. So noted.

MR. GOODWIN: Did that answer your question?

MS. BINGHAM ESCAREÑO: Yes, sir.

MR. GOODWIN: Leo, do you have another question?

MR. VASQUEZ: Again, if we're not accepting the input of the speakers here at this appeal hearing, effectively, then what's the point of having speakers at a hearing like this? From my perspective, the additional documentation that has been presented today verbally and by a clearly authorized representative of the school district meets the requirements that you laid out in the rules.

MS. THOMASON: I think my question would be why was the letter not submitted from the superintendent with the application.

MR. VASQUEZ: Or we need to make clear that a campus improvement plan is not sufficient, you have to
attach a letter from the superintendent.

MR. GOODWIN: I think the rule, as read by the legal counsel, is clear. It surely seems clear to me that the campus improvement plan, it says point blank, in itself is not sufficient, so I think that is. I'm sorry if we've inconvenienced anybody by coming, but at the same time, I'm not sure how you would suggest in the future we handle telling people that they're not invited here to say your piece, et cetera, et cetera, et cetera, and who we determine that can come and do that. I would be open to any suggestions about that because we surely don't want to waste people's time that come, and we appreciate you coming.

And our rules are pretty technical, but they're not technical to try to get you, but they're technical so that the universe of people doing these projects will be treated in a fair basis, and sometimes the littlest things feel like, as Leo likes to say, oh, we gotcha. And that's not our intent here, our intent is to provide housing across the state of Texas for people who need it.

Sharon, you were going to say something? I'm sorry. I kind of walked all over your conversation.

MS. THOMASON: No, no, no.

MR. GOODWIN: You're okay?

MS. THOMASON: Uh-huh.
MR. GOODWIN: Okay.

MS. ATKINSON: Good morning. My name is Isabell Atkinson. I'm with Structure Development, and I just wanted to provide clarification that in our neighborhood risk factor report we did include an introductory letter that included feedback from Anna Holmgreen who is the assistant superintendent of curriculum, and so there was feedback from someone who was qualified to provide that information that was submitted at application prior to March 1.

MR. GOODWIN: Okay. Thank you.

MR. RACKLEFF: Neal Rackleff, Locke Lord.

And just to amplify that, I very much appreciate that you're not trying to play gotcha here. It's very clear that substantively we're in a good place. Right? And I understand the rule that the general counsel referred to, but as was just mentioned by Isabell, we did have additional documentation over and above the campus improvement plan which did quote Anna Holmgreen. We had a provision in here that says based on conversations with Assistant Superintendent of Curriculum Anna Holmgreen and a copy of the '18-19 campus improvement plan that she provided. "Schallert Elementary is on track to achieve the goals laid out in its plan and to return to its established practice of receiving a Met Standard
rating from the Texas Education Agency in 2019."

So we did include that additional information, and so I would offer that as a solution to get us out of the gotcha game and allow you to be able to rule on the substance here which is that we do have a good situation, we've got all these folks that came down here, and I think you make a great point, it's appropriate to let them have their say and consider that.

MR. GOODWIN: Marni, can you address that?

MS. HOLLOWAY: So I just checked real quickly with staff who reviewed all of the reports. It was our understanding that the comments that are being relayed to you right now were part of a letter, a summary that did not come from that person. There wasn't a letter signed by that individual saying I have the authority to say this and this is what I'm saying.

MR. GOODWIN: Okay.

MR. ECCLES: I'll note just in the Board packet of materials there is a letter from Sallie Burchett, consultant to the project, that contains the line: "Based on conversations with Assistant Superintendent of Curriculum Anna Holmgreen and a copy of the 2018-19 campus improvement plan that she provided, Schallert Elementary is on track to achieve the goals laid out in its plan." I don't know if that could be said to satisfy the rule
requirement of documentation from a person authorized to
speak on behalf of the school district with oversight of
the school in question that indicates the specific plans
in place and current progress toward meeting the goals and
performance objectives identified in the campus
improvement plan.

MR. RACKLEFF: And I would respond that we
provided the very best documentation we could at the time,
and that it clearly --

MR. GOODWIN: I think all the facts have been
brought up, so thank you.

Any other questions?

(No response.)

MR. GOODWIN: We have a motion to accept
staff's recommendation and a second. Any other discussion
before we call for the vote?

(No response.)

MR. GOODWIN: All in favor say aye.

(A chorus of ayes: Board Members Braden,
Bingham, Thomason.)

MR. GOODWIN: All opposed?

MR. VASQUEZ: Nay.

MS. RESÉNDIZ: Nay.

MR. GOODWIN: One nay, two nays, and three
ayes. Aye. So upholding staff's recommendation four to
two.

Moving to the next 19227, Fort Worth.

MS. HOLLOWAY: Application 19227 Reserve at Risinger -- I apologize if I'm mispronouncing that -- will be a new construction, general population development with a total of 96 units. Eighty-five units will be designated for low income residents and 11 will be market rate.

The proposed development site falls within the attendance zone of J.A. Hargrave Elementary School which was rated Improvement Required in 2018, 2017 and 2016. The applicant provided a letter from the deputy superintendent of school improvement that recounts how the district and the school are committed to moving to a Met Standard rating. She explains the central importance of the school's campus turnaround plan. Students will receive additional support through the 21st Century Community Learning Center program. The program provides a variety of after-school enrichment programs with the aim of improving academic performance, attendance, behavior, promotion rates and graduation rates. School administrators hope that the program will help the school to achieve a Met Standard rating before the proposed development is placed in service.

According to the applicant, the development will include an education center space in the clubhouse.
that will be utilized for educational programming above and beyond the typical services required by TDHCA. It is not clear from the application how many hours per week the applicant will provide educational programming, so we are unable to evaluate this as mitigation under the rule which allows after-school programming of 15 hours per week to count as mitigation.

Staff requests that the Board determine for 19227 Reserve at Risinger whether the information regarding mitigation of the neighborhood risk factor is sufficient and if it supports site eligibility under the neighborhood risk factors rule.

MR. GOODWIN: So as this relates to what we just addressed, all of this information was provided in the original application.

MS. HOLLOWAY: Yes.

MR. GOODWIN: And it was provided by a person authorized to speak for the school district.

MS. HOLLOWAY: Yes. That's the difference between the two applications.

MR. GOODWIN: Between the two. And what's missing is how many hours?

MS. HOLLOWAY: We're not able to evaluate whether or not providing the education center space will count as mitigation because the number of hours per week
of after-school programming was not described in the
application, but the education center was.

I'll be happy to answer any questions.

MR. GOODWIN: Okay. Anybody have any
questions?

(No response.)

MR. GOODWIN: Before we take the next step will
be a motion to either accept this site as eligible or, and
then we'll have discussion, realizing that no matter what
the motion is, after the discussion somebody might want to
change the motion. So do I hear a motion to make the site
eligible on the school eligibility site or ineligible, one
of the two, so we can get to discussion.

MS. BINGHAM ESCAREÑO: Mr. Chair, since staff
are asking the Board to do that, would it be acceptable to
move to hear comment?

MR. GOODWIN: Absolutely.

MS. BINGHAM ESCAREÑO: I'll motion to hear
comment.

MR. GOODWIN: Second?

MR. BRADEN: Second.

MR. GOODWIN: Okay. Thank you, Marni.

Tamea, are you going to speak first?

MS. DULA: I would be happy to but I'm for the
project and requesting eligibility. I don't want us to go
first.

MR. GOODWIN: I don't know which way, whether
we can be for or against.

MS. DULA: Tamea Dula with Coats Rose Law Firm,
appearing for the developer in favor of the project's
eligibility.

The application and the disclosure that was
made with regard to the educational situation does
disclose that the J.A. Hargrave Elementary School was
found not to meet standard for three years running which
is the point at which it becomes a site issue. However,
in 2013, 2014 and 2015 this school did meet standard, so
it has just recently fallen off the straight and narrow
path. And after the 2018 no meeting standard situation,
on December 20 of 2018, the Crowley ISD adopted a campus
improvement plan and turnaround plan for the school, which
was included in the disclosure package.

Additionally, we have a letter in there from an
authorized agent of Crowley ISD that pointed out that this
school is also going to benefit from the 21st Century
Community Learning Center program and reference was made
to the potential for an Accelerating Campus Excellence
program which they were able to announce this week on
Monday, and so that is available for the school also and
that provides enhanced services after school, tutoring,
and things of that nature to help students advance properly.

And finally, in the application it was pointed out that there was an education center contemplated for the project, and that was going to be located in the clubhouse community space and it would provide onsite educational programming each week through a qualified coordinator of the educational center.

The question was asked how many hours per week would be provided. Now, the applicant never got a chance to answer that question because it only appeared in the Board book and they only found out about this on Monday when the Board book supplement was published. We never heard that it was going to be in the Board book. But the applicant has committed, by a letter that I believe you have been provided -- is that correct, Sallie? -- has committed to at least 15 hours of programming for each week.

MR. GOODWIN: Thank you.

MS. DULA: So that was the only thing missing. And now I'd like you to hear from Darren Smith, who put this project together, and he's going to tell you about this ACE improvement program in particular.

MR. GOODWIN: Any questions before Tamea steps down?
(No response.)

MR. GOODWIN: Thank you.

MR. SMITH: Hi, Councilman -- excuse me -- Chairman. I've been in front of a bunch of city councils.
Chairman Goodwin and Board.

Crowley ISD is a unique situation. The letter on the 20th included the ACE program and that was a big step for them because if you're familiar with the ACE program, it was created by Dallas Independent School District and it really goes through a rigorous staff screening process. It's been adopted by not only Dallas but Richardson, Garland ISD and Fort Worth ISD. And essentially their meeting yesterday to continue to educate the neighborhood and the school in general, last night was to introduce the new principal. So they've already changed the principal of the school, and all the staff will have to go through a new interviewing process that includes the ACE criteria and interview process, and there may be a complete change in staff.

So they've taken a very aggressive stance at this and they've gotten the funding and support through the ACE program to do incentive-based compensation for the staff, and the principal will choose each staff and instructor for that school. So this program is focused on underachieving schools, whether it be by income, race, or
location, that's the virtue of the program, and they've seen double digit metrics and percentage growths for math and reading since DSID introduced it in 2015.

MR. GOODWIN: Okay. Any questions?

MR. SMITH: In the sake of the flight schedule, I abbreviated.

MR. GOODWIN: Thank you, thank you.

MR. SMITH: You're welcome.

MR. GOODWIN: Anybody want to speak against this application?

MS. ANDERSON: This isn't against or for, this is just a I really don't care one way or the other but I think -- anyway, my name is Sarah Anderson and I think that there's a mix-up between what can be done when you have one year of IR and when you have three years of IR. And three years of IR says there is no mitigation, it's only if you have one year that you can mitigate. And so I just wanted to bring that up as a rule clarification that I want to make sure that this is on your side done correctly, otherwise, there may be additional challenges and legal issues.

MR. GOODWIN: Beau, any insight on that, or Marni?

MS. HOLLOWAY: IT's more complicated than that.

MR. ECCLES: It is more complicated.
MS. ANDERSON: it is but it specifically says it can't be mitigated, basically they have to be able to prove -- it's a different level, a different thing has to be proven as opposed to a specific mitigation. So I just wanted to point that out before a decision was made.

MR. GOODWIN: Thank you.

MS. HOLLOWAY: The actual language in the rule is: "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 is a clear trend indicating imminent compliance, shall be unable to mitigate due to the potential for school closure as an administrative remedy pursuant to Chapter 39 of the Texas Education Code."

So it's not three years and you can't mitigate, it's actually four years and then you can't mitigate. At four years there's a potential for TEA to close the school.

MR. GOODWIN: Beau?

MR. ECCLES: So this school that we're talking about here has failed to hit Met Standard for three consecutive years but we're not talking about the failed by at least one point in the most recent year?

MS. HOLLOWAY: Correct.

MR. ECCLES: So you're saying that's a fourth
year?

MS. HOLLOWAY: Yes.

MR. ECCLES: Has this school in its third year failed by more than one point?

MS. HOLLOWAY: I don't know off the top of my head.

MR. GOODWIN: Do you know the answer to that question by chance? Anybody from the school district that might know the answer to that question?

(Pause.)

MR. GOODWIN: We're going to table this while we're trying to get this information, and Beau wants to talk to the program people as well. So let's take a five-minute recess. Is that enough time, Beau?

MR. ECCLES: Yes.

MR. GOODWIN: Okay. We'll recess the meeting for five minutes.

(Whereupon, at 11:36 a.m., a brief recess was taken.)

MR. GOODWIN: We've returned from our 30-second recess.

Marni, you're going to give us a little clarification?

MS. HOLLOWAY: I'm going to fall on my sword and admit that I was wrong. Happens every once in a
while; everybody write down the date.

MR. ECCLES: It's in the transcript.

MS. HOLLOWAY: Don't you dare; you won't be cool anymore if you do that.

(General laughter.)

MR. GOODWIN: So at the end of this, and for the sake and brevity of time, the parties have agreed that we're going to table this.

MS. HOLLOWAY: I would like to read to you what I left out of my presentation, so that it's clear. As I was going through and summarizing from my notes, I skipped over this part.

So it discusses the rule with the three years, and then it says, "The rule clearly states that a development should be found ineligible if a school to which its residents are zoned has been rated Improvement Required for three consecutive years. While an exception could possibly be reached if a trend is indicating imminent compliance, staff does not believe it is able to reach such a conclusion, and thus, no mitigation is allowed. However, staff has included a summary of what the applicant proposed as mitigation."

So that's the part that I didn't say. I would also say that this is a question about the rule and the rule interpretation, it's not a question about what was
submitted in the application.

MR. GOODWIN: And do I understand that the parties want to table this to next month's Board meeting? I see a yes over there, and that's okay with staff. Any Board member have a problem with that?

(No response.)

MR. GOODWIN: If not, I'll take a motion to table.

MR. BRADEN: So moved.

MR. GOODWIN: Second?

MS. THOMASON: Second.

MS. RESÉNDIZ: Second.

MR. GOODWIN: Okay. No further discussion on the motion to table. All in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. Moving to 19299.

MS. HOLLOWAY: 19299, application for 2222 Pierce. We're still talking about neighborhood risk factors.

The applicant disclosed that the proposed development site is in a census tract with an annual Part I violent crime rate that is above 18 per 1,000, according to Neighborhood Scout.
One path to mitigation allowed by the rule is if the data and evidence reveal that the data reported on NeighborhoodScout.com does not accurately reflect the true nature of what is occurring and what is actually occurring does not rise to the level to cause a concern to the Board over the level of Part I violent crimes for the location. So there are some others that we've discussed today that when we went to the actual data, their crime rates were lower than what was in Neighborhood Scout.

In order to make that determination, an applicant must present crime data as a ratio of crime for the census tract per 1,000 individuals who live within those same boundaries. The applicant has not satisfactorily demonstrated mitigation for the crime rate. The applicant did share the number of crimes for 2017 and 2018 for the police beat that contains the proposed development site, however, round numbers alone do not allow staff to determine if that crime rate is actually 18 instances per 1,000 persons, and therefore, the crime rate is actually decreasing.

We issued a deficiency to the applicant requesting the total number of crimes be converted to a rate so that staff could determine that acceptable mitigation had been provided. In their response the applicant discusses difficulties with matching police
beats to census tracts and states that their calculation indicated the rate is over the threshold in rule. They point to a decrease between 2017 and 2018.

Crime statistics expressed as rates normalize them across geographic areas with differing populations. Because the applicant did not provide the rate, we performed our own calculations with two reasonable but differing methods. One of them goes back to the 2010 census, the other uses the 2017 American Community Survey is an estimate based on a number of factors. So the ACS overestimates the geographic size of the police beat and therefore probably overestimates the population.

With these two population counts and with the violent crime statistics reported by the applicant, the staff has calculated the following violent crime rates for this police beat. In 2017, using the 2010 census data, the rate was 37.13 per 1,000 persons; using the 2017 ACS, it's 27.44 per 1,000 persons. In 2018, using the 2010 census, it is 31.52 which is a drop per 1,000 persons; using the ACS, it's 23.29 per 1,000 persons, again that is a drop.

While there is certainly a decrease in the crime rate, the rule requires that a decreasing crime rate must already be under the 18 per 1,000 requirement, according to the data, or must be of such a nature that it
would yield a crime rate below the threshold indicated in this section by the time the development is placed into service. We've been unable to reach a conclusion that the decrease between 2017 and 2018 is indicative of a trend that will continue.

Staff is asking that the Board make the final determination regarding the site's eligibility regarding this issue.

The next one, applicant stated that the proposed development site has instances of blight within 1,000 feet. The applicant points to several initiatives within the Greater Third Ward, including the activities of a tax increment reinvestment zone, Main Street efforts, pop-up neighborhood markets, and continued private investment in the area.

While the exact locations and pictures were not provided of these instances of blight, both staff's visit to the site and the investment programs available in the Third Ward lead staff to believe that acceptable mitigation has been provided. Staff is recommending that the Board find the site eligible in regard to blight.

So to summarize, staff is requesting that the Board determine for 19299 2222 Pierce whether the information regarding mitigation of the neighborhood risk factors is sufficient and supports site eligibility under
MR. GOODWIN: Do I have 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. GOODWIN: Okay. We will hear comments.

MR. AKBARI: Mr. Chairman and Board members, I'm Chris Akbari. I'm the CEO of ITEX. And I know we're trying to catch planes so I'll try to be as brief as possible.

I'm the lead developer, or my company is the lead developer for 2222 Pierce. It's in the Upper Third Ward of Houston. It's immediately adjacent to downtown and immediately adjacent to the midtown area. The Third Ward is a very instrumental part of a redevelopment plan by the City of Houston called the Complete Communities Program. We are seeking to build 166 units. It will be comprised of mixed income, with 88 of the units as low income, 38 as workforce housing, and 40 with market rate, with the units staggered in incomes from 30 percent AMI, 50 percent AMI, 60 percent AMI, 80 percent AMI and market rate.
We also plan to have both a six-story tower as well as some two- and three-story townhomes. The project has been designed with controlled access, cameras, and we plan to have security and controls by off-duty officers.

So I'd like to key in a little more on the community revitalization effort in this area. It's part of the mayor's 2017 initiative which is called the Complete Communities Program. It's intended to help develop affordable housing, redevelop these census tracts and these areas, and provide additional job opportunities, quality retail, quality of life, improvements for schools, and along with the mayor's plan, one of the highest priorities is to provide affordable housing in areas where the census tracts are being gentrified. In this particular census tract, that's going on right now.

Immediately adjacent and all to the south and to the east of this particular site, there are $285,000 to $375,000 townhomes being constructed, so we believe that this is a great opportunity for us to be able to embed affordable housing into this neighborhood before it's completely gentrified.

As Marni said, there is a trajectory but the problem is that they can't be able to project that it's below 18, so we're here today to talk more in detail about some of the crime stats, and also we have an officer here
who is going to talk to you about some of the initiatives
in the Complete Communities that they have that they're
working on.

Thank you.

MR. GOODWIN: I think maybe staff, if anybody
has any questions. I think the only issue our staff has
with it is crime, so if you want to be brief, bring up
people that are going to talk about the crime.

SPEAKER: Well, that's me.

MR. GOODWIN: I thought it would have been him.

(General laughter.)

MS. MARTIN: I'm Audrey Martin with Purple
Martin Real Estate. I'm representing the applicant team,
and I am going to specifically address the crime issue in
the census tract and also the police beat which is a
little bit of a larger area that contains the development
site.

So as Marni summarized, the census tract that
includes the development site is above TDHCA's threshold
for disclosure of violent crime and that threshold is a
NeighborhoodScout.com rating of 18 or above. This
development site has a rating of 19.39, so when that
happens we make a disclosure and we look at police
department data for calendar years 2017 and 2018 and do an
analysis. In Houston they have their data publicly
available for their police beats, so what we did is looked at the calendar year 2017 and calendar year 2018 data, and what we were able to see is that there's been a 15.1 percent decrease in violent crimes in the police beat in the one year between calendar year '17 and '18.

What also is interesting is that Neighborhood Scout uses data from 2017, so we have a report that was submitted with the application that has a 19.39 rate based on 2017 data, and then when we're able to look at the police department data, we can see that there was a 15 percent decrease in one year. And we looked at what would be an adjusted Neighborhood Scout rate if we brought it up to 2018 data and applied that 15 percent decrease, and if the Neighborhood Scout data were to bear out that 15 percent decrease we've seen in actual crime data, we would be under 18 today, we'd be at 16.34, I think was the number.

So the other thing that's interesting is that Neighborhood Scout itself within its reports provides a trend line for both violent and property crimes, and they take historical data from 2014 up to the current date and then they continue a projection forward to 2024, and so Neighborhood Scout also shows a decrease in violent crime within this particular census tract. So we think that there can be a reasonable conclusion that by the time this
development places in service, which would be 2021, that we can achieve a violent crime rate that would be below 18 per 1,000 persons.

We also very much appreciate staff's work to come up with a crime rate. It is kind of difficult because police beat boundaries do not match census tracts. We tried it ourselves, we got sort of close to the rates that Marni cited based on 2017 ACS -- almost finished -- but if we also applied the decrease, the 15.1 percent, and extended that out until placement in service in 2021, we also could be below 18. In fact, it would only take about maybe an 8 percent decrease in crime over that time to get to the threshold we're required to meet.

So thank you.

MR. GOODWIN: So you're saying the Scout report does project out that by the time this property would be in service, it would be below the 18.

MS. MARTIN: It does. It provides a trend line, it doesn't give raw numbers, it doesn't give it to you in the ratio that the rules do.

MR. GOODWIN: Is that sufficient, Beau, to meet our standards for making a decision?

MR. ECCLES: Was that evidence provided either in the application or in response to the administrative deficiency request?
MS. HOLLOWAY: I'm not aware that it was provided in the application and it was not provided in response to the deficiency request.

I would remind the Board that Neighborhood Scout is used as a trigger for reporting, for looking further at the crime rates at this development site, that's all it is. So yes, there are a number of issues and problems with Neighborhood Scout data and we've discussed that before, but this is the only trigger that we have.

MR. GOODWIN: But if the Neighborhood Scout rating was 17.9, we wouldn't be doing this.

MS. HOLLOWAY: They would not have had to report.

MR. GOODWIN: Okay. Next speaker. And by the way, for any Board member, any time you feel like you've heard enough and you want to make a motion, just signify by telling the chair.

SPEAKER: I'm all for that now.

(General laughter.)

MR. FLORES: Good afternoon. My name is Eric Flores. I'm a sergeant with the Houston Police Department. I literally just got this less than 12 hours ago, so on behalf of Chief Art Acevedo, I'm here representing him.
So I reviewed everything that was submitted to me and I want to talk about what he spoke about earlier, the Complete Communities package. That's basically what my team does. We're with community service and the DRT team known as the Differential Response Team. Our team is basically a Swiss Army Knife for policing and we handle problem-oriented policing, community-oriented policing, and Chief Acevedo's new relational policing. So what we have brought to our community in Third Ward is a ton of enforcement but community relations as well.

I'll go through the list of what we are doing at this time and what we started when I came to this division. So currently literally which is across the street from 2222 Pierce we worked with TxDOT to get an encampment shut down, and that encampment we got everybody housed, into housing, and then we had TxDOT come in, we had them spend their assets to clean up the area. That cost like $45,000 just in one day.

With the Complete Communities also we developed a program for officers to come in to ride their bicycles on the Columbia Hike and Bike Trail which goes through actually Third Ward the entire way. The trail actually goes between the University of Houston and TSU which is the Texas Southern University.

We work with the Department of Neighborhoods
and solid waste to address issues on the right of way and also abatement issues that come up in our area. The team also works with the Harris County Precinct 7 who has a contract with Third Ward to patrol the area, and they also work with Harris County Precinct 1 to address illegal dumping by hiding cameras in the neighborhood to address that so we can catch the criminals. We also work with the Southeast Management District which also is part of the Complete Communities package, so we all work together at the same time every day.

We also collaborate recently, starting next week, with the HISD police department and all the local law enforcement agencies for the summer vacation program that's called Safe Start, and basically for the whole week we get students into school and out of school to begin their summer vacation safely. And so we're out there on bicycles, we have mounted patrol, we have undercover so we have my guys, we have our Explorers team, our TAPS team and our Pals team, and those are all geared toward helping the youth.

I can continue going on and on, but besides my efforts, it's the efforts of my officers and the efforts of the community that we've gained their trust to get this job done and to help lower the crime at the end of the day.
MR. GOODWIN: Thank you, Sergeant Flores, thank you for your service. And tell my friend, Art, I said hi.

MR. FLORES: I will.

MR. GOODWIN: Anybody want to make a motion or do we want to keep going?

MS. RESÉNDIZ: Motion to approve.

MR. GOODWIN: You want to make a motion to approve the site?

MS. RESÉNDIZ: Yes.

MR. GOODWIN: Okay. Is there a second?

MR. VASQUEZ: Second.

MR. GOODWIN: Any further discussion?

(No response.)

MR. GOODWIN: All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. We're moving down to item (h) and we have items 19368 and 19229 have been pulled.

MS. HOLLOWAY: Yes, they have.

MR. GOODWIN: So we're at 19189.

MS. HOLLOWAY: Yes. This is presentation, discussion, and possible action on timely filed appeal regarding application 19189 Lakewood Crossing under the Department's multifamily program rules. This application
proposes the new construction of 48 units for a general population in Granbury.

One of the ways that applicants are able to meet threshold requirements in order to gain opportunity index points is if the proposed development site is located entirely within a census tract that has a poverty rate of less than the greater of 20 percent or the median poverty rate for the region, with the median household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile without physical barriers such as highways or rivers between and the development site is no more than two miles from the boundary between the census tracts.

The proposed site meets these criteria except for the without physical barriers such as highways or rivers between part. This census tract is separated from the higher income census tract by the Brazos River. The applicant claims that the body of water between the tracts, because it is called Lake Granbury, is not a river. Lake Granbury was created when the De Cordova Dam was constructed on the Brazos River in 1969. The river flows into the lake on one end and out of it on the other.

Much of the appeal relies on this technicality without consideration of how the requirement starts which is without physical barrier. This language was used so
that if the separation is some other geographic feature not listed in the rule, it still applies, so if it's a canyon, it still applies, it's a physical barrier. The highways or rivers part is provided as an easily recognizable descriptor. This threshold to qualify for opportunity index points acknowledges that without barriers communities don't necessarily stop at census tract boundaries.

The applicant also claims that the bridge across the river serves to unite the two sides. The clear income disparity, with large homes overlooking the river, with farms beyond on the side opposite the proposed site, indicates that these are clearly two separate communities.

Prior to application submission, the applicant and one other group requested a predetermination regarding this question. Staff determined that the Brazos River acts as a barrier between the census tracts and informed both requesters prior to application submission. The other group that requested a predetermination did not submit an application in this round.

Staff determined that the application does not qualify for seven points under the opportunity index because the census tract in which the development site is located does not qualify. Staff also determined that because the application final score varies by more than
four points from what was reflected in the pre-app self score, they are also not eligible to receive six points for pre-application participation.

Staff recommends that the appeal of scoring for 19189 be denied.

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

MR. BRADEN: So moved.

MR. GOODWIN: Second?

MS. BINGHAM ESCAREÑO: Second.

MR. GOODWIN: Okay. Against staff's recommendation, I assume?

And by the way, before we start, is there anybody in favor of staff's recommendation? One person back there, two people. Okay.

MR. RACKLEFF: Neal Rackleff with Locke Lord, representing the appellant here.

We think that this is clearly a situation where we meet both the spirit and the letter of the law, and I do not agree with the characterization of our appeal as being one that hinged on the technical definition of whether this is a river or a lake. We brought that issue up because there was a third party contention that this was definitely a river and that that was a significant problem for us.
The key here is not whether there is a river, a lake, a marsh, a gutter, a wetland, it's whether there's an actual barrier between these two communities, and here there is not an actual barrier between those two communities. The folks in the census tract that has the higher opportunity characteristics move back and forth and they shop at the same stores, they eat at the same restaurants. The high school attendance zone for the high-end homes that we were told a moment ago should be indicative of the fact that that it's a separate place, they're in the same high school attendance zone.

In this scenario we're not supposed to look at only granting points if the census tract next door is exactly the same as the census tract we're in. That's the opposite of what we're looking at. We have a census tract that has the higher level demographics and our census tract has lower level demographics. The question is is there an actual barrier that makes it an unfair comparison. You know, and many times a river could be, or a lake could be that kind of barrier. We talked earlier, it was mentioned by one of the Board members that there was a highway but there was an underpass for people to go through, so in this situation barrier -- highways and rivers are used as illustrative terms, not controlling.

As I mentioned, if that were the case, then how
finely do we cut river and why would you really
distinguish between a river or a stream or a creek or some
other body of water. We're trying to make sure that we
don't have segregated communities here. The intent of
being able to look at the adjoining census tract is to see
are those positive demographics that are happening in that
adjoining census tract going to positively influence the
census tract of our site, and that is clearly the case.

So we have invited the mayor of Granbury, Mayor
Nin Hulett, to come and address us, also the city manager,
Chris Coffman, and we also have a letter from the State
Rep Mike Lang that we would like to read into the record.

MR. GOODWIN: Okay. Someone in favor of
staff's recommendation speak next?

MR. FOGEL: Hello. I'm Michael Fogel with Four
Corners Development. I have a competing project in the
region. And before I get into that, I want to be clear
that this issue has nothing to do with whether or not the
city limits of Granbury span the river, and I'm certainly
not making an argument that this isn't a united
community, you know, on both sides of the river, but
really the fact that there is a river barrier here, as
written in the rules, between the two tracts.

We actually looked at this census tract way
back in October and at that time we were able to
definitively rule out its eligibility for opportunity points after reading the QAP and confirming the same with staff. So the rule states that the third quartile census tract can qualify if it's contiguous to the second quartile tract without physical barriers such as highways or rivers. But just to be extra certain of this distinction, we contacted the staff in October to ask if the presence of a bridge over the river would mitigate the presence of a physical barrier between the two tracts, and Ms. Gamble wrote back promptly on October 17 and stated that a bridge would not mitigate the presence of a river or a highway between the tracts, so that's very clear.

The rules on the books, staff confirmed the same in actually this exact same scenario, which is why we were inquiring, the confirmed the scenario and they continued to uphold it in a consistent manner as per the recommendation in your Board book today. So with this information confirmed, myself and many other developers followed the rules and focused our efforts in the City of Ennis where there was an eligible tract for points. And I quickly point out that Ennis hasn't had a deal since '01 and Granbury did have one last year.

Secondly, the applicant did actually make an inconsequential argument that the river, sometimes called a lake, really doesn't matter. When you have a river
that's been dammed, you get to call it a lake or you can
call it a lake, it's still the same body of water, it's
actually been enlarged to create a larger barrier. This
section of the Brazos River is also referred to as Lake
Granbury but, you know, we can use either name.

And obviously, I'm in support of staff's
recommendation.

MR. GOODWIN: Thank you.

Somebody against staff's recommendation?

MR. COFFMAN: Thank you. I'm Chris Coffman,
city manager for the City of Granbury.

I just want to kind of appreciate what you guys
do. I was sitting here learning a lot today about the in-
depth knowledge that you've got to have to sit up there
and make a decision, and the staff for doing their job.

And I kind of reflected on my planning and
zoning and all the laws that go into simple planning for a
city and what-have-you. But back in 2015 we went through
a comprehensive plan, we did a new land use plan, we had
in mind exactly what we're talking about to prevent
segregation or anything like that. We zoned areas for
apartments in good neighborhoods. This neighborhood, for
instance, you can go through K through 12 in walking
distance from this location. This is for family housing,
it's not for senior housing like we were awarded last
year, this is for family housing, for workforce
development housing, and we need that in our town.

We were just awarded from USA Today, world
newspaper, that we are the number one historic small city
in America, and this neighborhood that we're talking about
is in the heart of our community in this historic
neighborhood. This is a highlighted area for us, and we
just can't understand how you can draw a line and say that
kills your application. What we have is the lake unifies
us, it pulls us together.

Sunday night we're having a lighted boat parade
that you can stand in this census tract and watch and
enjoy. We've got the only city beach on a body of water
in the entire Metroplex area and it's in walking distance
of this, it's in the same census tract. Our square, our
historic square is in this same census tract. We have our
largest employer in walking distance from this, the
hospital, the county offices, the school. Granbury
Independent School District was ranked the top ten school
in America in 2017. These kids need a place to go to
school, they need a place to live, and we're trying to
provide it for them, and we just want to ask you to make
this project eligible so we can make that happen for our
community. We're very excited about the opportunity.

Again, I understand lines and boundaries and
maps. We don't use them in our community, we are one community, and I think when you read out letter from our state rep, you'll understand that as well.

Thank you.

MR. ECCLES: If I could make a quick clarification with Marni. This is not about termination over a threshold issue, this is loss of opportunity index points.

MS. HOLLOWAY: Loss of opportunity index and pre-application participation points.

MR. ECCLES: Because it's more than a six-point swing so you would lose your pre-app points.

MS. HOLLOWAY: It's more than a four-point swing so you'll lose six points.

MR. ECCLES: Sorry. But again, this question was asked pre-application or pre-determination.

MS. HOLLOWAY: Yes, by two parties.

MR. ECCLES: Okay.

MR. KROCHTENGEL: Zachary Krochtengel. I represent a developer with an application in Ennis as well.

I think a lot of evidence has been brought before this Board and I look back at the initial application which showed a census tract and then showed a contiguous census tract separated by a river. In the RFAD
response from the applicants, the mayor submitted a letter, the city manager submitted a letter. They both asked that the Brazos River be removed as a physical barrier. After staff denied that request, then they started referring to it as Lake Granbury. I looked up the description of Lake Granbury. Lake Granbury is a long narrow lake. If it looks like a river and it separates the two census tracts, it's a physical barrier.

The rule also states such as, and this Board has actually dealt with such as before. Such as is not a limiter, it's something to give an example to. Terming it a lake and saying that two people on the opposite sides of the lake are neighbors, they're not next door neighbors, they have to drive all the way around.

You've already dealt with physical barriers once today, however, when you were dealing with those, it was in terms of an ineligible site feature that there is mitigation allowed. This is a scoring item, there's no mitigation allowed, there's nothing special about this lake that you can get from one census tract to the other, there's nothing that says that these two census tracts are contiguous.

Mr. Rackleff brought up that they're in the same high school attendance zone so that should show that they're part of the same community. Granbury ISD only has
one high school attendance zone so everybody in Granbury is in the same high school attendance zone. Now, if we're going to start saying that a high school attendance zone mitigates physical barriers, then we've got a lot of bigger problems in how we evaluate scoring. And I think that as a staff and as a Board we have to uphold especially the scoring items that people need to know that there's reliability and dependability, that when we all look at the same census tract and we say, yeah, that did score really well in the tiebreaker but it's got a river running between that and the second quartile census tract, we all know not to go there and we all move on to another development site, and that's what we're all doing.

And I know that the City of Granbury has a lot of great attributes, I've been there, visited, I think it's a really nice place. The City of Ennis is also a really nice place and everyone in Region 3 Rural needs affordable housing, and I think that in the integrity of the scoring items, we need to really stick to what a physical barrier is, what a score is, and we need to be able to rely on that and not have people come up and decide that a river is now a lake and it's not a physical barrier because of some sort of classification from a river authority.

Thank you.
MR. GOODWIN: Thank you.

MS. THOMASON: Mr. Chair.

MR. GOODWIN: Yes.

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

MR. GOODWIN: Okay. I'd like to make a motion to approve staff's recommendation and deny the appeal.

MR. BRADEN: I think we already have a motion.

MR. GOODWIN: We already have that motion when we did the motion for comments.

MS. THOMASON: Oh, okay.

MR. GOODWIN: I think this comes down to the Board making a decision whether or not this river is a barrier or not, and in the sense of time, I would just encourage you to keep your comments as short as you could and address them strictly to that point. I think everybody here is ready to make a decision.

MAYOR HULETT: It sounds like, Chair. Thank you, Chair, and thank you, staff, for allowing me to speak. I'm Nin Hulett, the mayor of Granbury, and I am very proud of the City of Granbury, and I never really recognized it as a river because it became a lake back in the early '70s, we have a dam and it's dammed up, we put several bridges there, so it has accessibility to all these different places.

As a matter of fact, where this property is
that we're talking about, I drive by that every day going
to city hall, pick my laundry up there. There's so many
things right there and I have never really thought about
that as a barrier of any kind. This piece of property
there, I've had people come to me and ask me when are we
going to put something in here. It's surrounded by a
community there that has an HOA that's pretty active, and
they want something there because the grass grows up,
feral cats go in there, trash blows in there, and it's
just a field right in the middle of this area here that
really needs something in there, and affordable housing is
exactly what it needs right in that area there.

So to me there is no barrier there. The lake
is a lake, we call it Lake Granbury, and since they have
dammed it up there has been multiple homes, there's been
multiple businesses, our conference center, our hotel is
on there, and it all ties right into where this area is
at. You go from the downtown to that area, you don't even
cross the river. When you get into town you cross the
river, when you go out of town you cross the river, but
it's very little bridge and it's an accessible bridge that
everybody crosses and they look at it that way. The boats
go under the bridge. I mean, you have accessibility by
boat to all these areas also.

I mean, a barrier is something, to me, where
you have to spend some time to get around or spend extra
time. Actually, when they created these bridges, it
reduced the time going across the river when it was a
river. They demo'd the bridge that was there, put a nice
bridge across there, and put an additional bridge across
there, so it has made it accessible. And this area, like
the city manager pointed out, is basically in the middle
of the city boundaries now and it sits right in there, and
that's where everybody goes, that's where everybody is at
all the time and where the stores and shops and stuff are.

So I'd love to stand up here and invite
everybody to come to Granbury and spend money and spend my
three minutes doing that, but I will tell you that if
anybody has any doubt about that being a barrier, I'd
invite them come out and walk around Granbury with me
because it's definitely not a barrier there. And I would
love to see this project go forward because we are in need
of some homes and some housing there.

So once again, thank you for your time and I
hope you will consider that.

MR. GOODWIN: Thank you, Mr. Mayor. This won't
be an indictment against a vote one way or the other on
Granbury.

MAYOR HULETT: You can still come and visit and
spend money.
MR. GOODWIN: It's about a scoring item.

MAYOR HULETT: I know, I know.

MR. GOODWIN: We have a set of rules that says here's how we score.

MAYOR HULETT: It's hard to talk about Granbury without bragging.

MAYOR HULETT: Thank you.

MR. McDONALD: I promise to be brief. My name is James McDonald. I represent the developer, JMZ Albatros.

As many developers in this room, I don't home in this great state, but we do a lot of business in this great state, and over the years we come and work within this state is because you do have a good set of rules. I will commend you for that. There's a lot of other states that do not have a good set of rules. We formed a partnership with Granbury last year, and they've been wonderful to work with, and we all know what those partnerships are like, they are few and far between, to be true.

When I first looked at this site, it's zoned, correct. It is an area that needs rehabilitation, it's walking distance to the schools, it's all those boxes that
say, hey, this is a great place to invest tax credits and provide good affordable housing. When I first looked at the river, the only way to get to this site from the direction we come in is crossing a bridge, it's a small bridge, it is a pedestrian accessible bridge, there's a bike trail. So when I crossed that river, I didn't dream it was a barrier. And again, doing this you get excited when you start looking at sites, when you start working with communities that truly understand what we do within the State of Texas in providing affordable housing.

And so what I find -- and I'm kind of old school, I'm kind of not in the Millenial age, I'm kind of a little older than that, but you know, common sense to me would dictate when you drive across a bridge that's an accessible bridge, you see bikes, you see people walking the bridge, it's very short, there is no barrier across this river. And I would like to compare it again today -- granted, it's under a different pretext, but the precedent was set that there was a major highway with an underpass. I didn't ask the speed limit, I didn't ask if it was accessible for pedestrians or not, but ours is.

And as the mayor and the city manager both stipulated this morning, we've formed a very good partnership with the city and they understand their need and they truly need affordable housing in this region. So
I'd ask you to please consider this, though it's a little bit out of the box but it's maybe something that we need to truly look at.

Thank you very much.

MR. GOODWIN: Thank you.

MS. WATSON: I'll be brief as well. Sandy Watson with JMZ Albatross Development.

I'm just going to read the letter from the state representative, Mike Lang, District 60.

"Dear Mr. Cervantes: As the state representative for Hood County, I would like to express my support in favor of the Texas Department of Housing and Community Affairs determining that the Brazos River does not constitute a barrier or impede movement between census tract 48221160100 and census tract 48221160209.

"The rural community of Granbury operates cohesively and as a unified community with consistent flow by means of vehicle, as well as cycling and a pedestrian lane. Granbury has one high school and the students living in the adjacent census tract do not face any barriers with parents and school buses transporting the students. I am personally a resident of Granbury and it operates as a united community.

"The 48 units that are proposed are greatly needed for the families of Granbury. I encourage Chairman
Goodwin, as well as the TDHCA Board, to evaluate the totality of the community and conclude that Lake Granbury is not a barrier, and therefore, worth the points in question to Lakewood Crossing.

"Thank you for your consideration.

"Respectfully, Mike Lang."

MR. GOODWIN: Thank you.

MS. WATSON: Thank you.

MR. GOODWIN: Any questions?

(No response.)

MR. GOODWIN: We have a motion on the floor and a second. No further discussion. All those in favor say aye.

(A chorus of ayes: Chair Goodwin, Members Bingham, Braden, Reséndiz, and Thomason.)

MR. GOODWIN: Opposed?

MR. VASQUEZ: Can we count one abstention?

MR. GOODWIN: And one abstention.

So we're moving on to item (i). Okay, Sharon.

MS. GAMBLE: I would say I'm going to be brief, but I don't know if this is going to be very brief.

7(i) is a report of third party requests for administrative deficiency under the QAP that were received prior to the deadline. Staff reviewed all the requests and where staff determined that requests substantiated an
issuance of a notice of administrative deficiency the
applicant was provided an opportunity to respond to the
request. While we're recommending that an RFAD result in
the loss of points or other action, the applicants will be
sent a notification and have the opportunity to appeal
staff's determination. We'll also provide 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 might come from it. There's no
formal appeals here by the requester, but any party can
come up and make public comment. The Board can direct
staff to reconsider any issues that are taken up in this
response to any RFAD, or may accept the report as
presented.

I'll note that 19189 Lakewood Crossing, and
19304 Prince Hall are listed on this agenda because we did
receive RFADs for them, however, neither of those will be
discussed at this time. We just heard the appeal for
19189 Lakewood Crossing, and the Prince Hall issues will
be discussed at a future meeting.

So to do this, if you'd like I can just read
off the number and if someone wants to comment on that,
then we'll go through, but if no one wants to comment,
then we can just go to the next one. That way we can kind
of keep moving.

MR. GOODWIN: Okay.

MS. GAMBLE: Does that work?

MR. GOODWIN: Yes, ma'am.

MS. GAMBLE: The first one would be 19013 Our Lady of Charity Apartments. Anyone want to make comment? We do have someone here to make comment on that one.

MR. GOODWIN: Okay.

MS. GAMBLE: The request asked the Department to review the application to determine whether the application is eligible to receive points related to unit sizes. Per the request, ten unit types failed to meet the new construction threshold for scoring and three unit types failed to meet it for threshold. Staff determined that an administrative deficiency was necessary.

In response to the notice, the applicant provided documentation from the project architect explaining that the square footage was measured from the load-bearing masonry walls and not to the outside of the stud, as is required by the rule. Using the load-bearing brick masonry, i.e., the exterior wall, as a measuring point for the net rental area would necessarily include the area within the walls which is excluded by the definition of net rentable area. On two of the units in the response they've submitted new plans that moved the
wall to meet the requirements.

   Staff determined that the square footage of the units does not meet threshold or scoring requirements. The application will not be awarded the requested six points for size of units, and consequently, will not be awarded the requested six points for pre-application participation. Because the application did not meet the threshold requirements for unit sizes, the application will be terminated, and again, the applicant will have the opportunity to appeal this determination.

   I can answer any questions if you have them.

   MR. GOODWIN: Any questions?

   (No response.)

   MR. GOODWIN: You wanted to speak to that?

   MR. WILSON: Thank you. Ryan Wilson with Franklin Development.

   We didn't know we would have an opportunity to kind of speak on this, we thought this was just a report being presented, but I do want to mention that we do believe this is a technical issue. And we want to bring up this project, as you heard from me before, as an adaptive reuse of an old convent, so some of these walls and how we're defining the walls that Sharon is referring to, we don't really call them walls, they're fur outs and very common with what we're doing with adaptive reuse. So
while we don't necessarily agree with staff's recommendation, we'd like to come at a later time to present some detailed information to you folks to make a different determination.

MR. GOODWIN: You have the right to appeal this.

MR. WILSON: I did believe so. Is that correct?

MR. ECCLES: To be abundantly clear, this is a report item only. This Board is not going to vote to terminate anybody's application or to decrease points or to do anything. All of that will follow its appeal route that's the same as anything that would be like that. So you have process remaining and I'm sure these arguments will come back before this Board at the next meeting.

MR. WILSON: Sorry to waste the time, I just wanted to make sure I had an opportunity.

MR. ECCLES: Not at all. I just want to be clear to everybody.

MR. WILSON: Thank you much.

MR. GOODWIN: And that is true of all of these that we're going to read from the list.

Sharon.

MS. GAMBLE: So the next one is 19063

Residences at Lake Waco. Any comment on that one?
(No response.)

MS. GAMBLE: Okay. We'll move on. The next one is 19079 Provision at Patriot Parkway. No comment on that one?

MR. GOODWIN: Everybody has a copy of the agenda, and in the brevity of time, is there somebody that's going to speak to one, why don't you stand up and tell us what number.

SPEAKER FROM AUDIENCE: 19307.

MR. GOODWIN: 19307. Any other number?

SPEAKER FROM AUDIENCE: 19244 and 19250.

MR. GOODWIN: Okay. So we have three. Any other number?

SPEAKER FROM AUDIENCE: 19315 and 19319.

MR. GOODWIN: Okay. If those of you that want to speak to those would move up to the front.

So we'll assume that 19100, 19189 that was pulled, 19225, -266, -277, -301 and -365 are without objection -- or without comment -- I'm sorry -- not objection.

So now we'll talk about 19244.

MS. GAMBLE: Yes. The request asked the Department to review the application to determine to determine whether the application is eligible for five points under underserved area and whether the applicant
properly notified a newly elected county commissioner sworn in on January 1, 2019.

Staff determined that an administrative deficiency was appropriate, and in response to the deficiency notice, the applicant revised its requested points for underserved area from five to three, so that issue is resolved. Regarding the notification, the applicant states that the applicant listed the incumbent commissioner in error but confirmed that the elected commissioner's office received the notification.

Staff confirmed that the applicant is eligible for the three points related to underserved area; staff does not believe that the applicant correctly notified the elected member in office at the time the pre-application was submitted, as is required by the rule. Because the application did not meet the threshold requirement for notifications, the application will be terminated. The applicant will have the opportunity to appeal the determination.

MR. BUMP: Good afternoon. My name is Casey Bump, president of Bonner Carrington.

And I would just like to ask for the Board to ask staff to revisit this particular item. In the application there was the name of the prior commissioner on the notice, it said name of the commissioner or current...
leader/commissioner of Precinct 2. It was sent out on January 9. The new commissioner was in the same office, confirmed they received the same notification, they were notified. I just would like to see if you could give staff direction so that we don't have to go through a longer process at a Board meeting because the notification was given and confirmed by the current new commissioner that they received that notice.

We disclosed all of this in the application, in the full application, notified staff. We just re-noticed as a courtesy, at the direction of staff.

Thank you.

MR. GOODWIN: Okay. Anybody want to take that up at this point so we can address this? Anybody have a desire to redirect staff as requested?

(No response.)

MR. GOODWIN: No. Okay. Well, we'll move on. 19250.

MS. GAMBLE: The request asked the Department to review the application to determine whether the applicant provided evidence of an easement leasehold or similar documented access, along with evidence that the fee title owner of the property agrees that the land use extension agreement may extend to the access easement. The request also states that costs for such were not
included in the application.

We sent an administrative deficiency. In response to it the applicant stated that the purchase agreement included a provision for the seller to provide access to the right of way via an easement or similar documented access. According to the applicant, the seller and the applicant plan to document the various agreements at closing for the entry which may include the requirement for the entry to be covered by the LURA. The applicant also provided an amendment to the contract. The applicant also states that costs for the easement is included in the site work paving costs and the applicant would reclassify those costs should the Department require it.

Staff believes that the application provided for the access easements in the section of the purchase contract titled "Description of the property." Staff does not believe that the contract language provides clear evidence of the seller's agreement to have the LURA extend to the easement. The contract amendment submitted in the deficiency response is dated May 10, 2019, so it did not exist at the time the application was submitted.

Because the application did not meet the threshold requirement for site control, the application will be terminated and the applicant will have the opportunity to appeal. Staff will contact the applicant.
regarding reclassification of site work costs should staff determine there is a need to do so.

MR. BUMP:  Good afternoon.  Casey Bump with Bonner Carrington.

I'd just request that in light of other items that I've seen in other applications where items like this are handled as an administrative deficiency, I'd like you to ask staff if they could look at it from that perspective, but that's it for the time being.  Thank you.

MR. GOODWIN:  Is there an inclination from any Board member to request staff to look at this?

(No response.)

MR. GOODWIN:  Hearing none, we'll move on to 19307.

MR. COMBS:  Ryan Combs with Gardner Capital.

I did not submit that against him but I do have an application that's below his, and so it doesn't help me to try to help him today, but I do think that it is important as we're talking about setting precedent there are things in applications that are material and there are things that are administrative.  And the basis of the rule in this particular instance that Casey is dealing with is does he have access to his site.  He had that in his site control document.  And so if there's additional language that the rules allow for people to clarify or correct
things, and the basis of the rule is do you have access to
the site.

So I think it's a dangerous precedent to say:
Hey, you didn't have exactly what we wanted that we were
looking for in the application and so we're just going to
throw everything out. And so I actually support Casey's
effort just because of the precedent it sets.

MR. GOODWIN: Thank you.

In light of those comments, in change in Board
members of making a motion?

(No response.)

MR. GOODWIN: Okay. We'll move on to 19307.

MS. GAMBLE: The request asked the Department
to review the application to determine whether the
applicant should have to disclose the development's
proximity to a high voltage transmission line.

Staff sent an administrative deficiency, and in
response the applicant stated that the developer was aware
of the electrical substation and transmission towers
adjacent to the development's western boundary but was not
sure whether the transmission lines were high voltage.
The applicant admits that per the site plans the buildings
were 15 feet too close to the lines and provided a revised
site plan that provides the appropriate distance between
applicable development features in the lines.
Staff reviewed the response and determined that the application did not properly disclose the proximity of the development site to high voltage power lines. Because the application did not meet the threshold requirement for disclosure, the application will be terminated and the applicant will have the opportunity to appeal.

MR. GOODWIN: Okay.

MR. KELLY: Nathan Kelly with Blazer. Chairman Goodwin and members of the Board, thank you for your time. I'm here to speak on the item that Sharon just referenced.

Our application is in Region 6. We were the only development submitted in Houston City Council District G, while there are other council districts that have numerous application awards, some within close proximity to one another, and if staff's determination is upheld, this issue is going to be further exacerbated.

Region 6 includes readiness to proceed requirements and because of that time is obviously of the essence. Design and engineering dollars are being spent much earlier in the process than in other regions in order to meet the closing deadline for November 2019.

In the RFAD the requester called the distance of our buildings to the 100-foot setback to the high voltage transmission lines as noted in 11.101(a)(2)(D)
dealing with undesirable site features. The purpose of
this QAP provision really is to ensure that development
sites are located far enough from specific items, and item
(D) specifically deals with being 100 feet from the
nearest transmission line or structural element of a high
voltage facility. It's important to note that this is the
only provision, other than airplane crash zones, that
calls for buildings to be a certain distance away from an
undesirable site feature rather than a development site
overall.

It's important to note that when an undesirable
site feature is disclosed, the QAP allows applicants to
present mitigating factors for consideration as to why the
project should be eligible despite being within prohibited
distance, and the rule's purpose is to provide a framework
to try and work through site issues that exist when
there's no way to meet the distance requirements.

We laid out our site with a four-story
building, connected corridor design, which allowed us to
locate it in the center of the site. That was done to
ensure a significant buffer from the nearby power lines
and adjacent substation, and our intentions were to far
exceed national, state and local setback requirements from
any lines, high voltage or not. Submission of these
applications comes together quickly, we combed through all
the architectural plans and feasibility reports, compiled
the application in the days leading up to the deadline and
believed our building to be in compliance. That was our
intent.

When the lines and towers were ultimately
surveyed, we realized we were 15 feet too close. We
simply shifted the building to accommodate the distance
requirements. Nothing else changed, the number of units,
parking spaces, amenities, nothing else changed rather
than the building being shifted 15 feet and a recreational
area being changed as well. The change in the development
site plan, as Sharon pointed out, puts us into compliance
with 11.101(a)(2)(D) and keeps the buildings and
recreation areas out of the required distance.

And the point of this provision overall,
obviously, as we've talked about earlier today, is not to
act as a gotcha on these costly and onerous applications.
And so overall the change is immaterial, it remedies the
issue that the undesirable seeks to control since none of
the buildings or recreational areas are located within the
100-foot setback. The change is a minor type of change
that if it was made post-award that it would be handled by
staff internally, not through this type of a process.

And so given the critical timing associated
with readiness requirements, I would respectfully ask the
Board to take action today to oppose staff's recommendation of termination and direct staff to accept the revised site plan that we submitted addressing the setback issue and let it be resolved through the administrative deficiency process. And I appreciate your consideration.

MR. GOODWIN: All right. Any inclination by a Board member to ask staff to review this as opposed to take staff's recommendation?

MR. BRADEN: For clarification, this is not posted for action. Right? The Board can't take any action with respect to this.

MR. GOODWIN: No. This is a report item.

MR. ECCLES: It's a report item. The most that the rule would allow would be if the Board believes that staff's conclusion should be revisited and they remand the RFAD to staff for further consideration. So it's not that you're taking action and saying this is dismissed, it's remanding it to staff for reconsideration.

MR. BRADEN: And if we don't do anything, it's still going to go through the appeal process and they can bring it back up.

MR. ECCLES: That is correct.

MR. GOODWIN: Okay. Hearing no motion, we'll move to 19315.
MS. GAMBLE: The request asked the Department to review the application to determine whether the applicant had appropriate site control and whether the applicant provided the correct market study.

Staff previously identified the issue with site control documentation and had sent a deficiency notice. The applicant timely provided evidence of unbroken control of the development site. Staff determined that as a result of a mistake made by Department staff, the incorrect market study had been posted to the Department's website. The applicant had timely submitted the correct market study for the application and the correct report has been now posted to the Department's website.

Staff considers no further action is required on this request.

MR. GOODWIN: And you're recommending that we proceed?

MS. GAMBLE: Yes.

MR. GOODWIN: Somebody wanted to comment on this one, assuming a competitor?

MS. SCHWIMMER: Good afternoon, Chairman and the Board. My name is Kim Schwimmer, and I'm a Texas certified HUB and participant in several applications in this same region.

What I'm here to talk about is not the market
study but the site control documents, and I'm going to be asking the Board to direct the staff to reconsider this decision and review it again. You have to look at the dates of some of these documents that were submitted. So if we start with the pre-application, there were two separate option contracts that were submitted with two separate landowners. The effective date of the option contracts were November 7 and they expired, both of them, January 15, 2019 or December 1, 2018 if city council approves a resolution of support. The City of Kennedale approved a resolution of support on December 21, 2018, so those option contracts would have expired.

The full application did not include the purchase agreements for those option contracts. The applicant subsequently provided purchase agreements after the fact, I believe after they got an administrative deficiency from staff. The dates of those purchase agreements with the landowners are effective December 28, '19. So there's clearly a gap in site control between the dates that the option contracts expired and the purchase agreements were effective. So to me, the applicant did not have proper site control, and we respectfully ask that you reconsider, that staff reconsiders this.

MR. GOODWIN: Yes, ma'am.

MS. BINGHAM ESCAREÑO: I would so instruct
MR. GOODWIN: Okay. A motion has been made to instruct staff on this application.

Second?

MS. RESÉNDIZ: Second.

MR. GOODWIN: Okay. Any discussion?

(No response.)

MR. GOODWIN: All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. 19319.

MS. GAMBLE: The request asked the Department to review the application to determine whether the applicant had appropriate site control. Staff determined that an administrative deficiency was appropriate. The application did not include conclusive site control documents. Upon review, staff would have sent the applicant a deficiency notice requesting the clarifying documents, as was done here.

Staff reviewed the information submitted in response to the deficiency notice and determined that the response provided evidence that the applicant had appropriate site control at the time of application submission. Staff determined that the response
sufficiently resolved the deficiency and we're not requesting any further action.

MR. GOODWIN: Okay.

MS. SCHWIMMER: Hi. Kim Schwimmer again. I apologize, I didn't sign my name before.

Very similar situation to the case I was just describing. In this instance, the full application did not include any documentation or any evidence of site control. It also didn't include a title commitment.

If you go to page 117 of the full application, there's a cover page for site control, page 118 of the full application has a cover page for a title commitment, and then page 119 is a cover page for increase in eligible basis. There's no evidence within the full application of any kind of site control documents.

I realize the applicant submitted something after the fact, but to try to be consistent with the rules and apply what's been submitted at full application, you're basically allowing somebody to amend it after the fact.

And so I'm respectfully asking the Board to ask staff to review this and reconsider their decision. This is not appropriate site control.

MS. BINGHAM ESCAREÑO: And, Kim, you did not see after the fact the documents that were submitted and
whether or not the dates were --

MS. SCHWIMMER: I did see those documents, however, the fact that they weren't in the full application at all, I mean, to me that's sloppy work. Developers work very, very hard to follow the rules, submit all the applications. What if architectural drawings weren't included, would you allow those to be submitted after the fact? So to me, this isn't sufficient site control and should be reviewed again.

MS. BINGHAM ESCAREÑO: The only reason I'm asking is I feel like the last one the intent was that maybe if the staff took another look at the documents that you're observing that the dates may not even be acceptable on the documents after the fact. But you're not really saying that. This time it's more form.

MS. SCHWIMMER: Correct. In this case I'm not questioning the dates on anything.

MS. BINGHAM ESCAREÑO: I don't really need to on this.

MR. GOODWIN: Okay. Thank you.

I think, Sharon, that concludes your report, so we'll have a motion to accept 7(i) with the recommendations on all applications as delivered by staff other than application 19315.

MS. THOMASON: So moved.
MR. ECCLES: To be clear, that's not recommendations on any applications, that's merely the handling of the RFADs to this point, and on the motion that was taken, it's actually just Board's remanding to staff of 19315 for its consideration. It's not an instruction even to staff to do anything different.

MR. GOODWIN: So an appropriate motion would be to accept Sharon's report 7(i).

MR. ECCLES: Yes.

MS. THOMASON: Motion to approve Sharon's report.

MR. GOODWIN: Second?

MS. RESÉNDIZ: Second.

MR. GOODWIN: All those in favor say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Thank you, Sharon.

We're at a point in our agenda where we'll take public comment for anybody that's brave enough to extend the meeting.

(General laughter.)

MR. GOODWIN: Okay. Hearing no public comment, we will accept a motion to adjourn.

MS. BINGHAM ESCAREÑO: So moved.
1 MR. GOODWIN: Second?
2 MR. VASQUEZ: Second.
3 MR. GOODWIN: All in favor?
4 (A chorus of ayes.)
5 MR. GOODWIN: We are adjourned.
6 (Whereupon, at 12:56 p.m., the meeting was adjourned.)
CERTIFICATE

MEETING OF: TDHCA Board
LOCATION: Austin, Texas
DATE: May 23, 2019

I do hereby certify that the foregoing pages, numbers 1 through 217, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Housing and Community Affairs.

DATE: May 29, 2019

(Transcriber)

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