



TDHCA Governing Board Meeting Transcript*

***10:00 a.m.
May 7, 2026***

UT Austin AT&T Hotel and Conference Center,

Guadalupe Classroom

1900 University Avenue, Austin, TX 78705

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BOARD MEMBERS:

LEO VASQUEZ III, CHAIR

KENNY MARCHANT, VICE CHAIR

ANNA MARIA FARIAS

AJAY THOMAS

HOLLAND HARPER

CINDY CONROY

SPEAKERS:

Bobby Wilkinson

Beau Eccles

Scott Fletcher

Sascha Stremmler

Reverend Edward Lawson

Megan Sylvester

Matthew Lovitt

Rosy Falcon

Joey Mouton

Abigail Versyp

Cody Campbell

Priscilla Stevenson

Micheal Beard

Lora Myrick

Donna Rickenbacker

Sarah Anderson

Megan Lasch

Wallace Reed

Michael Tamez

Shane Lynch

Sallie Burchett

Robbye Meyer

Joshua Goldberger

Kent Hance

Ryan Zent

1 **Leo Vasquez III (0:00:00):**

2 Okay. Good morning. I call to order the meeting of the
3 Governing Board of the Texas Department of Housing and
4 Community Affairs. It is 10:08 a.m. on May 7, 2026.
5 Thank you all for making the effort to find this room.
6 We'll start out with the roll call. Mr. Marchant.

7

8 **Kenny Marchant (0:00:23):**

9 Here.

10

11 **Leo Vasquez III (0:00:24):**

12 Ms. Farias.

13

14 **Anna Maria Farias (0:00:25):**

15 Here.

16

17 **Leo Vasquez III (0:00:25):**

18 Mr. Thomas.

19

20 **Ajay Thomas (0:00:26):**

21 Here.

22

23 **Leo Vasquez III (0:00:26):**

24 Mr. Harper.

25

26 **Holland Harper (0:00:27):**

27 Here.

28

29 **Leo Vasquez III (0:00:27):**

30 Ms. Conroy.

31

32 **Cindy Conroy (0:00:28):**

33 Here.

34

35 **Leo Vasquez III (0:00:29):**

36 We are all present. We have a quorum. As usual, we
37 will start out the meeting with Bobby leading us in the
38 pledges.

39

40 **Bobby Wilkinson (0:00:41):**

41 I pledge allegiance to the flag of the United States of
42 America, and to the republic for which it stands, one
43 nation under God, indivisible, with liberty and justice
44 for all. Honor the Texas flag; I pledge allegiance to
45 thee, Texas, one state under God, one and indivisible.

46

47 **Leo Vasquez III (0:01:04):**

48 All right. I just congratulate the staff member who
49 made sure we had flags.

50

51 **Bobby Wilkinson (0:01:15):**

52 Right.

53

54 **Leo Vasquez III (0:01:16):**

55 Okay. All right. Okay. We'll jump into the consent

56 agenda. Are there any items that a board member or

57 member of the public wishes to move from consent to the

58 action agenda? Seeing none, hearing none, I will

59 entertain a motion on the consent agenda.

60

61 **Anna Maria Farias (0:01:44):**

62 Mr. Chairman, I move the Board approve items 1 through

63 20 as described and presented in the respective board

64 action requests.

65

66 **Leo Vasquez III (0:01:54):**

67 Thank you. Motion made by Ms. Farias. Is there a

68 second?

69

70 **Holland Harper (0:01:57):**

71 Second.

72

73 **Leo Vasquez III (0:01:59):**

74 Seconded by Mr. Harper. All those in favor say aye.

75

76 **All Board Members (0:02:01):**

77 Aye.

78

79 **Leo Vasquez III (0:02:02):**

80 Any opposed? Hearing none, motion carries. Moving
81 right along to -- does Executive Director, do we have
82 any resolutions or anything to read in?

83

84 **Michael Lyttle (0:02:14):**

85 No, sir.

86

87 **Leo Vasquez III (0:02:14):**

88 Okay. Let's go to Mr. Wilkinson.

89

90 **Bobby Wilkinson (0:02:22):**

91 All right. Good morning, Chairman, Board. I'd like to
92 start by talking about a new process we're going through
93 coordinated by the Texas Regulatory Efficiency Office.
94 We don't know if it's TREO or TREO. I like TREO.
95 They're actually housed within the Office of the
96 Governor, created last session by the Leg, and they
97 coordinate with state agencies to review rules and
98 recommend potential amendments to or repeals of those
99 rules.

100

101 On April 27th, TREO released a draft regulatory
102 efficiency review report of possible regulatory changes
103 TDHCA could make to improve efficiency in some of our
104 rules. The recommendations in the report are not
105 mandates or directives, but rather ideas and
106 opportunities for improvement.

107

108 TREO's requested that we share these ideas with
109 stakeholders for a 14-day period to gather feedback. We
110 released a copy of the report on April 30th and
111 announced it via our email listserv. Input will be
112 accepted through May 14th, and you can find the report
113 on the Department's website. While the report does not
114 cover every one of our rules, it does cover quite a
115 variety: the QAP, asset management, affirmative
116 marketing and utility allowances, community affairs,
117 811, emergency solution grant rules, and enforcement
118 rules.

119

120 I do want to highlight that this feedback period is a
121 separate additional step from the actual rulemaking
122 process that will follow. Each rule discussed in the
123 report will still be presented to you as a draft,
124 released for public comment via the register, and
125 returned back to you for final adoption.

126

127 And they've been great to work with, too, the TREO
128 people. They were real understanding. They had a ton
129 of suggestions. We met with them, and we obviously had
130 more context, and so they've been a delight.

131

132 Moving on to Compliance, Cara Pollei attended the
133 Southwestern Affordable Housing Management Association
134 spring meeting on April 23rd and 24th in Fort Worth.
135 She presented two sessions. One was about the overlap
136 of HUD programs and TDHCA programs and how our
137 compliance monitors review the files and what they look
138 for. The second presentation was from a compliance
139 overview perspective and talked more about the bigger
140 picture. Both presentations and presenter were well
141 received, lots of good feedback. Compliance plans to
142 offer both as office hours and/or webinars in the
143 future.

144

145 And also speaking of Cara, she and Amy Hammond, our
146 Multifamily Compliance manager, just debuted their new
147 Coffee Chat. A podcast-style recording for the
148 multifamily compliance community. Coffee Chat is
149 presented in a podcast form without any formal
150 presentations. On the podcast, Amy and Cara have a

151 freestyle conversation discussing the wild world of
152 housing using questions and comments received from the
153 Department's housing partners. You can view the debut
154 on the TDHCA YouTube channel under the compliance
155 playlist.

156

157 In other social media news for the Department, our
158 Instagram account launched on April 22nd. So for any of
159 you on Instagram, check it out at @txdhca. And when you
160 go there, look for a few video snippets of none other
161 than Ms. Farias attending recent property openings.
162 She's quickly becoming a well-sought-out speaker at
163 these events because she's doing such a great job for
164 us. Thank you. We have another board member who's going
165 above and beyond to spread the good news about TDHCA and
166 our programs, and I want to thank Ms. Conroy. Just in
167 the last week, she wrote an op-ed piece about the
168 success of our homebuyer program in the El Paso area,
169 and more specifically about the unique bond cap trade
170 arrangement we had with the El Paso Housing Finance
171 Corporation. Her article has been published in several
172 online outlets and was picked up by the MSN network.
173 Thank you both and to the entire Board for how you
174 support the Department.

175

176 And on that note, that's the end of my prepared remarks.

177 Happy to answer any questions board members may have.

178

179 **Leo Vasquez III (0:06:21):**

180 So how did I miss that article?

181

182 **Cindy Conroy (0:06:24):**

183 I don't know.

184

185 **Leo Vasquez III (0:06:27):**

186 Someone please send me that link. Will the podcast be

187 available on other platforms?

188

189 **Cindy Conroy (0:06:34):**

190 It was a collaboration. It was definitely a

191 collaboration. They sent me a lot of information, and I

192 was like, okay. So between them asking to synthesize

193 some things into bullet points and then from there, but

194 it was fun.

195

196 I do think that more people need to know the good work

197 that you all are doing and how it benefits, the good

198 work you all are doing and how it benefits Texas. And

199 so anytime that I can sing your praise, I will try to do

200 so.

201

202 **Leo Vasquez III (0:07:05):**

203 Excellent. Thank you. Any other questions for Mr.
204 Wilkinson on his report? Hearing none, thank you for
205 the report. We are going to be moving a couple of items
206 around on the agenda.

207

208 Items 22 and 23 are going to be taken after item 30.
209 It'll make more sense with the flow.

210

211 So that brings us now to item 24. Report on the
212 Department's second quarter investment report relating
213 to funds held under bond trust indentures. Is Mr.
214 Fletcher in the house?

215

216 And as he's coming up here, let me just remind everyone.
217 If you want to speak on an agenda topic coming up, I ask
218 you to try to come to these first two rows so that I can
219 know and pause to give you that chance to speak. So,
220 Mr. Fletcher.

221

222 **Scott Fletcher (0:08:04):**

223 Good morning, Mr. Chairman, Board. Scott Fletcher,
224 Deputy Executive Director, Housing Finance. Just want
225 to start with a quick note on the report itself. This

226 is normally a consent item, but this quarter we made a
227 few updates to enhance the clarity and readability of
228 that report. We simplified the tables, tightened up the
229 narrative a little bit to focus on key drivers of the
230 activity, portfolio composition, and parity ratios.
231 From a portfolio standpoint, balances increased to \$4.5
232 billion, driven primarily by ongoing issuance in our
233 RMRB indenture and reinvestment of mortgage repayments.
234
235 Activity was consistent with prior quarters, about \$173
236 million in MBS purchases and roughly \$42 million in
237 paydowns, reflecting steady production and cash flow
238 across the programs. Had a modest increase in repurchase
239 agreements, which reflects the temporary investment of
240 bond proceeds and repayments before those funds are
241 deployed for new loan originations. On market value, we
242 did see an increase this quarter as mortgage rates
243 declined a bit. And I had to check that because it's
244 our fiscal quarter, not the calendar quarter. But those
245 unrealized changes are not a driver of performance given
246 our hold-to-maturity approach on this portfolio. Most
247 importantly, parity ratios remain strong across all
248 indentures. Single-family is at 106, RMRB is now at
249 104. Multifamily just over 102, and the overall
250 indentures around 104 percent. So programs remain well

251 above required levels. Sufficient to meet, sufficient
252 assets to meet debt service. Overall portfolio is
253 performing as expected, stable, well-structured, and
254 continuing to generate the cash flow needed to support
255 our programs. With that, I will close and happy to take
256 any questions you might have.

257

258 **Leo Vasquez III (0:10:00):**

259 Okay. Excellent. Thank you, Scott. Does any board
260 members have questions?

261

262 **Scott Fletcher (0:10:06):**

263 Does anyone want me to go back to the old format? Okay.

264

265 **Leo Vasquez III (0:10:11):**

266 No. This is good.

267

268 **Kenny Marchant (0:10:11):**

269 No, thank you.

270

271 **Leo Vasquez III (0:10:13):**

272 Yeah. Just wanted to make sure we could highlight that
273 you're sort of positioning the data a little bit
274 differently, but this is definitely helpful.

275

276 **Scott Fletcher (0:10:21):**

277 Thank you.

278

279 **Leo Vasquez III (0:10:22):**

280 Okay. Great. Thanks, Scott. Okay. I have also been

281 told that item 25 of the agenda has been pulled from

282 this meeting. So we're making great progress.

283 Item 26 of the agenda. Presentation, discussion, and

284 possible action on recommendation to debar John P.

285 Venetos, Lurin Inc., Lurin Holdings, LLC, Lurin

286 Advisors, LLC, Lurin Equity Partners LIX, LLC. That is

287 59, right? 59, L-I-X. Okay. LIX, LLC, Lurin Real

288 Estate Holdings LIX, LLC, Lurin Equity Partners XXXVI,

289 LLC, and Lurin Real Estate Holdings XXXVI, LLC, relating

290 to The Declan I, The Declan II, and The Henley

291 Apartments. By the way, those are all in Roman

292 numerals, so that's why I stalled a little bit here.

293 Ms. Stremmer, let us know what this is going on.

294

295 **Sascha Stremmer (0:11:35):**

296 Good morning, Chairman Vasquez, members of the board.

297 Sascha Stremmer here in my capacity as Lead Enforcement

298 attorney to present item 26 concerning the

299 recommendation to debar John Venetos, Lurin Inc. I

300 won't recite them. They're in the book. And I will

301 refer to them collectively as the responsible parties.
302 In 2022, the responsible parties acquired three
303 developments monitored by TDHCA in Dallas: The Declan I,
304 The Declan II, and The Henley. The Declan I and The
305 Declan II are subject to bond LURAs set to terminate in
306 2033. The Henley was subject to a tax credit LURA which
307 expired at the end of 2025.

308

309 All three developments are vacant and boarded up, with
310 The Declan I and II currently in receivership due to
311 lawsuits filed against responsible parties by their
312 mortgage lender and the City of Dallas. The Henley
313 remains under the responsible parties' control
314 currently. This Board approved two agreed final orders
315 on January 16, 2025, concerning uncorrected
316 noncompliance at The Declan I and The Declan II,
317 ordering an administrative penalty of \$25,000 for The
318 Declan I and \$8,425 for The Declan II, and that all
319 NSPIRE violations be corrected by June 30, 2025.

320 Both agreed final orders have been violated. Demand
321 letters were sent to the responsible parties concerning
322 the violation of the agreed final orders. No corrective
323 action has been submitted to date and the administrative
324 penalty has not been paid in full, with a current
325 balance due of \$16,715.50. Our rules authorize

326 discretionary debarment for failing to correct events of
327 noncompliance and failing to pay an administrative
328 penalty as required by a department order within six
329 months of a demand being issued. Our rules require
330 mandatory debarment for material violations of a LURA,
331 which include refusal to correct a UPCS, NSPIRE, or
332 final construction inspection deficiency.

333

334 The Henley received a notice of noncompliance on
335 September 18, 2025, after the Department attempted to
336 perform an NSPIRE inspection there but found that the
337 development was vacant, boarded up, and unavailable for
338 rent. The corrective action deadline was December 17,
339 2025, and the LURA expired December 31, 2025. Our rules
340 authorize discretionary debarment for failing to correct
341 events of noncompliance before the expiration of a LURA.
342 And then in addition to these referrals, there was also
343 an administrative penalty referral for the fourth
344 property that this group owns, but that property is now,
345 which is Villas del Tesoro, but that property is now
346 part of a bankruptcy proceeding, so the Enforcement
347 Committee cannot move forward on that referral.

348 The responsible parties have three failed developments,
349 302 collective lost units, with the fourth property now
350 in bankruptcy and heading in the same direction. There

351 is egregious noncompliance with this ownership group.
352 The responsible parties purchased the properties close
353 to the end of the LURA term, did poor job staffing them,
354 provided no oversight of staff, failed to meaningfully
355 comply with the TDHCA requirements, violated two agreed
356 final orders with the Department, and now have run the
357 properties into the ground to such an extent they are
358 now uninhabitable.

359

360 As a little more background, Lurin owned 46 properties
361 across the country, but is now in a cascading default
362 situation. There are dozens of current collection
363 lawsuits, including a suit by Fannie Mae for \$77.2
364 million, Select Securities, Europe for \$40.5 million,
365 and then ACORE foreclosed a dozen of their properties in
366 Florida and filed a lawsuit against Lurin and Mr.
367 Venetos for \$80.7 million. An informal conference was
368 held on March 12, 2026. At the informal conference, Mr.
369 Venetos relayed to the committee that his plan was to
370 try to ride out the LURAs and then either sell the
371 developments or tear down the properties and build
372 market-rate units. He told the committee he has no
373 intention of building or owning any more affordable
374 housing developments. The Enforcement Committee
375 recommends a 30-year debarment for the responsible

376 parties. This term was recommended given the egregious
377 conditions of the properties and the virtual abandonment
378 of the developments and responsibilities by the parties.
379 This Board approved a 30-year debarment in this fall for
380 Calvert Arms, which is a property in similar conditions
381 in which the owner had also completely abandoned the
382 property.

383

384 It's also in line with the debarment recommendation made
385 for Jared Remington in 2023 for Hillcrest, which was
386 also in poor condition and largely vacant. That one was
387 a 10-year debarment, so the Enforcement Committee was
388 comfortable multiplying that by three for each of the
389 developments that is affected by this group. So I would
390 ask that the Board approve the recommendation by the
391 Enforcement Committee for a 30-year debarment for the
392 responsible parties. I'm available for questions.

393

394 **Leo Vasquez III (0:16:24):**

395 Is there anyone here who wishes to speak on behalf of
396 the respondent? Okay. Just checking.

397

398 **Kenny Marchant (0:16:32):**

399 Can I ask a question, Mr....

400

401 **Leo Vasquez III (0:16:34):**

402 Please, Mr. Marchant.

403

404 **Kenny Marchant (0:16:35):**

405 You said that we couldn't proceed because of bankruptcy.

406 You can't proceed with the debarment during bankruptcy,

407 or you can't proceed in securing the,

408

409 **Sascha Stremmler (0:16:45):**

410 So that development, Villas del Tesoro, was only

411 referred for an administrative penalty, and so under the

412 federal laws about bankruptcy, you can't move to

413 collect, do an administrative proceeding while a

414 property is in bankruptcy. But that one wasn't part of

415 the debarment referral.

416

417 **Leo Vasquez III (0:17:04):**

418 Out of curiosity, if we have any agreed final orders or

419 administrative penalties assessed, do we take priority

420 in the bankruptcy proceedings? Do they have to pay our

421 governmental fine first before the creditors get paid?

422 Y'all can get back to me later about that.

423

424 **Sascha Stremmler (0:17:28):**

425 I'm not sure. I don't know if Beau knows. In this

426 case, we don't have any, we don't currently have the
427 administrative penalties assessed against that property
428 that's in bankruptcy. The other properties are in
429 receivership that we have the administrative penalty on.
430 And so those properties have, that we have the agreed
431 final orders that were violated have been referred to
432 the AG's Office for collection. So the AG's Office is
433 working to collect those.

434

435 And the receivership, I think they may still be able to
436 move forward with the collection, but bankruptcy we
437 wouldn't be able to if there was anything.

438

439 **Leo Vasquez III (0:17:59):**

440 Okay. Great. If there are no more questions on this,
441 I'll entertain a motion on item 26 of the agenda.

442

443 **Anna Maria Farias (0:18:09):**

444 Mr. Chairman, I move the Board order debarment of John
445 P. Venetos, The Declan respondents, and The Henley
446 respondents as described in the order and bar them from
447 participation in any program administered by the
448 Department for a term of 30 years, all as described,
449 conditioned, and authorized in the board action request,
450 resolution, and order on this item.

451

452 **Holland Harper (0:18:37):**

453 Second.

454

455 **Leo Vasquez III (0:18:38):**

456 Motion made by Ms. Farias. Seconded by Mr. Harper. All
457 those in favor say aye.

458

459 **All Board Members (0:18:42):**

460 Aye.

461

462 **Leo Vasquez III (0:18:42):**

463 Any opposed? Hearing none, motion carries. Moving
464 right along to item 27 of the agenda. And just for
465 clarification, are we still going to have a phone call?

466

467 **Sascha Stremmler (0:18:56):**

468 Yes. We have confirmed that Reverend Lawson, who is one
469 of the parties who has been recommended for debarment,
470 is watching the livestream now and can hear it. And so
471 after I finish my presentation, I will call him on this
472 phone and I'll hold it, and he'll be able to do his
473 presentation.

474

475

476 **Leo Vasquez III (0:19:17):**

477 Okay. So we'll connect after the presentation.

478

479 **Sascha Stremmler (0:19:19):**

480 Yeah.

481

482 **Leo Vasquez III (0:19:20):**

483 Okay. Well, first let me introduce fully. So item 27.

484 Presentation, discussion, and possible action on

485 recommendation to debar The Chosen Ones Outreach

486 Ministries of Galveston, Incorporated, Reverend Edward

487 Lawson, and Teresa Finch, and presentation of a related

488 report to the Board regarding intention to issue a

489 notice of violation seeking the assessment of

490 administrative penalties through a contested case

491 hearing with the State Office of Administrative

492 Hearings. So, Ms. Stremmler.

493

494 **Sascha Stremmler (0:19:55):**

495 Sascha Stremmler here as my capacity Lead Enforcement

496 attorney to present item 27. The Chosen Ones Outreach

497 Ministries of Galveston, which I will refer to as The

498 Chosen Ones, signed a HOME Investment Partnerships

499 Program reservation system participation agreement in

500 2023 to act as an administrator for the HOME TBRA

501 program. The Chosen Ones is a nonprofit organization
502 with Reverend Edward Lawson as the executive director
503 and primary control party, and Teresa Finch as a board
504 member and an administrator for the organization.

505

506 The HOME TBRA program is a HUD-funded program providing
507 monthly rental assistance to households at or below 80
508 percent of AMI TDHCA operates as a pass-through entity,
509 contracting with subrecipients known as administrators
510 to provide services in their community. TDHCA staff
511 performs a limited review to ensure basic factors of
512 eligibility, relying on information and documentation
513 inputted by the administrator into the housing contract
514 system. Under the terms of the program, an eligible
515 tenant must live in an eligible unit, and any changes to
516 the household, including changes in income or updates to
517 the unit address resulting from a move, must be reviewed
518 by TDHCA prior to drawdown of funds after the effective
519 date of that change. On June 4, 2025, several former
520 Chosen Ones tenants contacted the Department with
521 concerns that subsidies had been paid through the
522 program for months in which the tenants were not living
523 in the units. The Department immediately began an
524 investigation, performing a monitoring review for
525 program compliance and sending residency surveys to the

526 addresses of record for all tenants shown as currently
527 assisted by The Chosen Ones, which surveys requested
528 information about household composition, the amount of
529 subsidy, the amount of tenant payment, and the amount of
530 tenant utility subsidy.

531

532 The Department received responses on 52 of the 117
533 surveys that were sent out. As a result of the
534 Department's monitoring and survey responses, the
535 Department found that 36 tenants were being assisted at
536 a unit other than the approved unit. Two of the 36
537 units also had a conflict of interest where the tenants
538 were relatives of Chosen Ones employees and no conflict
539 of interest documentation had been submitted to the
540 Department or HUD. Four units were verified not to
541 exist. Two units' tenants had already been evicted when
542 the subsidies continued to be drawn for their units.
543 Two tenants and landlords never received any subsidy.
544 Seven households had other disqualifying factors like
545 unreported changes in household composition or income.
546 Five tenants had moved while subsidies continued to be
547 drawn by The Chosen Ones. Only 2 tenants reported
548 receiving any utility subsidy despite The Chosen Ones
549 submitting monthly draws for utility subsidies for 26
550 households, which totaled \$7,200 a month. Other

551 troubling findings that came to light during the
552 Department's investigation included fabricated leases
553 and inauthentic signatures on documents submitted by The
554 Chosen Ones to TDHCA and reports that The Chosen Ones
555 demanded that tenants pay their rental portion in cash
556 directly to The Chosen Ones, sometimes in amount
557 exceeding their actual rental portion, as opposed to
558 just paying their landlord directly, and Reverend Lawson
559 would then pay the entire rent amount to the landlord
560 from the subrecipient account, appearing to inflate
561 documented expenditures.

562

563 The total disallowed costs identified by the Department
564 as a result of the monitoring review is \$327,852.12,
565 which was due on August 29, 2026, and remains
566 outstanding. No substantive corrective action has been
567 submitted to the Department. Our rules allow for the
568 assessment of an administrative penalty for failure to
569 repay disallowed costs. Our rules permit for
570 discretionary debarment of responsible parties for
571 refusing to repay disallowed costs and for providing
572 fraudulent information, knowingly falsified
573 documentation, or other intentional or negligent
574 material misrepresentations or omissions with regard to
575 any documentation, certification, or other

576 representation made to the Department. The Chosen Ones,
577 Reverend Edward Lawson, and Teresa Finch were referred
578 for debarment on both grounds. The Chosen Ones was also
579 referred for an administrative penalty for failure to
580 repay disallowed costs. An informal conference was held
581 on March 12, 2026, which was attended only by Reverend
582 Lawson. Teresa Finch did not attend.

583

584 The Enforcement Committee recommended a 10-year
585 debarment term for The Chosen Ones, Reverend Edward
586 Lawson, and Teresa Finch and the maximum administrative
587 penalty of \$12,500 for failure to repay disallowed
588 costs, plus an additional \$50 per day until disallowed
589 costs are paid in full. The recommended term of
590 debarment is based largely on the relative age of the
591 responsible parties and the unlikelihood that they would
592 be participating in the Department programs 10 years
593 from now. Reverend Lawson submitted an appeal of the
594 debarment recommendation. Teresa Finch did not submit
595 an appeal of the recommendation. The Chosen Ones has
596 not agreed to the recommendation for an assessment of an
597 administrative penalty, which is why we are also seeking
598 approval to move forward with a contested case hearing.
599 There is no required minimum or max on debarment term,
600 and the Enforcement Committee reached its recommendation

601 based on the material factors outlined in your
602 materials. The Enforcement Committee recommends the
603 maximum administrative penalty of \$12,500, plus an
604 additional \$50 per day until the disallowed costs are
605 repaid in full, with the possibility for partial
606 forgiveness of the penalty if the disallowed costs are
607 fully repaid within one year.

608

609 Because the owners have not agreed to the administrative
610 penalty, the Department may pursue the administrative
611 penalty through a contested case hearing with the State
612 Office of Administrative Hearings. The Enforcement
613 Committee recommends approval of the final order of
614 debarment for The Chosen Ones Outreach Ministries of
615 Galveston, Incorporated, Reverend Edward Lawson, and
616 Teresa Finch for a 10-year term ending May 7, 2036. I
617 am available for questions. And so I will now...

618

619 **Leo Vasquez III (0:25:45):**

620 Okay. Thank you, Sascha. While we're getting the phone
621 connected, do I hear a motion to allow for public
622 comment in today's meeting?

623

624 **Kenny Marchant (0:25:54):**

625 So moved, Chairman.

626

627 **Holland Harper (0:25:55):**

628 Second.

629

630 **Leo Vasquez III (0:25:56):**

631 Motion made by Mr. Marchant. Seconded by Mr. Harper.

632 All those in favor say aye.

633

634 **All Board Members (0:26:01):**

635 Aye.

636

637 **Leo Vasquez III (0:26:02):**

638 Any opposed? Hearing none, we shall allow for public

639 comment. I can't just do that by acclamation. Hearing

640 no objection.

641

642 **Reverend Edward Lawson (0:26:19):**

643 Hello.

644

645 **Sascha Stremmler (0:26:22):**

646 Hello, Mr. Lawson.

647

648 **Reverend Edward Lawson (0:26:25):**

649 Yes. I've been watching it on here.

650

651 **Sascha Stremmler (0:26:27):**

652 Okay. Can you go ahead and mute your computer feed?

653

654 **Reverend Edward Lawson (0:26:35):**

655 Okay.

656

657 **Sascha Stremmler (0:26:36):**

658 Okay. Okay. I'm holding you up to the microphone.

659 If you can state your name for the record.

660

661 **Reverend Edward Lawson (0:26:44):**

662 Reverend Edward Lawson, Executive Director of The Chosen

663 Ones Outreach Ministry. Good morning. Can everybody

664 hear me?

665

666 **Leo Vasquez III (0:26:54):**

667 Yes.

668

669 **Reverend Edward Lawson (0:26:56):**

670 Can everybody hear me?

671

672 **Sascha Stremmler (0:26:58):**

673 Yes.

674

675

676 **Leo Vasquez III (0:26:58):**

677 Yes.

678

679 **Reverend Edward Lawson (0:27:00):**

680 Okay. Upon release and review of these records, it will
681 be clearly established that all expenses used was made
682 in compliance with applicable federal requirements,
683 including but not limited to 24 CFR, Part 92,
684 Home Program Regulation, 24 CFR, Part 5, General HUD
685 Program Requirement, and 2 CFR, Part 200, Uniform
686 Administration Requirement, government eligibility
687 documentation and use of fund. Specifically, all clients
688 receiving assistance met eligibility criteria as defined
689 under HUD regulation. Each client was placed in a unit
690 supported by a viable lease and agreement with a
691 verified landlord. Payment was made directly to
692 landlords who acknowledged receipt and negotiated such
693 payment accordingly, and all assistance proven was
694 directly tied to eligible household housing activity.
695 Our organization operates in direct align with -- hold
696 on, I'm getting a call. Our program, it operates direct
697 align with HUD's mission to make homeless rare, brief,
698 and non-recurring. All action was undertaken to prevent
699 homelessness and provide housing stability, not to
700 misuse funds, but was consistent with the requirement

701 and intent of coordinated entry system. Decision
702 regarding client placement and financial assistance was
703 made based on documentation needed and furthermore of
704 federal objection to ensure rapid rehousing and prevent
705 recurrence of homelessness. The financial records will
706 further determine that our organization spends funds in
707 essence of the reimbursement received. Due to extended
708 delay in TBRA process, approval and reimbursement
709 roughly took approximately four to five months. In order
710 to prevent homelessness and to ensure continuity of
711 housing for vulnerable individual families, our
712 organization advanced funds at its own financial risk.
713 Additionally, even in situations where clients was
714 pending recertification with obligations continuance, in
715 such cases, our organization maintained housing
716 stability by continuing rent payments while awaiting
717 TBRA recertification approval, as failure to do so would
718 have resulted in immediate displacement.
719 At various times, our program served more than 30
720 individual families concurrently. Given the several
721 housing shortage within the community we serve, intake
722 and placement decision was made in line with HUD's
723 coordinated entry. HUD and continuum of care framework
724 established the national goal of making homeless rare,
725 brief, and non-recurring, defined as follow: rare, fewer

726 individual families become homeless in the first place;
727 brief, when homelessness occurs, it is short duration
728 and individuals are housed as quickly as possible; non-
729 recurring, individual and family do not return to
730 homeless after being housed. The system designed to
731 achieve this goal is the Coordinated Entry System, which
732 prioritizes rapid housing placement based on level of
733 need. Our action was consistent with the federal
734 standards and required timely placement of clients into
735 housing, even in advance of administrative approval, in
736 order to prevent prolonged or repeated homelessness with
737 respect to all client relocations and...

738

739 **Sascha Stremmler (0:30:43):**

740 Okay. Mr. Lawson, we've reached the end the three
741 minutes. If you can just wrap it up.

742

743 **Reverend Edward Lawson (0:30:48):**

744 Okay. I was the president of the Gulf Coast Homeless
745 Coalition for six years. We did this for six years with
746 no funding. I did for years,

747

748 **Leo Vasquez III (0:30:57):**

749 Okay. Let's interrupt, Mr. Lawson.

750

751 Mr. Lawson, I'll give you a little bit more time if you
752 will specifically address the findings and accusations.

753

754 **Reverend Edward Lawson (0:31:12):**

755 Okay. All right. Well, this is the whole point. We

756 talked with TBRA. I did not directly talk to them

757 because we had a director of case management.

758 So TBRA said, okay. Go ahead and move them.

759 We did not pay nobody money ahead of approval until an

760 article came out with ABC News and Abigail called me. I

761 said they wasn't approved yet. She said, yes, but it's

762 with the media. You are responsible. You have to go

763 ahead and pay them and wait for reimbursement. She also

764 explained that to the news, that we had not got a

765 reimbursement for it, but The Chosen Ones is in charge

766 to pay for it. These people was not approved yet, but

767 because they got evicted and it got to ABC News, that is

768 the statement. And I sent them the statement.

769

770 If I thought we did anything wrong, I would not have got

771 in touch with the Attorney General, I would have not got

772 in touch with those up in Washington, all the state

773 representatives. Every check is signed by the landlord

774 when they picked it up, and every check went through the

775 bank and was cashed by the landlord. I did the ministry

776 part. They communicated with the director of social
777 service and case management. They CC'd me on certain
778 things and it was done.

779

780 **Leo Vasquez III (0:32:30):**

781 Okay. Thank you for your comments, Mr. Lawson. We will
782 now continue with our discussion here with the Board and
783 Ms. Sremler. So do we...

784

785 **Sascha Stremmer (0:32:50):**

786 Just leave him on until...

787

788 **Leo Vasquez III (0:32:52):**

789 Yeah. Leave him on. Just tell him that, or let him
790 know we're just leaving him on for now in case we need
791 him. Go ahead and tell him

792

793 **Sascha Stremmer (0:33:03):**

794 Mr. Lawson, I'm just going to leave you on the phone and
795 then the Board will address you if they have further
796 questions for you.

797

798 **Reverend Edward Lawson (0:33:10):**

799 I can hear it on the line, all right.

800

801 **Leo Vasquez III (0:33:13):**

802 Okay. Ms. Stremmler.

803

804 **Sascha Stremmler (0:33:15):**

805 I'll mute him for now.

806

807 **Leo Vasquez III (0:33:17):**

808 Yeah. Well, I don't know if you can.

809

810 **Sascha Stremmler (0:33:17):**

811 And that's just meeting me, I don't think I can.

812

813 **Leo Vasquez III (0:33:19):**

814 No. You can turn down the volume, I think.

815

816 **Sascha Stremmler (0:33:23):**

817 Okay. Yeah. Let me check it. Hopefully, you can still

818 hear.

819

820 **Leo Vasquez III (0:33:29):**

821 Okay. I didn't hear any real direct addressing of the

822 findings that the Department has. Because our question

823 isn't if you paid someone, it's they were reimbursed for

824 items that didn't exist according to the board

825 materials, the book materials, correct?

826

827 **Sascha Stremmler (0:33:55):**

828 Correct, yeah.

829

830 **Leo Vasquez III (0:33:55):**

831 The \$327,000.

832

833 **Sascha Stremmler (0:33:57):**

834 Right. The findings for ones from the monitoring was
835 that those were disallowed costs. They didn't have the
836 correct documentation for the draws that were made.

837

838 **Leo Vasquez III (0:34:07):**

839 Well, and some didn't even exist like you're saying.

840 Yeah, that's...

841

842 **Sascha Stremmler (0:34:10):**

843 Right, right. Exactly. Yeah. And then some of the
844 stuff was falsified and that's what led to the draws.

845

846 **Leo Vasquez III (0:34:14):**

847 Yes. So to me, this goes beyond ineptitude. It's
848 outright fraud, and we're catching this across the
849 country in great numbers. And thankfully here in Texas,
850 there hasn't been that we've found very much of that.

851 But in my opinion, we take a hard line against this type
852 of thing. I actually question why the recommendation is
853 only for a 10-year debarment when this merits a 30-year
854 debarment. And I say that, again, we shouldn't be
855 basing this on the age of the respondent or defendant in
856 this case.

857

858 We need to be setting the precedent for when some 30-
859 something-year-old does this in the future, that is not
860 that the precedent level isn't set at 10 years, it's 30
861 years or whatever the Board may determine. Is there any
862 counter to that logic or not?

863

864 **Sascha Stremmler (0:35:29):**

865 No. The Board has absolute discretion to change that.

866

867 **Leo Vasquez III (0:35:30):**

868 Well, sure, but it's I'm giving you a,

869

870 **Sascha Stremmler (0:35:32):**

871 Yeah, no. And that was also, the recommendation from
872 program who referred it was they thought 10-year
873 debarment was sufficient, so the Enforcement Committee
874 also went with that recommendation. Obviously, absolute
875 discretion to change that. I have orders that we can

876 change that.

877

878 **Kenny Marchant (0:35:49):**

879 Do we have to name them a number of years?

880

881 **Bobby Wilkinson (0:35:50):**

882 And this Board has done that before. It's been a while,

883 but y'all doubled it.

884

885 **Leo Vasquez III (0:35:56):**

886 Mr. Marchant, did you have a...

887

888 **Kenny Marchant (0:35:57):**

889 You have to name a number of years, you can't just...

890

891 **Sascha Stremmler (0:36:00):**

892 Right, yeah. It can't be a...

893

894 **Kenny Marchant (0:36:01):**

895 Just debar.

896

897 **Sascha Stremmler (0:36:02):**

898 Yeah. Forever. But it has to be in a number of years.

899

900

901 **Anna Maria Farias (0:36:06):**

902 Mr. Chairman, I'm ready to make a motion.

903

904 **Leo Vasquez III (0:36:09):**

905 Okay. All right. Well, just before that, do any other

906 board members have comments, perspectives on this?

907

908 **Cindy Conroy (0:36:16):**

909 I do.

910

911 **Leo Vasquez III (0:36:17):**

912 Okay. Let's hear Ms. Conroy.

913

914 **Cindy Conroy (0:36:18):**

915 And this is to staff, just a clarification. He was

916 awarded \$327,000 in '23. And was that just for the year

917 of '23, '23 to '24, or?

918

919 **Leo Vasquez III (0:36:31):**

920 That was the disallowed, correct? And that's,

921

922 **Sascha Stremmler (0:36:33):**

923 Yeah. That was a disallowed.

924

925

926 **Cindy Conroy (0:36:34):**

927 Okay. So how much were they awarded initially?

928

929 **Sascha Stremmler (0:36:37):**

930 I don't have that information. I don't know that the

931 contracts are done in a specific amount.

932

933 They serve as an administrator and then they have to

934 submit the draws, and then the Department pays that

935 based on once they process the draw. I don't know if

936 Abby can speak to that.

937

938 **Cindy Conroy (0:36:55):**

939 The whole reason I'm asking is because when I looked

940 into this thing, I actually saw that ProPublica did in

941 2022 on their 990s, they noted that they did an

942 independent report on The Chosen Ones and they found

943 administrative inefficiencies. If you look at their

944 thing, it gives you a warning sign on their 990 because

945 the last time they did a 990 was in 2022. And so I'm

946 just wondering, do we follow up like maybe yearly or

947 every other year to see are these nonprofits actually

948 reporting their 990s? Are we asking for their 990s so

949 that we can actually see what kind of performance these

950 nonprofits are actually, what they're reporting? And you

951 can usually tell on a 990 if an organization is
952 struggling or if they're pretty strong. And that was
953 just my question is, does the Department do that? And
954 then if we don't, then I would recommend that maybe we
955 do 990 searches from now going forward.

956

957 **Sascha Stremmler (0:37:57):**

958 Okay. Yeah. I'm not aware of what the process is for
959 this.

960

961 **Cindy Conroy (0:37:59):**

962 What the process is.

963

964 **Sascha Stremmler (0:38:00):**

965 Yeah.

966

967 **Cindy Conroy (0:38:00):**

968 Okay.

969

970 **Leo Vasquez III (0:38:09):**

971 Ms. Sylvester.

972

973 **Megan Sylvester (0:38:13):**

974 Megan Sylvester here, my role as Federal Compliance
975 counsel. We do have a PPR process that looks at the

976 single audit of the entity. Thus far, we have not done
977 990s, but I noticed that Brooke just wrote that
978 suggestion down next time we take that rule out. We also
979 do look at past performance from the organization. And
980 I think it is important to remember that during this
981 time, we had a lot of federal funding available,
982 And so some of these organizations got more funding than
983 they typically would under the resources the Department
984 typically has.

985

986 **Leo Vasquez III (0:38:56):**

987 Okay. Ms. Farias, would you like to make a motion?

988

989 **Holland Harper (0:38:58):**

990 Yes. Mr. Chairman, I move the Board order the debarment
991 of Edward Lawson, Teresa Finch, and The Chosen Ones
992 Outreach Ministries of Galveston, Incorporated, and bar
993 them from participation in any program administered by
994 the Department for a term of 20 years, and further
995 approve pursuing administrative penalties, all as
996 described and authorized in the board action request,
997 resolutions, and order on this item.

998

999 **Holland Harper (0:39:34):**

1000 Second.

1001

1002 **Leo Vasquez III (0:39:36) :**

1003 I can live with that. Motion made by Ms. Farias,
1004 seconded by Mr. Harper for a debarment period of 20
1005 years. Any further discussion? All those in favor say
1006 aye.

1007

1008 **All Board Members (0:39:51) :**

1009 Aye.

1010

1011 **Leo Vasquez III (0:39:52) :**

1012 Any opposed? Hearing none, motion carries. Thank you,
1013 Sascha.

1014

1015 **Kenny Marchant (0:39:57) :**

1016 Mr. Chairman, just one question.

1017

1018 **Leo Vasquez III (0:39:59) :**

1019 Yes.

1020

1021 **Kenny Marchant (0:40:01) :**

1022 Is he handling money now? The fact that we have
1023 debarred him going forward, he has nothing in progress.

1024

1025

1026 **Sascha Stremmler (0:40:09):**

1027 Right. And his contract has been suspended since June
1028 2025. And then now that he's been debarred, then that
1029 will be terminated.

1030

1031 **Kenny Marchant (0:40:16):**

1032 And so he's not in any possession of any funds.

1033

1034 **Sascha Stremmler (0:40:19):**

1035 Right, yeah. No. No draws or anything else were
1036 accepted.

1037

1038 **Kenny Marchant (0:40:22):**

1039 Yeah. Thank you.

1040

1041 **Leo Vasquez III (0:40:26):**

1042 Okay. Great. Good question. Moving right along. Item
1043 28 of the agenda. Report on TDHCA performance measures
1044 for the second quarter of fiscal year 2026 and
1045 introduction of board performance measures. Mr. Lovitt.

1046

1047 **Matthew Lovitt (0:40:43):**

1048 Close enough. Good morning, Board, Chair Vasquez, Mr.
1049 Wilkinson, my name is Matthew Lovitt. I serve as the
1050 senior legislative affairs advisor within the External

1051 Affairs Division under Mr. Lyttle over here at TDHCA.
1052 Thank you for the opportunity to present performance
1053 measure outcomes for the first half of fiscal year 2026.
1054 And before I get started, please note that as Mr. Lyttle
1055 previewed in February, today marks the unveiling of our
1056 board performance measures that were handpicked by
1057 program staff and leadership for your consideration, in
1058 addition to or in lieu of the performance measures we
1059 quarterly report to the Legislative Budget Board.
1060 Combined with our intention to conduct end-of-fiscal-
1061 year reviews of programs with board measure variances
1062 that exceed a certain threshold, Chair Vasquez, Mr.
1063 Thomas, and Mr. Harper, you recently commented on the
1064 value of using or leveraging performance data to ensure
1065 that our programs are having the best, most greatest
1066 possible impact in the community, we believe that these
1067 board measures, board-specific measures, will go a long
1068 way in equipping you with the information you need to
1069 better assess our work. Turning to the board measures
1070 themselves, I'm going to start with a little bit of
1071 housekeeping concerning the structure of the performance
1072 measure report before you. We've separated the board
1073 measures into two large buckets, the first being single
1074 and multifamily development, and the second being
1075 community services and support. The single and

1076 multifamily development section begins on page 584 of
1077 your board books, and the community services and support
1078 section begins on page 589 for your reference. Within
1079 each bucket, we've also established subcategories or
1080 smaller buckets to group related measures.

1081

1082 Measures may be related in two ways: the program with
1083 which they are associated or the benefit they provide to
1084 program participants. And then within each mini bucket,
1085 of course, we visualize one measure, for example, the
1086 number of first-time homebuyers who participated in the
1087 homeownership program, as shown on chart 1 on page 584
1088 of your report, or your board book, excuse me, and
1089 captured the remaining subcategory measures in a table
1090 below the heading All Category Measures, as shown below
1091 the visualization. Staying with the first-time homebuyer
1092 example, all of the homeownership program measures can
1093 be found in table 1. The last thing I'll mention about
1094 the report structure itself, for each measure, we've
1095 provided the definition, description, methodology,
1096 limitations, and associated LBB measures, if there are
1097 any, in the appendix to this report, which begins on
1098 page 597. And these definitions amount to the what and
1099 how of each particular measure: what's included, what
1100 are the limitations, how that information is collected,

1101 and how it's reported to you. Okay. Moving on to the
1102 star of the show, the board measures themselves. And
1103 staying with the homeownership category, I want to stay
1104 with that first-time homebuyer assisted measure through
1105 the homeownership program, as shown in chart 1.

1106

1107 For quarter one of calendar year '26, this program does
1108 operate on the calendar year, this homeownership program
1109 served 1,531 first-time homebuyers, more than 50 percent
1110 higher than the number of first-time homebuyers we
1111 served at the same point in time last calendar year.

1112 Staff thought it important to report the number of
1113 first-time homebuyers we serve, as homeownership is one
1114 of the commonly cited ways to achieve economic
1115 prosperity and promote stability in communities large
1116 and small, urban and rural, across our fair state.

1117 And then FYI, we've only presented, I just mentioned
1118 that, we operate on the calendar year. So the next board
1119 measure I would like to present can be found on page
1120 588, the number of completed 4 percent and 9 percent tax
1121 credit cost certifications. As y'all are well aware,
1122 cost certifications is one of the final steps in the
1123 development process and may serve as a leading indicator
1124 of the number of units put on the ground during the
1125 current or subsequent reporting period. In Q2, as shown

1126 in chart 5, the asset management team processed 48 cost
1127 certifications in the first half of the fiscal year,
1128 compared to 46 cost certifications at the same point in
1129 time for the previous fiscal year.

1130

1131 Similar to this measure, another new staff measure staff
1132 have elected to report concern the average amount of
1133 time it takes staff to review the 9 percent tax credit
1134 applications. Although the program reported no
1135 activities in quarter ones and quarter two of this
1136 fiscal year, which is actually expected because
1137 application review doesn't begin until quarter three, on
1138 chart 4 on page 587 illustrates that if performance
1139 holds, the 9 percent team generally takes fewer than 10
1140 days to review an application for 9 percent housing tax
1141 credits. The last board measure I'll highlight today
1142 falls into the second measure bucket, community services
1143 and support. On page 594, chart 11 shows the number of
1144 completed single audit reviews. You can see that through
1145 quarter two, fiscal year '26, production is more than
1146 250 percent higher than it was for the same period of
1147 time in fiscal year '25, an increase largely
1148 attributable to guidance published by the United States
1149 Office of Management and Budget, or OMB. Single audits
1150 are required if subrecipients exceed the federally

1151 mandated expenditure threshold, and recent changes to
1152 that threshold necessitated an increase in single audit
1153 reviews. Okay. And before I leave, you...

1154

1155 **Leo Vasquez III (0:45:51):**

1156 I'm sorry. Let me stop you on that one. So did we
1157 change the metric for how this is measured, or did we
1158 just start doing more because more was required?

1159

1160 **Matthew Lovitt (0:46:03):**

1161 We started doing more because more was required.

1162

1163 **Leo Vasquez III (0:46:04):**

1164 Okay. So we're not really comparing apples to apples.

1165

1166 **Matthew Lovitt (0:46:07):**

1167 The threshold changed to the, yeah. I guess the
1168 threshold at which we have to do those, conduct those
1169 single audit reviews changed, yes. So there was a
1170 change in how the measure is measured, I suppose, or the
1171 qualification for the measure, yeah, the criteria for
1172 the measure, I guess is the word I'm looking for. But
1173 the actual work that's done didn't change.

1174

1175

1176 **Leo Vasquez III (0:46:27):**

1177 Okay. So when comparing this 250 percent increase next
1178 year at this time, it'll be more meaningful.

1179

1180 **Leo Vasquez III (0:46:33):**

1181 Yeah. For sure. This wasn't a reflection of increased
1182 productivity by staff, necessarily speaking. It was a
1183 reflection of the increased workload that staff was
1184 asked to manage in the quarter.

1185

1186 **Leo Vasquez III (0:46:44):**

1187 Y'all didn't just start using AI and then,

1188

1189 **Matthew Lovitt (0:46:47):**

1190 Not to my knowledge, no. No.

1191

1192 **Leo Vasquez III (0:46:48):**

1193 Okay. All right. Okay. I'm sorry, continue.

1194

1195 **Matthew Lovitt (0:46:50):**

1196 No. That's a great question. Thank you. Before I wrap
1197 up, I do want to highlight the LBB measures because they
1198 still will be reported to you guys, so you have those
1199 for your information. And the LBB measure information
1200 actually precedes the board measure information in your

1201 board books. With respect to our LBB measures, I would
1202 like to highlight our energy assistance programs.
1203
1204 On page 587, we've provided the Q2 and year-to-date
1205 performance data for the CEAP and WAP programs. The
1206 number of households served by these programs through Q2
1207 were 42,259 and 1,426, respectively. CEAP performance,
1208 as shown in measure 3.2.1 OP1, is well below
1209 expectations due to cyclical variations in program
1210 demand. We served just north of 44,000 households
1211 through CEAP program at the same point in time last
1212 fiscal year and ended the fiscal year having served
1213 almost 130,000 households. Although this would fall
1214 short of our FY26 goal if end-of-year performance is
1215 comparable, it does put us within striking distance of
1216 that goal for FY26, which is 150,000. So there was a
1217 reduction in our LBB target between the previous
1218 biennium and this biennium. It went from like 250 to
1219 130,000, which is better reflection of where we will be.
1220 Whereas we are still a long way off from, like I just
1221 mentioned, we're still a long way off from our FY26
1222 measure. Would be a long way off from our FY26 target.
1223 Conversely, we served almost 50 percent more households
1224 through the WAP program than we expected at the same
1225 point in the previous fiscal year, which is consistent

1226 with operational trends as subrecipients ramp up
1227 staffing, scheduling, and unit production at the
1228 beginning of the contract cycle. Even better news is
1229 that we've served roughly 200 more households this
1230 fiscal year than we had at the same point in time in the
1231 previous fiscal year.

1232

1233 Okay. I'll conclude my presentation with a request. We
1234 recognize this is the first time that you've seen the
1235 board measures and there's a lot of information before
1236 you. So as you process this information, either today
1237 or later on after this board hearing, we would certainly
1238 appreciate any feedback that you may have for us and how
1239 it can be improved, whether it be the presentation, the
1240 measures themselves, the information we're providing
1241 directly to you, whatever you think would help us
1242 provide better, more pertinent information, we certainly
1243 welcome that those suggestions or those feedback.
1244 And that concludes my presentation. I'll certainly try
1245 and field any additional questions.

1246

1247 **Leo Vasquez III (0:49:11):**

1248 Great. I love it. You see what I did there.

1249

1250

1251 **Matthew Lovitt (0:49:16):**

1252 I see what you did.

1253

1254 **Leo Vasquez III (0:49:16):**

1255 Thank you. Okay. Do any board members have questions
1256 for Mr. Lovitt on this? I would just say that, more to
1257 Bobby and managers, I think all the Board would agree we
1258 really want you all to start using these kinds of
1259 metrics and data to see where we're missing and what can
1260 we do to put more effort behind them, where we're
1261 exceeding, and figure out what we're doing right or is
1262 our goal set sufficiently correctly? Because we can
1263 reset it, if we're killing it, then it's not much of a
1264 goal. So we can keep using it, Ms. Farias, do you want
1265 to...

1266

1267 **Anna Maria Farias (0:50:04):**

1268 Yeah. I wanted to say, Mr. Lovitt, that I love this.
1269 It's an overload of information, but I think it is
1270 wonderful considering how much money we approve. And
1271 whenever I go to my presentations when we do the ribbon
1272 cutting, I always say the Lord is very happy and he's
1273 crying happy tears because you promised to do something
1274 and you're actually delivering. And here it really lets
1275 us know how the money is being spent and where and how

1276 and who's being helped. So for that, thank you very
1277 much.

1278

1279 **Matthew Lovitt (0:50:42):**

1280 Thank you.

1281

1282 **Bobby Wilkinson (0:50:45):**

1283 One thing I don't think you mentioned, but we have
1284 spoken of before, we've asked for a ton of changes to
1285 the LBB performance measures to try to make them more
1286 relevant. Historically, because the Governor's Office
1287 and the LBB have to agree to change, add, or remove
1288 those performance measures, so we'll see. We asked for
1289 everything we wanted and we'll see how much change we
1290 can get. But in the meantime, we have the I think the
1291 cleaner-looking board measures for y'all.

1292

1293 **Leo Vasquez III (0:51:12):**

1294 Yeah. And mixing this in with the TREO guys, right, as
1295 well, this should be helpful information for analysis.
1296 Okay. Matthew, thanks for the report and we look
1297 forward to further updates in the future.

1298

1299 **Matthew Lovitt (0:51:29):**

1300 Yes, sir.

1301

1302 **Leo Vasquez III (0:51:31):**

1303 Okay. Item 29 of the agenda, still on, right, 29?

1304 Where are we? 29, right, Rosy? Okay. All right. 29.

1305 Presentation, discussion, and possible action on an

1306 appeal from HTX H.O.P.E Haven related to a determination

1307 of ineligibility for an award of funds from the 2026 ESG

1308 NOFA.

1309

1310 **Rosy Falcon (0:51:59):**

1311 Good morning, Chair, members of the board. Rosy Falcon,

1312 Homeless Programs Manager. Today I am presenting on an

1313 appeal from HTX H.O.P.E Haven related to their

1314 eligibility a continuing award under the 2026 ESG NOFA.

1315 In May of 2025, the Department adopted rules that make

1316 timely submission of required annual reporting in HUD's

1317 Homeless Management Information System, or SAGE, a

1318 condition of eligibility for both a continuing award and

1319 for meeting threshold requirements in the regional

1320 competition.

1321

1322 So under this rule, any organization that fails to

1323 submit, or in this case submits late, is not eligible to

1324 participate in the immediate next funding cycle, which

1325 is the 2026 ESG NOFA that we're referring to. I do want

1326 to acknowledge before we move forward that this
1327 requirement can feel very punitive, particularly in
1328 cases where a report is submitted shortly after the
1329 deadline. However, the importance of this requirement
1330 is tied directly to the Department's federal reporting
1331 obligations.

1332

1333 These reports are the foundation of the ESG reporting in
1334 the Consolidated Annual Performance and Evaluation
1335 Report, or the CAPER, which is the Department's formal
1336 report to HUD that details how program funds were used,
1337 how program funds performed, and whether we met the
1338 commitments tied to those funds. Quite simply, this is
1339 the mechanism by which we demonstrate accountability for
1340 the funds HUD has already entrusted to us. Historically,
1341 the Department has faced ongoing challenges with both
1342 late and missing SAGE submissions. This created real
1343 risk to our ability to submit a complete and accurate
1344 CAPER on time. The challenge is then compounded by the
1345 fact that the Department does not have access to the
1346 underlying client-level data and does not control the
1347 SAGE system itself. Subrecipients are required to
1348 extract data from the HMIS system and submit it directly
1349 to HUD through the SAGE system. Because of this
1350 structure, we cannot recreate or submit that data on

1351 behalf of a subrecipient. So if a report is not
1352 submitted, the system does not allow for partial
1353 reporting. As a result, projects funded by the
1354 Department must be removed from the SAGE report and thus
1355 the CAPER. That means the services provided and
1356 households served with those funds are not reflected in
1357 our federal report, which directly impacts how HUD
1358 evaluates the Department's performance and use of its
1359 ESG allocation.

1360

1361 This is our one opportunity to fully demonstrate what
1362 was accomplished with those funds. For that reason,
1363 consistent and timely reporting is critical, and the
1364 rule was adopted to establish a clear, enforceable
1365 standard in response to these persistent issues.
1366 Turning to the appeal itself, HTX H.O.P.E Haven is a
1367 current ESG and ESG-RUSH recipient that provides
1368 outreach services in the Houston area. For the 2024
1369 program year, the reports were due on October 31, 2025.
1370 They submitted their ESG-rush report on time, but did
1371 not submit the ESG annual report by the deadline.
1372 That report was submitted on November 3rd after being
1373 notified by Department staff that the submission was
1374 delinquent. Under the rule, that missed deadline
1375 results in ineligibility for a continuing award.

1376 HTX H.O.P.E Haven appealed this determination, noting
1377 that they were not aware that separate reports were
1378 required and highlighting their overall performance,
1379 including strong expenditure, no monitoring findings,
1380 and a history of service of a long-time partnership with
1381 the Department.

1382

1383 Staff does not dispute these points and recognizes the
1384 value of the services HTX H.O.P.E Haven provides.
1385 However, the appeal does not include information that
1386 would establish eligibility under the rule. This
1387 requirement is specifically tied to timely submission,
1388 and applying that requirement consistently is essential
1389 to ensuring fairness across all subrecipients and
1390 adherence to the Department's adopted method of
1391 distribution, otherwise, it would be a violation of our
1392 one-year action plan, and this is the plan that HUD
1393 approves and is contingent on our access to funds. For
1394 those reasons, staff recommends denial of the appeal as
1395 it relates to a continuing award. HTX H.O.P.E Haven also
1396 requested an alternative to participate in the
1397 competitive application cycle. Staff has evaluated this
1398 request separately and is recommending a limited waiver
1399 of applicable threshold requirements. And so this
1400 requirement would be the one noted on 10 TAC Section

1401 7.36(a)(13) that is specific to the regional
1402 competition. This would allow participation in the 2026
1403 ESG competitive round. We can allow this waiver as the
1404 competition has not yet begun, so the same rule waiver
1405 can be applied consistently to all applicants.

1406

1407 This recommendation reflects that while the report was
1408 late, it was ultimately submitted prior to the
1409 Department's final reporting to HUD. Allowing
1410 participation in the competitive process provides a
1411 reasonable path forward without altering the
1412 requirements tied to continuing awards. This waiver
1413 would be narrowly applied. It would only apply to
1414 subrecipients who submitted their reports after the
1415 deadline but prior to HUD submission. It would not
1416 apply to any subrecipients that failed to submit their
1417 report at all. This approach maintains the integrity and
1418 consistent application of the rule while allowing
1419 limited flexibility during the competitive process.
1420 This concludes my presentation, and I'm happy to address
1421 any questions.

1422

1423 **Leo Vasquez III (0:57:45):**

1424 Okay. So we're saying they did perform what they were
1425 supposed to, they just didn't report on it.

1426

1427 **Rosy Falcon (0:57:53):**

1428 Correct.

1429

1430 **Leo Vasquez III (0:57:53):**

1431 All right. And there's two separate ESG awards.

1432

1433 **Rosy Falcon (0:57:57):**

1434 Yes.

1435

1436 **Leo Vasquez III (0:57:57):**

1437 One of them they did report and the other they did not.

1438

1439 **Rosy Falcon (0:58:00):**

1440 Correct. So there are, so this report, there's a lot of

1441 years. So the program year for ESG runs from November

1442 to, or our awardee year runs from November to October.

1443 Their CAPER does one year behind based on a program year

1444 by HUD, so that runs every September to August. And

1445 during this timeframe, we'd received two allocations

1446 from HUD, our regular ESG annual, so that's the one that

1447 the NOFA is going to refer to. And then we did have a

1448 declaration of a disaster in 2024 due to the Hurricane

1449 Beryl in addition to other disasters in the area for

1450 Texas, and so we received a set-aside of ESG funding

1451 called ESG-RUSH. That's why there are two contracts and
1452 two reporting requirements. ESG-RUSH speaks to disaster
1453 response, and our regular ESG is our annual funding that
1454 we get from HUD.

1455

1456 **Kenny Marchant (0:58:52):**

1457 Okay. And then just to clarify, we have another item on
1458 the agenda coming up which is announcing the NOFA for
1459 the next round of ESG.

1460

1461 **Rosy Falcon (0:59:06):**

1462 Correct.

1463

1464 **Leo Vasquez III (0:59:08):**

1465 And in this item, we're addressing both the appeal for
1466 not getting the, not having done the reporting timely
1467 and according to what we promised HUD.

1468

1469 **Rosy Falcon (0:59:22):**

1470 Right.

1471

1472 **Leo Vasquez III (0:59:23):**

1473 And we are separately, but in the same agenda item,
1474 potentially approving a limited waiver allowing them to
1475 participate in the NOFA.

1476

1477 **Rosy Falcon (0:59:38):**

1478 Yes. So your decision today would affect how we
1479 implement the NOFA for the upcoming year.

1480

1481 **Leo Vasquez III (0:59:43):**

1482 So even denying the appeal for the continuing automatic
1483 NOFA, we could still allow for them to reapply
1484 competitively for the next NOFA, which if they received
1485 it, were successful in their competition on the next
1486 round of NOFA, there wouldn't be any gap in their
1487 funding or anything.

1488

1489 **Rosy Falcon (1:00:12):**

1490 Correct. So the way that, the continuing award, which
1491 is the portion that we are recommending the appeal be
1492 denied, that is a set-aside that we have within the
1493 general NOFA that is going to be before you shortly.
1494 80 percent of the allocation for the 700 CoC is held
1495 back for continuing awards, and so that is what the
1496 first appeal talks about, that we're recommending denial
1497 of because that process is already finished, and a
1498 determination that changes it will negatively impact
1499 those that were eligible on there because there's not
1500 additional money we could add to that pot.

1501 The money that, the 20 percent, which should be roughly
1502 about \$1.2 million, that is for HTX H.O.P.E Haven if you
1503 allow the limited waiver, they have access to apply
1504 there.

1505

1506 And for just some context, if they were to be deemed
1507 eligible for a continuing award, the award maximum would
1508 probably be about \$30,000 or so for the year. In the
1509 competition, they would have the option to get a lot
1510 more. And typically they're the only street outreach
1511 provider in the area that applies.

1512

1513 **Leo Vasquez III (1:01:25):**

1514 Okay. Very good. Would anyone like to speak on this
1515 item? Please come up, introduce yourself and the
1516 organization. And I didn't specify earlier, we want to
1517 allow, keep it under three minutes if you can.

1518

1519 **Joey Mouton (1:01:43):**

1520 Well, good morning, Chair, Board, and members of the
1521 staff. My name is Joey Mouton. I'm with HTX H.O.P.E
1522 Haven, and I feel like I need to give you a disclaimer
1523 right up front. I'm from South Louisiana. I may
1524 pronounce words differently than y'all do, but I'm not
1525 speaking another language. I'm just raised a little

1526 differently. I also need to tell you, based on where we
1527 are, although I'm a Cajun, I am not an LSU Tiger. I
1528 feel the need to make sure that is clear so that y'all
1529 can vote with no bias.

1530

1531 **Leo Vasquez III (1:02:18):**

1532 Noted for the record.

1533

1534 **Joey Mouton (1:02:20):**

1535 I am here to ask for your mercy, and I really appreciate
1536 what the staff has done to allow us the possibility of
1537 being able to compete in next year's funding. We are a
1538 very small operation, high-impact team, four full-time
1539 employees and three part-time employees. We do not have
1540 a dedicated compliance staff. Despite our size, we serve
1541 a massive geographic area. We serve Harris, Fort Bend,
1542 and Montgomery counties. Just in the first four months
1543 of 2026, we have engaged 487 people in outreach, done
1544 178 housing assessments, and have seen over 29
1545 individuals be housed. In addition to leading outreach
1546 and performing outreach at H.O.P.E Haven, I personally
1547 handle all of the grant reporting and accounting for
1548 H.O.P.E Haven. So this is where the conversation goes
1549 from a us and we to a me, myself, and I. The clerical
1550 error happened because I made a mistake. I did the

1551 report on time, truly believing I had one report to do.
1552 And then as soon as we recognized through an email that
1553 we had missed the second one, jumped on it and sent it.
1554 Truth be known, if I had recognized I needed to send the
1555 second report, it'd taken me another five minutes when I
1556 was doing the first report. At a glance, the SAGE emails
1557 that we receive from HUD, the two of them look almost
1558 identical. So if you're like me and you're guilty of
1559 glancing at emails and reading subject lines, you may
1560 have done just like I did and missed the fact that these
1561 were two separate things and not a duplicate that a
1562 machine spit out. In our four-year history with TDHCA,
1563 we have a proven track record of timely and accurate
1564 reporting. No blips on our radar at all. We have
1565 already tightened our internal procedures to make sure
1566 this never happens again. And so I'm asking the Board
1567 for your mercy that we be allowed to continue the work
1568 that we do in the Houston area. Thank you for your
1569 consideration, and I'm here to answer if you need.

1570

1571 **Leo Vasquez III (1:04:48):**

1572 Great. Again, we appreciate you coming here and
1573 following the process, following the procedures. From
1574 what staff has reported, y'all are doing a good job, but
1575 our hands are somewhat tied. All that you had to get

1576 this reporting because we promised the HUD and the feds
1577 that we're going to make sure everyone is doing this.
1578 I think we are, from what's been proposed, I believe
1579 that this is a slap on the wrist for missing your
1580 deadline. So now you have to resubmit another
1581 competitive application, but it doesn't sound like
1582 there's any application. And then I think Rosy just
1583 said you might even be able to get more money.

1584

1585 **Rosy Falcon (1:05:40):**

1586 Correct.

1587

1588 **Leo Vasquez III (1:05:43):**

1589 Again, I hope you understand we appreciate what you guys
1590 are doing and keep it up. I think this is a slap on the
1591 wrist that, here, just resubmit the application and
1592 again, hopefully we can get some, a little bit more
1593 directed towards you. Do any other board members, or,
1594 Rosy, you want to add anything or is that pretty much
1595 it?

1596

1597 **Rosy Falcon (1:06:10):**

1598 No. We do acknowledge those emails. We took a look at,
1599 because the system is the one that sends them out, so we
1600 don't have access to them unless a subrecipient sends

1601 them to us, and they are identical minus one line in the
1602 middle of the email. So we internally can think of
1603 different ways to ensure they're aware that they're not
1604 duplicates and they're pertinent to each outcome.

1605

1606 **Leo Vasquez III (1:06:36):**

1607 Yeah. I recently had a client where I sent two invoices
1608 to right after, one day after the next. So one number
1609 was changed on the subject line, and they didn't have
1610 the second invoice in their system. So he says, here it
1611 is. I sent it to you.

1612

1613 **Abigail Versyp (1:06:54):**

1614 Abigail Versyp, Director of Single-Family and Homeless
1615 Programs. I just want to be very clear with the Board
1616 that under the competition, there's no guarantee that
1617 this organization would be funded. The Houston CoC is a
1618 competitive region, and they do have some advantage
1619 based on their positive performance history, but it
1620 would be evaluated alongside all other applications. So
1621 we can't make a guarantee.

1622

1623 **Leo Vasquez III (1:07:17):**

1624 Yes. Definitely, that's noted.

1625

1626

1627 **Abigail Versyp (1:07:20):**

1628 Thank you.

1629

1630 **Leo Vasquez III (1:07:24):**

1631 Okay. Any other comments? Would Mr. Harper like to

1632 make a motion?

1633

1634 **Holland Harper (1:07:28):**

1635 I move the Board deny the appeal...

1636

1637 **Leo Vasquez III (1:07:29):**

1638 Did you press your button there?

1639

1640 **Holland Harper (1:07:30):**

1641 I don't know where my button is. Thank you. I move the

1642 Board deny the appeal of H.O.P.E Haven related to the

1643 eligibility of a continuing award under the 2026 ESG

1644 NOFA, but move to approve the limited waiver of 10 TAC

1645 Section 7.36(a)(13) related to the general threshold

1646 criteria for a certain application submitted under the

1647 competitive application round of the 2026 ESG NOFA, all

1648 as described, conditioned, and authorized in the board

1649 action request, resolutions, and associated documents on

1650 this item.

1651

1652 **Anna Maria Farias (1:07:59):**

1653 Second.

1654

1655 **Leo Vasquez III (1:08:00):**

1656 Motion made by Mr. Harper. Seconded by Ms. Farias. All
1657 those in favor say aye.

1658

1659 **All Board Members (1:08:05):**

1660 Aye.

1661

1662 **Leo Vasquez III (1:08:06):**

1663 Any opposed? Hearing none, motion carries. Thank you,
1664 Rosy. Okay. Item 30 of the agenda. Presentation,
1665 discussion, and possible action on an appeal of the
1666 termination of Avenue O Village, or Ave O Village. Mr.
1667 Campbell.

1668

1669 **Cody Campbell (1:08:24):**

1670 Good morning. I think this is the first morning item
1671 I've presented in quite a while. I'm Cody Campbell,
1672 Director of Multifamily Programs for the Department.
1673 This specific item seems complicated, but it's really
1674 not. Every year, the Department gets grants of HOME
1675 funding from HUD, as do many cities and counties

1676 throughout the state of Texas. And in accordance with
1677 state law, 95 percent of the Department's HOME grant
1678 must go to areas that do not receive their own HOME
1679 funds. I wasn't in the room when the law was written,
1680 but it seems pretty clear that the intention is to
1681 spread that money throughout the state. So that's 95
1682 percent of our funds. Five percent can be used
1683 statewide for the benefit of persons with disabilities.
1684 And before we ever write a HOME NOFA, before we ever
1685 even get to that point, that 5 percent for persons with
1686 disabilities is reserved for several of our single-
1687 family programs, specifically Tenant-Based Rental
1688 Assistance and the Homeowner Rehabilitation Assistance
1689 Program. Because of that, the second sentence in this
1690 NOFA says that you are ineligible for these funds if
1691 your development site is located within another HOME
1692 participating jurisdiction. The development site for
1693 Avenue O Village is located in Rosenberg, which is in
1694 Fort Bend County, which is a HOME participating
1695 jurisdiction. Therefore, this application is not
1696 eligible for these funds. We terminated the application.
1697 The applicant appealed. The appeal was quite lengthy,
1698 and many arguments were made in it. The primary
1699 argument is that this development does intend to benefit
1700 persons with disabilities; therefore, the Department

1701 should be able to put some of our HOME funds into it.
1702 That simply isn't the case. It's a creative, but
1703 ultimately unsuccessful argument. I don't believe that
1704 this application could be funded without violating state
1705 statute and because of that, staff recommends that you
1706 deny the appeal.

1707

1708 **Leo Vasquez III (1:10:15):**

1709 Okay. And just by reading the information, this sounds
1710 like a pretty black-and-white...

1711

1712 **Cody Campbell (1:10:24):**

1713 You would think.

1714

1715 **Leo Vasquez III (1:10:26):**

1716 Okay. All right. Okay. Does any board member have
1717 questions for Mr. Campbell before we hear from
1718 representatives of the applicant? If not, who would
1719 like to speak on this? Okay. Not on this item. Okay.
1720 You're just raring to go for the next one. Okay. Is
1721 there anyone that wishes to speak on this item? If not,
1722 again, it's in the area that can't be, so I'll entertain
1723 a motion on item 30 of the agenda.

1724

1725

1726

1727 **Anna Maria Farias (1:11:05):**

1728 Mr. Chairman, I move the Board deny the appeal of the

1729 termination of Avenue O Village for the reasons

1730 described in the board action request, resolution, and

1731 associated documents on this item.

1732

1733 **Ajay Thomas (1:11:20):**

1734 Second, Mr. Chairman.

1735

1736 **Leo Vasquez III (1:11:22):**

1737 Motion made by Ms. Farias. Seconded by Mr. Thomas. All

1738 those in favor say aye.

1739

1740 **All Board Members (1:11:25):**

1741 Aye.

1742

1743 **Leo Vasquez III (1:11:26):**

1744 Any opposed? Hearing none, motion carries. Okay.

1745 We're going to go back to 22, right? Okay. Back to

1746 item 22 of the agenda. Let's go back to read it. Okay.

1747

1748 **Bobby Wilkinson (1:11:42):**

1749 Are we doing 22, the ESG NOFA? So it's Rosy. Yes.

1750

1751

1752 **Leo Vasquez III (1:11:51):**

1753 Okay. And then 23's next, so don't go far. Okay. So
1754 item 22 of the agenda. Presentation, discussion, and
1755 possible action to authorize the issuance of the 2026
1756 Emergency Solutions Grants program notice of funding
1757 availability and publication in the Texas Register.
1758 Rosy, tell us about this...

1759

1760 **Rosy Falcon (1:12:12):**

1761 Good morning again. Rosy Falcon, Homeless Programs
1762 Manager. This item seeks approval to move forward with
1763 the 2026 ESG NOFA and to authorize staff to make any
1764 necessary technical corrections to ensure proper
1765 implementation. The Department has received an
1766 allocation of \$10,262,662 from the U.S. Department of
1767 Housing and Urban Development for the 2026 ESG program
1768 year. Of this amount, \$461,820, or 4.5 percent of it,
1769 is going to be held for or retained for administrative
1770 costs associated with program delivery. The remaining
1771 \$9,800,842 will be made available through this NOFA to
1772 support ESG activities statewide. ESG funding is a key
1773 federal resource supporting the state's response to
1774 homelessness.

1775

1776

1777 The funds can be used to provide services under
1778 emergency shelter, street outreach, rapid rehousing, and
1779 homelessness prevention, as well as HMIS and
1780 administrative activities. Collectively, these
1781 activities are designed to help individuals and families
1782 experiencing homelessness or at risk of homelessness
1783 return to stable housing as quickly as possible. Funds
1784 will be distributed across the state's 12 Continuum of
1785 Care regions using the established statutory regional
1786 formula, which takes into account poverty levels, cost
1787 burden, PIT counts, which is our local homelessness
1788 data, and prior ESG funding received from HUD. This
1789 methodology is intended to ensure equitable distribution
1790 while targeting areas with greatest need. The Department
1791 will continue using a hybrid funding schedule for the
1792 2026 ESG NOFA. Approximately 80 percent of the
1793 allocation will be retained to make awards for
1794 continuing award recipients. This award supports
1795 experienced, high-achieving subrecipients that the
1796 Department has done business within the past. The
1797 remaining 20 percent will be made available through a
1798 competitive application process in the regional
1799 competition.

1800

1801

1802 Any funds not fully utilized through continuing awards
1803 will be made available during the regional competition
1804 to ensure full utilization of resources. Final regional
1805 funding allocations will be posted on our website on or
1806 before June 6th of 2026. This will provide final
1807 available funds to applicants prior to application
1808 deadline. If approved, the application period will open
1809 May 26th and will close on June 25, 2026, at 5 p.m.
1810 Applicants may request between \$75,000 and up to
1811 \$400,000 in program participant services, subject to the
1812 regional allocation funding available. All awards will
1813 remain subject to applicable federal regulations and HUD
1814 requirements, including environmental review, fair
1815 housing, and uniform administrative requirements, as
1816 well as any applicable state rules. This NOFA also
1817 reflects the Board-approved limited waiver allowing
1818 certain entities previously deemed ineligible for a
1819 continuing award to apply through the competitive
1820 process consistent with the revised eligibility
1821 framework that was just approved today. Staff recommends
1822 that the Board authorize the Executive Director and its
1823 designees to publish the 2026 ESG NOFA in the Texas
1824 Register and make any necessary technical corrections to
1825 implement the program as we've described.

1826

1827 This concludes my presentation, and I'm happy to answer
1828 questions.

1829

1830 **Leo Vasquez III (1:15:58):**

1831 Not to overcomplicate things, but how much did you just
1832 say that for competitive awards, that's the range that
1833 typically...

1834

1835 **Rosy Falcon (1:16:09):**

1836 Okay. So it's going to be 20 percent. So overall, it's
1837 going to be...

1838

1839 **Leo Vasquez III (1:16:15):**

1840 The individual awards under that 20 percent.

1841

1842 **Rosy Falcon (1:16:17):**

1843 Under 20 percent. So collectively for the 12 CoCs,
1844 we're going to have \$2,263,485 available for anybody to
1845 compete. And then we do have individual totals for each
1846 of the CoCs that I'm happy to go over or if you want
1847 to...

1848

1849 **Leo Vasquez III (1:16:35):**

1850 I thought you said something about \$75,000 to \$90,000.

1851

1852 **Abigail Versyp (1:16:39):**

1853 Oh, right. Okay. So everybody that applies, the
1854 minimum application that we can receive, and so there's
1855 four components they could apply to provide, that's
1856 emergency shelter, rapid rehousing, street outreach, or
1857 homelessness prevention.

1858

1859 So if they apply for all four, the total amount that
1860 they request has to be at least \$75,000. So that's the
1861 lowest application request we will accept in the
1862 competition.

1863

1864 **Leo Vasquez III (1:17:04):**

1865 So just taking a hypothetical continuing award of
1866 \$30,000 that someone might have, they could get at least
1867 75,000 by applying competitively.

1868

1869 **Rosy Falcon (1:17:19):**

1870 Right. Applying competitively, they would have to
1871 request \$75,000 minimum to be evaluated in the
1872 competition. Now, how we get to potentially...

1873

1874 **Leo Vasquez III (1:17:26):**

1875 But they might not get \$75,000, but they could...

1876

1877 **Rosy Falcon (1:17:28):**

1878 They might not get 75, right. In order for us to deem
1879 the application eligible for review, it would have to
1880 add up to \$75,000 or more. They could, however, end up
1881 with less if, Depending on their rank. So we will rank
1882 them from highest to lowest, and if there is \$30,000
1883 left by the time we get to their award or to their
1884 potential award, then we offer them a partial.

1885

1886 **Leo Vasquez III (1:17:54):**

1887 Okay. So we don't have to award at least 75, they just
1888 need to apply for at least 75.

1889

1890 **Rosy Falcon (1:17:59):**

1891 Correct. Right. They need to, yeah. Everybody needs
1892 to at least apply for the \$75,000, either in one
1893 component or in a combination of, to be considered in
1894 the regional competition. In the continuing award, that
1895 is strictly based on what they were last awarded, and
1896 then there's calculations to come.

1897

1898 If, for example, this year we received less money from
1899 HUD, so everybody in the continuing award got decreased
1900 by 0.44 percent based on their last award. And so

1901 that's how we end up with offering awards prior to the
1902 competition less than 75.

1903

1904 **Leo Vasquez III (1:18:33):**

1905 Okay. One more question. So if someone eligible, a
1906 recipient eligible for a continuing award, can they
1907 automatically get their continuing award and could they
1908 apply for a competitive additional award?

1909

1910 **Rosy Falcon (1:18:53):**

1911 Yes. So if they receive a continuing award under the
1912 homelessness prevention component, that they're
1913 ineligible to participate in that competition for
1914 another homelessness prevention component. But we do
1915 have subrecipients that get, let's say, street outreach
1916 and continuing award, but they want to venture into
1917 rental assistance and so they apply for rapid rehousing.
1918 That is allowable. They just can't compete for the same
1919 component they were already funded for.

1920

1921 **Leo Vasquez III (1:19:19):**

1922 Okay. I could keep going down this rabbit hole, but
1923 okay. Thank you for that clarification.

1924

1925

1926 **Rosy Falcon (1:19:26):**

1927 (Indiscernible - simultaneous speech.

1928

1929 **Leo Vasquez III (1:19:27):**

1930 Yes. Okay. Does anyone have questions on this item?

1931 If not, would Mr. Harper like to make a motion?

1932

1933 **Holland Harper (1:19:36):**

1934 I move the Board approve the 2026 Emergency Solutions

1935 Grant program notice of funding availability, all as

1936 described, conditioned, and authorized the board action

1937 request, resolution, and associated documents on that

1938 item.

1939

1940 **Leo Vasquez III (1:19:46):**

1941 Motion made by Mr. Harper, I think. Is there a second?

1942

1943 **Anna Maria Farias (1:19:50):**

1944 Second.

1945

1946 **Leo Vasquez III (1:19:50):**

1947 Seconded by Ms. Farias. All those in favor say aye.

1948

1949 **All Board Members (1:19:53):**

1950 Aye.

1951

1952 **Leo Vasquez III (1:19:54):**

1953 Any opposed? Hearing none, motion carries. Thank you.

1954 Okay. Now item 23 of the agenda. Okay. Presentation,

1955 discussion, and possible action on an amendment to the

1956 Department's 2026-2 HOME NOFA. Ms. Stevenson.

1957

1958 **Priscilla Stevenson (1:20:10):**

1959 Excuse my excitement. I was a little excited to speak

1960 with y'all this morning. Good morning, Chairman Vasquez

1961 and members of the Board. My name is Priscilla

1962 Stevenson, Manager of the Multifamily Direct Loan

1963 program. This item concerns an amendment to the 2026-2

1964 notice of funding availability to create a new

1965 application acceptance period for the Community Housing

1966 Development Organization, better known as CHDO, set-

1967 aside. Federal regulations require that all

1968 participating jurisdictions in the HOME program reserve

1969 at least 15 percent of their annual funds for housing

1970 that is to be owned or developed by CHDOs.

1971 A CHDO is a private, community-based nonprofit

1972 organization with the capacity to develop affordable

1973 housing. These organizations act as community-focused

1974 partners that develop, own, or support affordable

1975 housing for low-income residents.

1976

1977 Our current HOME NOFA includes a CHDO set-aside of
1978 approximately \$10 million. Applications for this set-
1979 aside were due by March 30th. One application was
1980 submitted which has since then been terminated and the
1981 subject of an appeal heard earlier today. Because funds
1982 remain within this set-aside, staff is asking for
1983 approval to begin accepting applications again with a
1984 new deadline of June 30th of 2026. Separately, HUD is
1985 currently in the process of updating the per-unit
1986 subsidy limits for the home program. While these new
1987 limits have not yet been finalized, staff is requesting
1988 the authority to update the NOFA once the new limits are
1989 available. Staff recommends approval and I'm happy to
1990 answer any questions that you may have.

1991

1992 **Leo Vasquez III (1:21:39):**

1993 Okay. So at this point, it's going to be published at
1994 10 million.

1995

1996 **Priscilla Stevenson (1:21:42):**

1997 Yes. So we had...

1998

1999 **Leo Vasquez III (1:21:43):**

2000 And it's subject to whatever changes that HUD has.

2001

2002 **Priscilla Stevenson (1:21:44):**

2003 Yes, correct.

2004

2005 **Leo Vasquez III (1:21:47):**

2006 Okay. Any questions from board members? If not, would

2007 anyone care to make a motion?

2008

2009 **Holland Harper (1:21:55):**

2010 I move the Board approve the 2026-2 HOME updated notice

2011 of funding availability, all as described, conditioned,

2012 and authorized the board action request, resolution, and

2013 associated documents on this item.

2014

2015 **Anna Maria Farias (1:22:06):**

2016 Second.

2017

2018 **Leo Vasquez III (1:22:07):**

2019 Motion made by Mr. Harper. Seconded by Ms. Farias. All

2020 those in favor say aye.

2021

2022 **All Board Members (1:22:11):**

2023 Aye.

2024

2025

2026 **Leo Vasquez III (1:22:12):**

2027 Any opposed? Hearing none, motion carries.

2028

2029 **Priscilla Stevenson (1:22:14):**

2030 Thank you.

2031

2032 **Leo Vasquez III (1:22:15):**

2033 Thanks, Priscilla. I believe we are on item 31 of the

2034 agenda.

2035

2036 **Cody Campbell (1:22:23):**

2037 That sounds correct.

2038

2039 **Leo Vasquez III (1:22:25):**

2040 Okay. Presentation, discussion, and possible action on

2041 point penalties for the 2025 9 percent housing tax

2042 credit applications relating to the readiness to proceed

2043 scoring item. Mr. Campbell.

2044

2045 **Cody Campbell (1:22:38):**

2046 Thank you, Mr. Vasquez. Again, I'm Cody Campbell,

2047 Director of Multifamily Programs for the Department.

2048

2049 We're back to discussing the 9 percent housing tax

2050 credit program, and this item concerns a scoring item

2051 within that program called the readiness to proceed
2052 scoring item.
2053
2054 Applicants that elect this scoring item are eligible to
2055 receive one point, and to get that, they must certify
2056 that they will close on the development site and submit
2057 for building permits no later than March 31st of the
2058 following year. Last year, we had 46 of our awarded
2059 applications that selected these points, and of those
2060 46, 10 did not meet the deadline. The 10 developments
2061 are outlined in the board action report or the board
2062 action item. Those are the only ones that we've
2063 recommended a penalty for. I did attach the submissions
2064 that we received from the other developments. That has
2065 caused some confusion in the industry. I do apologize
2066 for that. The only developments that we're recommending
2067 a penalty for are the ones named in the board item.
2068 It's just 10 of these. The penalty would be one point
2069 in next year's round, so it would apply to 2027
2070 applications.
2071
2072 Staff recommends that the Board approve this item. And
2073 I'm happy to answer any questions you may have.
2074
2075

2076 **Leo Vasquez III (1:23:47):**

2077 Okay. To clarify, 36 did meet the deadline and these 10
2078 did not.

2079

2080 **Cody Campbell (1:23:52):**

2081 Correct.

2082

2083 **Leo Vasquez III (1:23:56):**

2084 Okay. Are y'all speaking on this one or is it still?

2085 Okay. All right. Okay. Mr. Marchant.

2086

2087 **Kenny Marchant (1:24:01):**

2088 So they get a penalty, one-point penalty on the next
2089 round.

2090

2091 **Cody Campbell (1:24:06):**

2092 Yes, sir.

2093

2094 **Kenny Marchant (1:24:07):**

2095 But can they apply again for the one-point readiness
2096 bonus?

2097

2098 **Cody Campbell (1:24:11):**

2099 Yes, sir. There's not a probation on that.

2100

2101 **Kenny Marchant (1:24:13):**

2102 Even though they failed to perform that the previous
2103 year.

2104

2105 **Cody Campbell (1:24:17):**

2106 Yes, sir.

2107

2108 **Kenny Marchant (1:24:17):**

2109 So is your opinion that there's some gaming going on,
2110 or?

2111

2112 **Cody Campbell (1:24:25):**

2113 No, sir. I don't believe so. I do think that some
2114 people go into this point category optimistically.
2115 Housing developers are the most optimistic group of
2116 people I've ever met. I think the intentions are good
2117 and 10 of them just didn't make it.

2118

2119 **Kenny Marchant (1:24:43):**

2120 Is there any recidivism in that group?

2121

2122 **Cody Campbell (1:24:46):**

2123 That is a great question. I should have checked on that
2124 and I don't know the answer off the top of my head. But
2125 we do see the same players over and over again, so I

2126 wouldn't be surprised if there was, but I can't say for
2127 certain that there is.

2128

2129 **Leo Vasquez III (1:24:58):**

2130 That's actually a very interesting point or issue maybe
2131 that deserves an extra point if they end up missing
2132 twice in a row.

2133

2134 **Kenny Marchant (1:25:06):**

2135 And at the most, they should not be allowed to apply
2136 again for their, you're not allowed to be overly
2137 optimistic again in the next round. Let's just put it
2138 to you that way. That would penalize them two points
2139 actually, wouldn't it?

2140

2141 **Cody Campbell (1:25:22):**

2142 It would, essentially.

2143

2144 **Kenny Marchant (1:25:22):**

2145 Where it would keep them from applying for that other,
2146 and we should look at that in the upcoming...

2147

2148 **Leo Vasquez III (1:25:32):**

2149 QAP.

2150

2151 **Cody Campbell (1:25:32):**

2152 I'll make a note of that. Thank you.

2153

2154 **Kenny Marchant (1:25:34):**

2155 Or when we look at the rules. If there's recidivism, if

2156 it's a different group that's rolling over every year, I

2157 understand, but...

2158

2159 **Cody Campbell (1:25:44):**

2160 We'll take a look at that. Thank you.

2161

2162 **Kenny Marchant (1:25:45):**

2163 Okay. Thanks.

2164

2165 **Leo Vasquez III (1:25:47):**

2166 Good. Makes sense. Mr. Thomas, do you have a...

2167

2168 **Ajay Thomas (1:25:50):**

2169 Yes, sir. Cody, just a quick question, just for my own

2170 knowledge. The statute says that we can penalize up to

2171 two points. Why recommend one?

2172

2173 **Beau Eccles (1:25:59):**

2174 It's actually rule.

2175

2176 **Ajay Thomas (1:26:00):**

2177 It's a rule. Sorry, rule.

2178

2179 **Cody Campbell (1:26:01):**

2180 The rule says up to two. We go with one because one is
2181 a significant penalty. And it does not appear that any
2182 of these applicants failed intentionally. I don't
2183 believe that there's any, and Beau would hesitate for me
2184 using this word, but in the casual sense of the word,
2185 negligence that caused missing this deadline. Things
2186 just didn't line up in time for the deal to close, and
2187 so a two-point penalty would be insurmountable.

2188 One point is already pretty challenging to get over, and
2189 as a staff, we just believe the one point is sufficient.
2190 However, the Board could assess two points.

2191

2192 **Ajay Thomas (1:26:35):**

2193 Okay. Great. Thanks.

2194

2195 **Kenny Marchant (1:26:36):**

2196 But the two-point, you would do the two points if you
2197 didn't allow them to make that application just the next
2198 year for that optimism point.

2199

2200

2201 **Cody Campbell (1:26:48):**

2202 The effect would be the same. Yes, sir.

2203

2204 **Holland Harper (1:26:50):**

2205 Now, board members, for some of you have filed for
2206 building permits and some of you have not filed for
2207 building permits. 21.74 percent of these people did not
2208 achieve what they wanted to do. So less 80/20 rule.
2209 And I will tell you as somebody that files for building
2210 permits all the time, there's a lot of things out of
2211 your control.

2212

2213 **Leo Vasquez III (1:27:16):**

2214 So they're not being unreasonably optimistic.

2215

2216 **Holland Harper (1:27:20):**

2217 I'm a guy that, I file for building permits every week.
2218 So let's be reasonable to all human beings out there.
2219 Mr. Chairman, I'm ready if you are.

2220

2221 **Leo Vasquez III (1:27:34):**

2222 I'm ready for a motion. Mr. Harper.

2223

2224 **Holland Harper (1:27:38):**

2225 I move the Board approve the assessment of one-point

2226 penalty for the 2027 competitive housing tax credit
2227 application round to the applicants and affiliates of
2228 the 10 applications described in the board action
2229 request, resolution, and associated documents on this
2230 item.

2231

2232 **Anna Maria Farias (1:27:52):**

2233 Second.

2234

2235 **Cindy Conroy (1:27:52):**

2236 Second.

2237

2238 **Leo Vasquez III (1:27:55):**

2239 Motion made by Mr. Harper. Seconded by Ms. Farias. All
2240 those in favor say aye.

2241

2242 **All Board Members (1:28:00):**

2243 Aye.

2244

2245 **Leo Vasquez III (1:28:01):**

2246 Any opposed? Hearing none, motion carries. Okay. Item
2247 32, correct? Okay. Report on third-party requests for
2248 administrative deficiency under 10 TAC Section 11.10 of
2249 the 2026 qualified allocation plan. Mr. Campbell,
2250 please provide us this report.

2251

2252 **Cody Campbell (1:28:23):**

2253 It is a report. Thank you, Mr. Vasquez. This is our
2254 annual report on requests for administrative deficiency.
2255 It is one of the bigger items that multifamily presents
2256 to you every year. A request for administrative
2257 deficiency is essentially a challenge that a third party
2258 poses to an application for 9 percent housing tax
2259 credits. Through that challenge, they ask that staff
2260 issue a deficiency on the subject application and make a
2261 determination about whether that application has failed
2262 some threshold or scoring criteria. We received 17
2263 requests for administrative deficiency this year, which
2264 I have to say is quite low. The flip side of that is
2265 that the ones that we did receive are challenging and
2266 nuanced. And so the recommendations that staff is
2267 making today are based on our best reasonable
2268 interpretation of the rules. I don't pretend for a
2269 second that our positions are unassailable.

2270

2271 There are reasonable counterarguments to many of the
2272 things that I'm about to recommend to you, but this is
2273 our best effort to reasonably apply the rules.

2274 As Mr. Vasquez noted, this is a report item. You are
2275 not voting on anything today. However, if you disagree

2276 with any of staff's positions, you may recommend that we
2277 take a second look at something that we're going to
2278 discuss. We've organized this a little bit differently
2279 this year. I have sorted things by the general topic of
2280 each individual request. At the front of the attachment
2281 in your board book that contains the RFADs themselves,
2282 the requests themselves, there is a table of contents
2283 with page numbers. I hope that this makes it easier to
2284 get through this item for you. And with that, I think we
2285 can just jump in to discussing the individual RFADs. I
2286 do believe that we're going to get a significant amount
2287 of public comment on this. Many of the RFADs that we
2288 received this year concerned our tiebreaker. As you may
2289 recall, our tiebreaker awards priority based on a
2290 development site's proximity to valuable community
2291 amenities, including grocery stores, parks, public
2292 libraries, and schools, and each of those features is
2293 defined in the QAP. The first topic that we'll be
2294 addressing with RFADs today concerns public parks.

2295

2296 I have included the full definition of a park from the
2297 QAP in your board book that you may refer to. As we
2298 discuss these first couple, the sentence that is the
2299 focus of the topic is the sentence that says, "A school
2300 campus's facilities may not be used for this feature."

2301 This was added to the QAP after the first year that we
2302 had this tiebreaker because several applicants used
2303 school playgrounds as the tiebreaker. Many people
2304 thought that that was unfair that you were able to use
2305 both the school and the playground as your tiebreaker,
2306 and so we added that in. And unfortunately, a situation
2307 has presented itself that I don't believe is clearly
2308 contemplated in the rules, and this applies to the RFADs
2309 that we received for Ironwood Apartments, Legacy
2310 Palmera, and let's see, what is the other one? Bella
2311 Limon, which is 26175, that starts on page 264.
2312 Essentially what's going on is that we have parks that
2313 are located on school grounds and for which there is a
2314 contract between the school and either the city or the
2315 county for those facilities to be school facilities
2316 during school hours and after hours convert to being by
2317 contract a county or city park. In the case of the
2318 location in Hidalgo, it's the Precinct 2 Inclusive Park.
2319 It is listed as a county park on the website. In the
2320 case of the Cool Schools Park, which is Bella Limon,
2321 it was an existing school facility so far as I can tell
2322 that is now under contract to be operated as a park when
2323 school is not in session. Truthfully, I don't believe
2324 that this situation is clearly contemplated in the
2325 rules. I think that there is an argument to be made

2326 that because those facilities do function as a school
2327 campus's facilities part of the time that they should be
2328 excluded. However, staff is not confident that that
2329 position is strong enough to take negative action on the
2330 subject applications. I am confident that you're going
2331 to get a lot of comments on this, so I'll let each side
2332 explain their position more clearly. Separately,
2333 specifically for the site in Hidalgo, which is the
2334 subject of the first four of these, there is also a
2335 dispute about the measurement to the location of the
2336 park. So the park is located on the parcel that
2337 contains the school. That parcel has been subdivided
2338 into sub parcels and the park is on a sub parcel. The
2339 county appraisal district still considers it one parcel.
2340 The QAP refers to measuring to the parcel, and so staff
2341 is pretty confident that in the measurement it is to the
2342 parcel. On the subject of the park itself, we are
2343 recommending that the board not take or not recommend
2344 staff to take any negative action on the applicant
2345 simply because this isn't clearly contemplated in the
2346 rules, but I expect the discussion to be vibrant.

2347

2348 **Leo Vasquez III (1:33:17):**

2349 Do we want to take this one subject matter at a time?

2350

2351 **Kenny Marchant (1:33:20):**

2352 Yeah. Mr. Chairman, can I just ask one question,
2353 please?

2354

2355 **Leo Vasquez III (1:33:23):**

2356 Yes, Mr. Marchant.

2357

2358 **Kenny Marchant (1:33:25):**

2359 So we could rectify that in the rules by saying unless
2360 there is a contract between...

2361

2362 **Cody Campbell (1:33:32):**

2363 It would be clear if that were the case, and in the
2364 current rules, it does not appear to be clear.

2365

2366 **Kenny Marchant (1:33:36):**

2367 But are we being asked to grant waivers?

2368

2369 **Cody Campbell (1:33:39):**

2370 No, sir. There was not a waiver submitted for any of
2371 these. They were submitted with the intention of
2372 complying with the definition of park as it exists
2373 currently.

2374

2375

2376 **Leo Vasquez III (1:33:48):**

2377 Okay. But before going any further, I want to ask Mr.
2378 Eccles to just remind the Board and speakers what we are
2379 allowed to do here and not allowed or what's the...

2380

2381 **Beau Eccles (1:34:02):**

2382 Right. Staff is bringing forward kind of the staff's
2383 position of how it has evaluated these applications and
2384 how it has viewed the QAP. And in doing so, there has
2385 been some public comment that is contrary to that.

2386

2387 The Board is not here voting on what to do so much as
2388 giving guidance to staff as to what it should or should
2389 not reconsider. So staff's position as it's taken,
2390 staff's logic as it's taken versus the comment that
2391 you're about to receive, if the Board wants to give
2392 staff guidance that it should reconsider a matter,
2393 remand it back to staff to reconsider, it's not
2394 necessarily an order because there's no vote being taken
2395 by the Board, but it's direction to maybe consider a
2396 different logical path. Since no vote is being taken and
2397 no action is being taken, none of the appeal rights are
2398 being affected. This is just a way for the Board to
2399 have input on the direction that staff is taking in
2400 order to just make sure that it jives with it rather

2401 than it coming to July and all of a sudden, this logic
2402 is being challenged.

2403

2404 **Leo Vasquez III (1:35:29):**

2405 Yes. Okay. Do any board members have questions on what
2406 Mr. Eccles just said?

2407

2408 Okay. With that, let's go ahead and take these by
2409 subject matters. And I just want to say if a county or
2410 a municipality lists an area as this is a county park,
2411 this is a city park, even if it's shared with the
2412 school, to me that sounds like it's a park. If the
2413 local jurisdiction declares it a park, I don't see how
2414 we go against that. On the other hand, some of these
2415 school campuses are 10 acres, 15, they're big. So the
2416 distance to that, the park area or park parcel, I think
2417 is where the measurements need to go, not on way on the
2418 other side of the football field.

2419

2420 Just that's my direction that I would advocate for, that
2421 we stick with those. Both seem reasonable to me. I
2422 don't know if anyone else has comments.

2423

2424 **Kenny Marchant (1:36:44):**

2425 Yeah.

2426

2427 **Leo Vasquez III (1:36:44):**

2428 Do board members have comments to make before we start
2429 hearing speakers?

2430

2431 **Kenny Marchant (1:36:47):**

2432 And if we start talking about modifying the QAP or in
2433 your consideration, they should not be verbal
2434 agreements. They should be written.

2435

2436 **Leo Vasquez III (1:36:56):**

2437 Yeah. Written designations, absolutely.

2438

2439 **Kenny Marchant (1:36:59):**

2440 Sounds like they should be in there so Joe can't say Jim
2441 told him that's okay.

2442

2443 **Leo Vasquez III (1:37:06):**

2444 Okay. Who wants to go on this topic, on the parks
2445 topic? Okay. All right. Remember, identify yourself
2446 and your organization.

2447

2448 **Michael Beard (1:37:12):**

2449 Of course. Of course.

2450

2451 **Leo Vasquez III (1:37:14):**

2452 You have three minutes. You don't have to use all three
2453 minutes.

2454

2455 **Michael Beard (1:37:15):**

2456 I'm going to be very concise.

2457

2458 **Leo Vasquez III (1:37:19):**

2459 Okay. All right.

2460

2461 **Michael Beard (1:37:20):**

2462 I appreciate it though, Mr. Chair. My name is Michael
2463 Beard with BETCO Consulting, and I am really speaking
2464 from a policy standpoint to get clarification and pose
2465 maybe a question that wasn't thought out. I agree with
2466 Cody's logic to a large extent, but there is one thing
2467 about this sentence that I want to differentiate between
2468 2025 and 2026. In 2026, the sentence that is bringing
2469 all these challenges related to parks just says a school
2470 campus's facilities may not be used for this feature.

2471

2472 In 2025, there is a semicolon and it further states,
2473 however, a parcel of land that is owned by a school
2474 district may qualify so long as it meets all
2475 requirements. That qualifying statement was in 2025 and

2476 was removed in 2026. And from the development community,
2477 when you see that removal and you now see a more
2478 restrictive, if it's a school's campus facility, it may
2479 not qualify to be used as this feature, to us, that
2480 removal of that sentence is what creates this issue.
2481 I would agree with you, Mr. Chair, that at face value,
2482 if the county considers this a park, if a city says,
2483 hey, we're going to use this as a park after hours, all
2484 of that, I agree 100 percent. But from a policy
2485 standpoint, the removal of that sentence is what creates
2486 an issue, and I just wanted to bring that to everyone's
2487 attention and open it up for discussion.

2488

2489 **Beau Eccles (1:38:59):**

2490 Well, and a quick clarification, unless this is
2491 misprinted, it's not a school campus facility. It's a
2492 school campuses, plural possessive, facilities.

2493

2494 **Michael Beard (1:39:13):**

2495 Correct. It doesn't change the fact.

2496

2497 **Beau Eccles (1:39:17):**

2498 That, it may matter.

2499

2500

2501 **Michael Beard (1:39:21):**

2502 A school campus's facilities may not be used for this
2503 feature. And then in 2025, semicolon, however, a parcel
2504 of land that is owned by a school district may qualify
2505 so long as it meets all the requirements. That sentence
2506 remaining in there, I don't say anything to this Board
2507 for any of these challenges, but the fact that it's
2508 removed, I question why was that removed? That's really
2509 all I had to say on this topic.

2510

2511 **Leo Vasquez III (1:39:48):**

2512 Okay. Thank you.

2513

2514 **Lora Myrick (1:40:01):**

2515 Good morning. My name is Lora Myrick and I'm with BETCO
2516 Consulting, and I would also echo Michael's comments. I
2517 think the other thing is that, just to go a little
2518 further, is we did have discussion as an industry during
2519 the rulemaking process and that's why that sentence was
2520 removed, so we all kind of walked away from that process
2521 and the new rule under a different understanding.

2522

2523 I think the other thing I would mention is it seems that
2524 we hold on to certain things or when these parks are
2525 being evaluated, certain things are taken into

2526 consideration. For example, is this park listed on the
2527 city or county's website under recreational parks? And
2528 that's oddly not in the QAP. That's not a criteria that
2529 is in the QAP and that's how that's going to be
2530 determined. So now you do have a sentence that says if
2531 it's on a school campus, it could not be considered for
2532 this feature. So it seems like we're holding on to some
2533 things that aren't in the QAP, but then we're not
2534 holding on to things that are in the QAP. I think that
2535 there are situations that maybe have come up that maybe
2536 we should reevaluate as a group, as an industry with the
2537 Department. And if we see that there are instances
2538 where perhaps they should be considered, then let's
2539 change the rule for 2027 that we're about to start that
2540 process again. I just think that we took that out as a
2541 rule, as an industry, and that's what we followed.
2542 I think I will also say one more thing. I always put
2543 this in my comments. This is why I like FAQs and I
2544 really hate that they're gone. So I'm going to advocate
2545 again that we should have FAQs because I think this kind
2546 of thing could be addressed in an FAQ and it would help
2547 us understand these things better.
2548
2549 I think finally what I would also say that comes to mind
2550 is we have a predetermination process. If someone saw

2551 something that they weren't sure, we usually submit a
2552 predetermination to staff. Staff looks at it. If we
2553 are given the yes, this looks like it might work for
2554 you, we include that in our application because in the
2555 application there is a section that says has a
2556 predetermination been approved on this? So that would
2557 have helped us. If we had seen a predetermination,
2558 nobody would have filed anything because staff has
2559 already considered this. And those are my comments.
2560 Thank you very much.

2561

2562 **Leo Vasquez III (1:42:34):**

2563 Thanks, Lora.

2564

2565 **Donna Rickenbacker (1:42:40):**

2566 Donna Rickenbacker with Marque. I really wasn't going
2567 to speak on this item and I have no skin in these RFADs,
2568 but this is exactly what I spoke to when the QAP was
2569 being considered by the Board this last round. I'm not
2570 a lawyer, so jump all over this, Beau, but recognizing
2571 these as school campuses, there's a distinction. So
2572 what I put in in '24, or whenever it was, was
2573 recognition that this park, it was truly a park, was
2574 owned by the ISD. It's land owned by the ISD that is
2575 they have an agreement with the city to use it as park.

2576 It has access points open and available to the community
2577 wide. There's no other point except that it's land
2578 owned by the ISD. It's not within the boundaries of the
2579 elementary school, in my instance, and so which is a
2580 fully perimeter access type of facility. This is
2581 outside the campus. It is just simply land that's owned
2582 by the ISD. I really hope that we will make those
2583 distinctions in this next QAP because I think if you've
2584 got a true public park and you're denying that applicant
2585 for no other reason than it's land owned by the ISD,
2586 then I don't know that that's an appropriate way to
2587 judge it. So those are my comments. Thank you.

2588

2589 **Leo Vasquez III (1:44:26):**

2590 Thanks, Donna. And just for a general statement to
2591 everyone, I believe when we went through this, the issue
2592 was applicants claiming a school playground as a park
2593 when the school did not allow access to that playground.
2594 So you can't call it a park if you can't use it.

2595

2596 And we obviously need to add some clarification on this
2597 if it's designated as a park by the local jurisdiction
2598 if you count as a park.

2599

2600

2601

2602 **Kenny Marchant (1:44:59):**

2603 Mr. Chairman, the other question that I'd like to get
2604 addressed, Cody, is if this was a private, let's say it
2605 was Houston Christian School or a big church has a
2606 playground. It's the church playground, but it's the
2607 school playground, but it's not the public schools. So
2608 if we're going to look at this, let's tighten it up as
2609 much as we can and what is our intent on that.

2610

2611 **Cody Campbell (1:45:30):**

2612 Sure.

2613

2614 **Leo Vasquez III (1:45:30):**

2615 Yeah. Public access, yeah, that's true.

2616

2617 **Kenny Marchant (1:45:32):**

2618 Is it a school playground that there's an agreement,
2619 could we put there,

2620

2621 **Bobby Wilkinson (1:45:40):**

2622 And it wouldn't meet our current definition of a
2623 playground.

2624

2625

2626 **Cody Campbell (1:45:42):**

2627 Right. A private playground would not. It's the
2628 existing of the...

2629

2630 **Kenny Marchant (1:45:45):**

2631 Would not. So a Christian school would not qualify as
2632 a, what if they had an agreement?

2633

2634 **Bobby Wilkinson (1:45:53):**

2635 Any playground that wasn't open to the public would not
2636 meet our definition.

2637

2638 **Kenny Marchant (1:45:57):**

2639 Okay.

2640

2641 **Sarah Anderson (1:46:04):**

2642 Always up here on these difficult topics. Sarah
2643 Anderson, S. .Anderson Consulting. I do have one of
2644 these, so I do have skin in the game. There was
2645 discussion and we did, I think universally decide that a
2646 school playground didn't qualify. But there was
2647 discussion and specifically in the, if you go back
2648 through the comments that were made last year and
2649 staff's response, somebody specifically brought up this
2650 situation of something like the Cool Schools or where

2651 the city goes to the school and wants to use the land
2652 for a public park. And staff responded specifically to
2653 that and said that they understood and saw the
2654 differentiation and believed that they had made change
2655 to the language to allow for that situation. So in the
2656 reasoned response, this was discussed and sort of
2657 intimated that if it was a separate facility, that it
2658 would probably meet the definition. So might want to go
2659 back and take a look at that. We took that language as
2660 opening the door for if there was a, if you go and look
2661 at the language of what facility means, it's the
2662 playground materials, anything but the land in our case.
2663 But for the fact that the city contacted the schools,
2664 said they wanted to build it, they bought, put in,
2665 operate, maintain that park. The school has nothing to
2666 do with it except for owning the land. In our case, it's
2667 a park that was built for little children, more of like
2668 a tiny tot type of park that's on a middle school land,
2669 not even really appropriate. There's no reason that the
2670 middle schoolers would ever use it.

2671

2672 It's on the other side of a parking lot, literally a
2673 corner lot that looked like a throwaway land. So I
2674 understand where they're coming from, but I feel like
2675 the conversation came up and there was a distinction

2676 made and anticipated that something like this might come
2677 up. And if we need to be more specific, I agree that
2678 there are things that we can do, but as of right now, I
2679 think what we submitted meets what the QAP says and what
2680 the intent was. So thank you.

2681

2682 **Leo Vasquez III (1:48:39):**

2683 Thanks, Sarah.

2684

2685 **Megan Lasch (1:48:47):**

2686 Good afternoon. Megan Lasch, O-SDA Industries. I'm
2687 actually the applicant for Bella Limon, which is one of
2688 the applicants that received the RFAD. Just want to
2689 follow kind of what staff said and just kind of take a
2690 step back and think about what the intent here was of
2691 the item, which was to provide close access to a public
2692 park, which is, which is what we're doing. We're so
2693 close, you can throw a rock at it. So from a perspective
2694 of looking at as we're building more urban development
2695 these days, I actually applaud the City of Dallas and
2696 ISD, Dallas ISD, for coming up with creative solutions
2697 versus just spending our taxpayer dollars on buying
2698 urban land like the City of Austin is doing right now,
2699 and so these creative solutions are going to come up
2700 more often.

2701 Our particular park is actually on the Dallas Parks and
2702 Recreation program. They paid for the facilities. They
2703 have an operating agreement where City of Dallas pays
2704 for the park and operates it. I think that in this next
2705 round of QAP as we look forward, these creative
2706 solutions are what we should be supporting and looking
2707 after. So just wanted to point out as the urban
2708 environment changes and as land cost changes, I think
2709 things like this will continue to come up and are things
2710 that are good for our residents to be able to access.

2711

2712 **Leo Vasquez III (1:49:59):**

2713 Okay. Thanks, Megan.

2714

2715 **Kenny Marchant (1:50:14):**

2716 Mr. Chairman, while he's writing his name down.

2717

2718 **Leo Vasquez III (1:50:17):**

2719 Yes, Mr. Marchant.

2720

2721 **Kenny Marchant (1:50:19):**

2722 I'm listening to Mr. Beau and trying to understand, we
2723 are not voting on anything on this. So all this
2724 discussion is about how we might amend the QAP for next
2725 time.

2726

2727 **Cindy Conroy (1:50:34):**

2728 Or direct staff.

2729

2730 **Kenny Marchant (1:50:36):**

2731 Or direct staff to consider. Is that the function of

2732 what we're doing?

2733

2734 **Beau Eccles (1:50:41):**

2735 Yes.

2736

2737 **Kenny Marchant (1:50:41):**

2738 Okay.

2739

2740 **Leo Vasquez III (1:50:42):**

2741 But we could direct staff to apply the interpretation of

2742 parks as being if it's a designated public park,

2743 regardless of its being owned or on a ISD.

2744

2745 **Kenny Marchant (1:51:01):**

2746 By virtue of some written agreement.

2747

2748 **Leo Vasquez III (1:51:03):**

2749 By virtue, yeah, an actual designated park by...

2750

2751 **Kenny Marchant (1:51:08):**

2752 And these four projects would be affected by that if we
2753 were to make that directive. I'll give you that input.

2754

2755 **Cody Campbell (1:51:17):**

2756 The ones that would be affected are the ones in line
2757 behind it that are trying to convince the Board that
2758 these should not count as parks and therefore should be
2759 excluded from the tiebreaker.

2760

2761 **Kenny Marchant (1:51:28):**

2762 So these McAllen, these ones that are listed here?

2763

2764 **Cody Campbell (1:51:33):**

2765 Yes, sir.

2766

2767 **Kenny Marchant (1:51:34):**

2768 Are the ones that you're saying we'd probably get and
2769 the people that are coming up are the ones right behind
2770 them that would benefit if we knock these out.

2771

2772 **Cody Campbell (1:51:43):**

2773 That is generally correct, yes, sir.

2774

2775

2776 **Kenny Marchant (1:51:45):**

2777 All right. Okay.

2778

2779 **Beau Eccles (1:51:48):**

2780 And I would just clarify, it's less about coming up with

2781 some sort of pronouncement of the meaning of the QAP so

2782 much as staff is coming forward with how they have

2783 interpreted it. Does the Board disagree with it and

2784 would like staff to maybe take another look at it from a

2785 different perspective, given what they're hearing, or is

2786 the Board comfortable with how it's been interpreted?

2787 Subsequently, this is all fodder for the Board's

2788 consideration in the upcoming QAP.

2789

2790 **Wallace Reed (1:52:28):**

2791 Wallace Reed, I represent the development consultant for

2792 Hudson Hallmark, which is one of the applications that

2793 would benefit if particularly McAllen Park was not

2794 considered a public park. I don't think any rule is

2795 going to be perfect. There's two different

2796 conversations going on right now, and it's a separate

2797 facility versus within the campus facilities. In the

2798 case of the McAllen Park, which is located in Hidalgo,

2799 it is part of the school's facility. It is behind the

2800 school gates. If you were to go with your child or go

2801 with someone right now to the park, you would not be
2802 able to access it. The park has listed hours where it's
2803 4:30 to 8 p.m., Monday through Friday and Saturdays and
2804 Sundays, it's open from 9 a.m. to 7 p.m. Any other time
2805 besides that, it's closed. The gates locked. You can't
2806 even access it. You can't walk in. Why that matters is
2807 there's a rule similar with another tiebreaker, which is
2808 a library. In the QAP, it specifically states the
2809 library has to be opened up 40 hours a week to be able
2810 to use the library as a tiebreaker, just to begin with.
2811 If you count the hours with this public park is actually
2812 open, it's 37-and-a-half. Two different items, two
2813 different sets, but is it really public if I can't go
2814 right now with my child and use it?

2815

2816 **Leo Vasquez III (1:53:55):**

2817 Out of curiosity, why did you refer to this as a park?

2818

2819 **Wallace Reed (1:54:01):**

2820 Don't get me wrong, it's listed as a county park. It's
2821 on the website. But it is owned by Valley View ISD and
2822 the lease agreement, which is in the supplemental board
2823 book, specifically states that the first and foremost
2824 purpose of this park is for the betterment of the
2825 school. The purpose to build this park, I assume, I

2826 don't know, I wasn't involved with it, I assume they
2827 applied for some sort of county or state funds to build
2828 an inclusive park is what it's called, and it's on
2829 school property. They use the ability to use the school
2830 property to build the park, but it serves the school
2831 population first. It is closed during school hours.
2832 The essence of the word is public, so it is a park, but
2833 it's not public.

2834

2835 **Leo Vasquez III (1:54:49):**

2836 Great. Understood. Thanks.

2837

2838 **Michael Tamez (1:55:03):**

2839 Hello, my name is Michael Tamez with Madhouse
2840 Development. Speaking to that gentleman's point there,
2841 they're closed during school hours because children are
2842 in school. These things are open when school campuses
2843 are closed for that day. If there's a holiday, they're
2844 open on the weekends. I take my kids to these parks
2845 after hours when they're out of school, and that's when
2846 we utilize these facilities. There is a lease agreement,
2847 as the gentleman pointed out, that they're allowed to
2848 use this facility. They are operating and maintaining
2849 this as a public park. And this is a high school that
2850 if you saw this park, as you kind of referenced, it's a

2851 park. I don't think any high school kid should be using
2852 anything on this facility. It's like little baby
2853 swings, merry-go-rounds, things like that, that are
2854 really designed for toddlers and really small children.
2855 So I'm here if the Board has any questions on this
2856 specifically.

2857

2858 **Leo Vasquez III (1:55:57):**

2859 Okay. Thank you.

2860

2861 **Shane Lynch (1:56:02):**

2862 Good morning. Shane Lynch, I'm the applicant for Hudson
2863 Hallmark. First, I want to start by just acknowledging
2864 staff. This is the first time I met Cody, but every
2865 time we talked to them, they've been awesome and I do
2866 not envy the position that they're in. There's a lot of
2867 money at stake and these are not easy questions.
2868 I'm not going to belabor whether this is a park too much
2869 or not. People can access it after school hours. But I
2870 would point out that in these developments, you have a
2871 lot of people that have different age kids. And the
2872 reason that these are tiebreakers is because we are
2873 trying to create amenities that are close to them and so
2874 that they have a good place to live. I myself have an
2875 almost six-year-old. He gets out of school at 2

2876 o'clock. I often take him to the park after school. I
2877 could not take him to this park, not until 4:30. In
2878 these developments, you're going to have a lot of people
2879 that work hourly jobs, that have small kids. They might
2880 not be able to take their kids 4:30 and later. They
2881 might have to take them during the morning. And so this
2882 park does not work for them. Is it a park? Sure, but
2883 it's a limited access park. What I am going to talk a
2884 little bit more about is the measurement.

2885

2886 So this park is on a corner of a tract of land next to a
2887 school, and as Mr. Campbell pointed out, it shows on the
2888 tax records as one parcel. I cannot give you the site
2889 because I don't remember it off the top of my head. But
2890 if you were to look through Texas law, you will not find
2891 a single definition of parcel. You will see that in
2892 Texas Tax Code, you can actually have multiple tracts of
2893 land that have a single tax account, so they would show
2894 as one "single parcel." And the QAP actually
2895 contemplates this. The QAP says that when you measure
2896 it, "the linear measurement will be performed from the
2897 closest parcel boundary of the development site to the
2898 closest parcel boundary of each feature." But then it
2899 defines the development site in relevant part as the
2900 area on which the development is proposed and to be

2901 encumbered by a LURA. So it is possible and contemplated
2902 in the QAP that you could have a large continuous tract
2903 of land and a sub parcel that is governed by the LURA.
2904 That's the exact case here, except the other way. You
2905 have one large piece of land and a parks in a corner.
2906 And the applicants that are ahead of me, they measure to
2907 the exact same point for their school and for their
2908 park, but the park is actually 1,200 feet away from
2909 where they measured.

2910

2911 So I ask that the Board ask staff to apply the rules as
2912 written and consider the hours and the tenants that are
2913 going to live in these places, whether they can access
2914 them at reasonable times for their kids, considering
2915 that they might have hourly jobs, that kids might get
2916 off school early, and whether it is correct to measure
2917 1,200 feet away for the park. Thank you.

2918

2919 **Leo Vasquez III (1:59:12):**

2920 Shane, did you sign in?

2921

2922 **Shane Lynch (1:59:13):**

2923 Yes.

2924

2925

2926 **Leo Vasquez III (1:59:14):**

2927 Okay. Okay. All right. That was fast. Okay. All
2928 right. Thanks. Okay. Great. I think we have a sense
2929 of what some of the issues are here. On that last, as I
2930 said at the beginning, I think we need to measure to the
2931 park area, not the whole campus of where this is. And
2932 also for the record, I think that...

2933

2934 **Bobby Wilkinson 1:59:39):**

2935 To change the QAP for next time.

2936

2937 **Leo Vasquez III (1:59:41):**

2938 And to clarify, well, then this is what we're about to
2939 discuss on whether to give directive suggestion to the
2940 staff to redo this. And for the record, I think merry-
2941 go-rounds are fun for all ages. Cody, do you have
2942 anything to add on this?

2943

2944 **Cody Campbell (1:59:59):**

2945 It's tough when everyone makes sense and I think this is
2946 one of those situations.

2947

2948 **Leo Vasquez III (2:00:05):**

2949 Do any board members want to chime in with some
2950 thoughts? Do we want to give, right now the

2951 interpretation that staff has done is not to count a
2952 park on a school property, a school-owned property, even
2953 if it's deemed a park by the county or the city.

2954

2955 **Bobby Wilkinson (2:00:31):**

2956 No. We are allowing it.

2957

2958 **Leo Vasquez III (2:00:33):**

2959 Okay. We are allowing it.

2960

2961 **Bobby Wilkinson (2:00:34):**

2962 Yeah, yeah.

2963

2964 **Leo Vasquez III (2:00:34):**

2965 Okay. All right. Well done from my perspective.

2966

2967 **Cody Campbell (2:00:37):**

2968 A bunch of people in the room just got very excited.

2969

2970 **Leo Vasquez III (2:00:41):**

2971 Okay. Does anyone have a problem?

2972

2973 **Kenny Marchant (2:00:47):**

2974 What I heard was that we did this QAP to address another
2975 issue, right, that we were having? So by solving that

2976 one, we kind of brought two or three others up. But
2977 anyway...

2978

2979 **Leo Vasquez III (2:01:03):**

2980 We didn't consider the language and,

2981

2982 **Kenny Marchant (2:01:03):**

2983 I didn't consider any locks, I didn't consider to lock
2984 gates. I never contemplated that. So the city could
2985 have an agreement with the school district to use it as
2986 a park, but then the school district could impose its
2987 rules during school hours that would limit it to the
2988 general public.

2989

2990 **Cody Campbell (2:01:26):**

2991 That is correct, yes.

2992

2993 **Kenny Marchant (2:01:27):**

2994 And that's the case here.

2995

2996 **Cody Campbell (2:01:29):**

2997 Yes, sir.

2998

2999 **Leo Vasquez III (2:01:30):**

3000 And we can't use a private park as your other example as

3001 well. Has to be a public park with public access.
3002 That's what you're using right now, a designated public
3003 park.

3004

3005 **Cody Campbell (2:01:42):**

3006 That is correct.

3007

3008 **Leo Vasquez III (2:01:43):**

3009 That's how we've interpreted it.

3010

3011 **Cody Campbell (2:01:44):**

3012 Yes, sir.

3013

3014 **Leo Vasquez III (2:01:45):**

3015 Okay. Does...

3016

3017 **Kenny Marchant (2:01:46):**

3018 With no limitations. With no access limitations.

3019

3020 **Bobby Wilkinson (2:01:52):**

3021 Every park has access limitations.

3022

3023 **Leo Vasquez III (2:01:53):**

3024 Well, during the day. Yeah. And lots of them say

3025 you're closed at dusk or whatever, yeah.

3026

3027 **Kenny Marchant (2:01:56):**

3028 Okay. I got you. I got you.

3029

3030 **Leo Vasquez III (2:02:00):**

3031 Okay. So y'all have interpreted that way to begin with.

3032

3033 **Cody Campbell (2:02:04):**

3034 Yes, sir.

3035

3036 **Leo Vasquez III (2:02:04):**

3037 And what about the distance issue? Did you go to the...

3038

3039 **Cody Campbell (2:02:08):**

3040 We went to the parcel as defined by the county appraisal

3041 district, but it sounds like the Board or at least Mr.

3042 Vasquez...

3043

3044 **Leo Vasquez III (2:02:14):**

3045 The parcel. No. You went to the overall...

3046

3047 **Cody Campbell (2:02:19):**

3048 The parcel itself rather than the sub parcel, but...

3049

3050

3051 **Leo Vasquez III (2:02:24):**

3052 Okay. Does anyone besides me think that we should be
3053 measuring to the sub parcel of the actual park versus...

3054

3055 **Kenny Marchant (2:02:34):**

3056 Well, the county appraisal district, they're prone to do
3057 parcels based on surveys and a lot of reasons that we
3058 can't make them do it differently. But can you usually
3059 identify the park to a specific parcel?

3060

3061 **Cody Campbell (2:02:58):**

3062 So the request itself that came in included a legal
3063 description of the sub parcel that has been filed. It
3064 is not reflected in the county appraisal district, but
3065 yes, it is identifiable based on the documentation that
3066 they have submitted to us.

3067

3068 **Beau Eccles (2:03:13):**

3069 And could you go through the wording of the rule on
3070 this?

3071

3072 **Cody Campbell (2:03:17):**

3073 I can, if you can give me a second to grab the QAP.

3074

3075

3076 **Beau Eccles (2:03:19):**

3077 Sure.

3078

3079 **Kenny Marchant (2:03:20):**

3080 But we heard testimony from one gentleman that it was

3081 1,200 feet away and he...

3082

3083 **Leo Vasquez III (2:03:26):**

3084 Further than the school.

3085

3086 **Kenny Marchant (2:03:28):**

3087 Further than the school.

3088

3089 **Leo Vasquez III (2:03:29):**

3090 There's distance to the school and distance to the park.

3091 And I think we've all, well, most of us have probably

3092 owned real estate where it's one big taxable parcel for

3093 the county, the appraisal district, but it's comprised

3094 of multiple sub parcels, right?

3095

3096 **Cody Campbell (2:03:52):**

3097 And so what the rule says is, the linear measurement

3098 will be performed from closest parcel boundary of the

3099 development site to closest parcel boundary of each

3100 feature, so in this case the park. The Department may

3101 prescribe a specific, the rest of this is not
3102 interesting, but it's the closest to the point.

3103

3104 **Leo Vasquez III (2:04:08):**

3105 But closest to the feature.

3106

3107 **Cody Campbell (2:04:10):**

3108 That is correct.

3109

3110 **Leo Vasquez III (2:04:11):**

3111 Okay. So if the park is the feature, that's the
3112 distance.

3113

3114 **Bobby Wilkinson (2:04:16):**

3115 No. It's to the parcel boundary. I don't know...

3116

3117 **Leo Vasquez III (2:04:18):**

3118 Well, he just read the feature.

3119

3120 **Cody Campbell (2:04:21):**

3121 It says the parcel, the closest parcel boundary of the
3122 development site to the closest parcel boundary of each
3123 feature.

3124

3125

3126 **Bobby Wilkinson (2:04:32):**

3127 Parcel boundary.

3128

3129 **Leo Vasquez III (2:04:32):**

3130 Of the feature.

3131

3132 **Kenny Marchant (2:04:33):**

3133 Did you put sub parcel?

3134

3135 **Leo Vasquez III (2:04:34):**

3136 So the parcel boundary of the development site to the

3137 multifamily.

3138

3139 **Bobby Wilkinson (2:04:40):**

3140 Okay. We can take another look at it, sure. I want to

3141 get rid of the RFAD process. It's not in statute, but

3142 anyway.

3143

3144 **Kenny Marchant (2:04:49):**

3145 I don't know. That's going to be a hard one to wire.

3146

3147 **Cindy Conroy (2:04:52):**

3148 Yeah.

3149

3150

3151 **Cody Campbell (2:04:53):**

3152 Okay. So it sounds like we have direction.

3153

3154 **Leo Vasquez III (2:04:56):**

3155 Continue how you're doing it.

3156

3157 **Cody Campbell (2:05:00):**

3158 Sure. We do have a few other situations that relate to

3159 parks totally unrelated, Beau, I'm sorry, it looks like

3160 you're about to...

3161

3162 **Beau Eccles (2:05:09):**

3163 Well, I just want to make sure that the Chairman's

3164 direction is accurate because the way it's been measured

3165 now is the closest parcel boundary to the feature was

3166 actually the parcel for the school.

3167

3168 **Cody Campbell (2:05:23):**

3169 That is correct. Rather than the sub parcel.

3170

3171 **Beau Eccles (2:05:25):**

3172 Because the parcel, there is no parcel boundary to the

3173 feature.

3174

3175

3176 **Cody Campbell (2:05:32):**

3177 There is a sub parcel boundary, but there is not a
3178 parcel boundary.

3179

3180 **Beau Eccles (2:05:35):**

3181 According to whom?

3182

3183 **Cody Campbell (2:05:36):**

3184 According to the filing that was included with the
3185 request for administrative deficiency that is, I
3186 believe, legally recorded. Yes.

3187

3188 **Holland Harper (2:05:45):**

3189 Mr. Campbell, is there a sub parcel on the appraisal
3190 district?

3191

3192 **Beau Eccles (2:05:48):**

3193 That is the question.

3194

3195 **Holland Harper (2:05:48):**

3196 Is there a separate parcel ID for the park?

3197

3198 **Cody Campbell (2:05:52):**

3199 On the appraisal district website when I checked, there
3200 was one big parcel for the school and the park.

3201

3202 **Beau Eccles (2:06:06):**

3203 Would you like them to take another look at this? Which
3204 does not mean that you're directing staff to change
3205 their opinion. It's just to come back to the Board with
3206 further thoughts on this.

3207

3208 **Leo Vasquez III (2:06:20):**

3209 Correct. Let's do that.

3210

3211 **Cody Campbell (2:06:21):**

3212 Okay.

3213

3214 **Leo Vasquez III (2:06:25):**

3215 Let's fix this in the QAP. Okay. All right. This is
3216 why we have an 800-page QAP.

3217

3218 **Cody Campbell (2:06:31):**

3219 Yes. We're working on shortening it.

3220

3221 **Holland Harper (2:06:34):**

3222 Smaller font, right?

3223

3224 **Cody Campbell (2:06:35):**

3225 Yes. So we have a few other small issues related to

3226 parks totally separate from the issues that we were just
3227 discussing, though. One is for The Trails, I believe
3228 this development is located in Waco. The applicant in
3229 that case used a softball field that is on land that is
3230 owned by the school district and operated by an
3231 independent nonprofit. Based on staff's review of the
3232 request, we do not currently believe that this is likely
3233 to meet the definition of a park. We have issued a
3234 deficiency to the applicant. They have not turned in
3235 that response yet, so we haven't had a chance to review
3236 what they will say to this, but as it stands currently,
3237 we are unable to determine that that does qualify as a
3238 park.

3239

3240 The next two, I think, are very interesting. These are
3241 Crestwood Terrace and McCart Meadows Senior. This
3242 involves Kiwanis Park in San Angelo and Southridge
3243 Conservancy Park in Fort Worth. The QAP includes a
3244 sentence that this hinges on that says, unimproved land
3245 that has been dedicated as a park but that is not
3246 operating as a public park will not qualify. However,
3247 wilderness areas with an intentional recreational use,
3248 such as established hiking trails, bird watching areas,
3249 community gardens or natural retreats, may qualify so
3250 long as they meet all requirements. Both Kiwanis Park

3251 and Southridge Park are empty plots of land. Kiwanis
3252 Park has two concrete slabs on it. Southridge
3253 Conservancy Park has a drainage ditch running in the
3254 middle of it. Under no circumstances would anybody
3255 drive by either one of these and say, that looks great.
3256 I'm going to take my kids there. However, I think that
3257 there's a strong argument to be made that both of these
3258 meet the text of the QAP. I'll start with Southridge
3259 Conservancy Park, which is in Fort Worth. According to
3260 the Fort Worth Parks Department, this park is in reserve
3261 status and they represent that you may go there and look
3262 at bugs. I would have loved to be in the room when that
3263 sentence was written because here is not much else that
3264 you can do there.

3265

3266 Kiwanis Park is slightly different but very similar. It
3267 is an empty plot of land in San Angelo. The City of San
3268 Angelo Parks Department represents that it was closed in
3269 2011 and is currently a maintained open space by the
3270 city. We had initially determined that Kiwanis Park
3271 would likely not qualify since it is closed, but that
3272 Southridge would qualify since it does have an
3273 intentional recreational use. We issued a deficiency to
3274 both of these. The applicant for, I'm sorry, just to
3275 Kiwanis Park. The applicant responded with

3276 documentation from the City of San Angelo that
3277 represents that this is an open space that is available
3278 for public use. They also in some of their
3279 documentation had described it as an arboretum, which is
3280 a place that you go to look at trees. As staff, we are
3281 not sure that there is a spiritual difference between
3282 going to look at trees and going to look at bugs. I
3283 know which one I prefer, but it seems in terms of
3284 meeting the requirements of the QAP that they probably
3285 both will fit under that definition. Again, there is no
3286 disputing that this is not something that you would
3287 consider a park, but we do believe that there is a good
3288 chance that they meet the definitions in the QAP. I'm
3289 surprised that nobody wants to speak on this.

3290

3291 **Leo Vasquez III (2:09:47):**

3292 So again, this would be something we need to potentially
3293 tighten up.

3294

3295 **Cody Campbell (2:09:53):**

3296 Correct.

3297

3298 **Leo Vasquez III (2:09:54):**

3299 But for now, you are treating it as a park.

3300

3301 **Cody Campbell (2:09:56):**

3302 As a park, yes. Great. With that, we can move on to,
3303 we're getting through this faster than I thought. We
3304 can get on to grocery stores. So grocery stores are one
3305 of the...

3306

3307 **Leo Vasquez III (2:10:07):**

3308 Didn't we finish that a couple years ago?

3309

3310 **Cody Campbell (2:10:14):**

3311 The QAP includes a definition of grocery stores that
3312 lists a specific menu of items that must be available
3313 for sale in that grocery store. We received two RFADs.
3314 One is for Chai Grocery in Houston.

3315

3316 The other is for Paredes Line Grocery, which I believe
3317 is in Brownsville. And if it's not Brownsville, it's
3318 somewhere in the Valley. Chai Grocery, based on the
3319 pictures that were presented to us in the RFAD, seems to
3320 have a long way to go to be considered a grocery store.
3321 We have issued a deficiency. We have not gotten a
3322 response from that just yet. We will see what they
3323 submit, but quite frankly, I would be surprised if this
3324 one counts. If it doesn't, we will exclude it from the
3325 tiebreaker subject to the applicant's ability to appeal.

3326 Paredes Line Grocery is a much tougher one. When we
3327 were putting this item together, I reviewed sales flyers
3328 from this grocery store from the last couple of years.
3329 Based on that information, I did believe that it was
3330 likely that it would qualify.

3331

3332 The applicant has responded to this deficiency as of the
3333 very, very end of the day yesterday, so this is all
3334 breaking news. Staff has not made a determination based
3335 on that. I want to be very clear so as to not trigger
3336 someone's appeal rights. But it does appear, based on
3337 the information that was submitted to us, that this
3338 store does not carry fresh seafood. The QAP includes
3339 requirements that grocery stores provide, I believe what
3340 it says is a variety of fresh meats, poultry, and
3341 seafood.

3342

3343 This place does seem to have a small chest of frozen
3344 seafood, but I was not able to identify that any fresh
3345 seafood is available. I understand that this sounds
3346 like bureaucratic asininity, but the QAP does have the
3347 rules for what...

3348

3349 **Kenny Marchant (2:11:50):**

3350 So or no Dollar Store or 7-Eleven would qualify, right?

3351

3352 **Cody Campbell (2:11:55):**

3353 That is exactly what we were hoping to exclude when we
3354 came up with this definition. And this is just one
3355 that's right on the line. I think that you would
3356 casually call it a grocery store, but the question that
3357 comes up is doesn't it mean in text...

3358

3359 **Kenny Marchant (2:12:07):**

3360 If they had a deli inside, that they operated a deli as
3361 well, does that qualify as fresh meat?

3362

3363 **Cody Campbell (2:12:16):**

3364 That is an excellent question, and it's not one that we
3365 have been posed. A deli where you go get sandwiches or
3366 a deli where you go get deli meat?

3367

3368 **Kenny Marchant (2:12:25):**

3369 Yes. Or a deli counter where you go and you can get...

3370

3371 **Cindy Conroy (2:12:31):**

3372 Pasta salad along what not.

3373

3374 **Kenny Marchant (2:12:33):**

3375 Yeah. All of that. Just it's not fresh seafood, but it

3376 might if they put shrimp out.

3377

3378 **Cody Campbell (2:12:40):**

3379 Sure. So...

3380

3381 **Cindy Conroy (2:12:41):**

3382 But mostly you don't get fresh seafood.

3383

3384 **Kenny Marchant (2:12:44):**

3385 Does fresh mean unfrozen?

3386

3387 **Cody Campbell (2:12:46):**

3388 That is how I interpret fresh. And I grew up in West

3389 Texas. Ms. Conroy, I'm suspicious of fresh seafood out

3390 there.

3391

3392 **Cindy Conroy (2:12:54):**

3393 It's suspicious when you're not eating it, but okay.

3394

3395 **Leo Vasquez III (2:12:57):**

3396 You've never enjoyed 7-Eleven sushi.

3397

3398 **Cindy Conroy (2:13:02):**

3399 Only when I was drunk. That's a joke.

3400

3401 **Cody Campbell (2:13:09):**

3402 So if this appeal does come back to the Board, I suspect
3403 very strongly that we are going to be having the
3404 argument as to whether frozen seafood meets the
3405 definition that's available in the QAP. Again, staff
3406 has not made a determination on this yet.

3407

3408 I think when I wrote this item, what I said is that we
3409 were reasonably certain that this was a grocery store.
3410 Having reviewed their response, I don't believe that's
3411 the case anymore simply because the fresh seafood is
3412 missing. So we will discuss that internally and make a
3413 determination. Yes, ma'am.

3414

3415 **Anna Maria Farias (2:13:34):**

3416 During COVID and even now, if you go to the Dollar Tree
3417 store, I don't know why they call it Dollar Tree
3418 anymore, it went to 1.25, and now 1.50. And then they
3419 have another section that is almost like a little
3420 Walmart, but if you go to the frozen section, they don't
3421 just sell Blue Bell Ice Cream. They sell the sandwich
3422 meats and whatever. So they're trying to sell a lot
3423 more. But I remember asking them during COVID, what is
3424 your biggest item? Who comes here? He says, just about
3425 everyone. It used to be only the people that didn't

3426 have enough money would go to the Dollar Tree store. I
3427 says, but what's your biggest items that you sell? He
3428 said, food. So a lot of people do see a lot of these
3429 stores, whether it's Dollar General or Dollar Tree or
3430 whatever it is, if they only have X amount of money,
3431 they go there and they buy food. And what I would
3432 recommend to you, go to the latest Dollar Tree store
3433 where nothing is a dollar anymore, but they have a lot
3434 of fresh cold cuts and, besides that, they even sell
3435 Blue Bell Ice Cream. It's gone up as well on that. So
3436 a lot of these definitions and prices are changing.

3437

3438 **Cody Campbell (2:14:56):**

3439 Understood. It does look like we have public comment on
3440 this. I do believe this is going to be about the
3441 Paredes Line Grocery store. Yes, ma'am, Ms. Conroy.

3442

3443 **Cindy Conroy (2:15:05):**

3444 Oh, no. I was just going to say the comment about
3445 dollar stores and stuff. I think everything they have
3446 there is just seasonal. If there's an abundance, then
3447 they can sell it, so it's not consistent. You can't
3448 consistently go there and get the same items. They're
3449 closeouts, generally.

3450

3451 **Sallie Burchett (2:15:26):**

3452 Hi, Board, Chairman. My name is Sallie Burchett with
3453 Structure Development. And I want to point out exactly
3454 what the QAP says about the items that meet the
3455 definition. And it says, including but not limited to a
3456 variety of fresh meats, poultry, and seafood. It
3457 doesn't say fresh seafood, which is why we believe
3458 Paredes Line Grocery store meets the QAP's definition.
3459 Thank you.

3460

3461 **Shane Lynch (2:16:20):**

3462 Not morning anymore. Good afternoon. Shane Lynch
3463 again, on behalf of Hudson Hallmark. This is not my
3464 RFAD, but if I win on the parks, then I'm in the money,
3465 so to say, or if the person who filed this RFAD wins,
3466 then I'm in the money, so I have a vested interest in
3467 this one. I have two points to make on this. We need to
3468 turn to the definition of grocery store in the QAP. Not
3469 to belabor the point, but I am going to read the
3470 relevant part again. A full-service grocery store of
3471 sufficient size and volume to provide for the needs of
3472 the surrounding neighborhood, including the proposed
3473 development. That's part one. This store fails on
3474 that, and I will explain why in a minute. And offering
3475 a wide variety of fresh, frozen, canned, and prepared

3476 foods, including but not limited to a variety of fresh
3477 meats, poultry, and seafood. Fresh, that second fresh
3478 there modifies the entire list. And if you say that
3479 frozen seafood counts, you are writing that second fresh
3480 out of the definition. As to the, and I can attest that
3481 we called them yesterday and asked them if they carried
3482 fresh seafood. They replied that they do not carry
3483 fresh seafood. They have frozen seafood.

3484

3485 In the past, TDHCA has excluded a Target and a Dollar
3486 General Market, kind of what you were referring to,
3487 because they did not have fresh seafood. And those
3488 stores are far larger and have far deeper variety than
3489 this store. This store is approximately...

3490

3491 **Bobby Wilkinson (2:17:54):**

3492 They didn't have any fresh meat.

3493

3494 **Shane Lynch (2:17:56):**

3495 Sorry.

3496

3497 **Bobby Wilkinson (2:17:56):**

3498 It was only frozen items they had.

3499

3500

3501 **Shane Lynch (2:17:58):**

3502 Yes, only frozen.

3503

3504 **Bobby Wilkinson (2:17:58):**

3505 It wasn't just seafood you were talking about.

3506

3507 **Shane Lynch (2:18:00):**

3508 No. They had fresh meat, but they did not have fresh
3509 seafood.

3510

3511 **Bobby Wilkinson (2:18:03):**

3512 The Targets did not have fresh meat.

3513

3514 **Shane Lynch (2:18:05):**

3515 Oh, Target, yeah. I'm not sure.

3516

3517 **Bobby Wilkinson (2:18:07):**

3518 Yeah, I am.

3519

3520 **Shane Lynch (2:18:08):**

3521 Okay. This store is approximately 3,200 square feet. 2
3522 miles away, five-minute drive, is a 100,000-square-foot
3523 HEB. The words in the definition of sufficient size and
3524 volume to provide for the needs of the surrounding
3525 neighborhood, including the proposed development must

3526 mean something. This store has a parking lot that fits
3527 14 cars. The proposed development is, I believe, 72 or
3528 78 units. This store has three aisles, no pushable
3529 shopping carts. Again, I turn to the point of these
3530 tiebreakers. The point is to ensure that these
3531 communities have access to excellent amenities.
3532 If someone were trying to plan a diverse menu for the
3533 week or a party or a Thanksgiving, would they go to this
3534 3,200-square-foot, extremely limited store that does not
3535 have probably sufficient parking, doesn't have carts,
3536 doesn't have, just has a very limited selection, or
3537 would they drive 5 miles to the HEB? Thank you.

3538

3539 **Cindy Conroy (2:19:19):**

3540 Cody.

3541

3542 **Cody Campbell (2:19:20):**

3543 Yes, ma'am?

3544

3545 **Cindy Conroy (2:19:22):**

3546 Do bodegas count?

3547

3548 **Cody Campbell (2:19:25):**

3549 If they sell all of the items that are listed in the
3550 QAP. For example, Downtown Austin has, well, no. I

3551 guess Royal Blue would not count because they don't have
3552 actually fresh seafood. We would have to review the
3553 items that they carry to make sure that they meet the
3554 menu of options that's in the QAP.

3555

3556 **Cindy Conroy (2:19:43):**

3557 Okay. And just realistically, how many communities in
3558 Texas have access to getting fresh seafood?

3559

3560 **Cody Campbell (2:19:51):**

3561 I don't know that I've been to...

3562

3563 **Cindy Conroy (2:19:52):**

3564 I don't think you probably, but it just seems like a
3565 very limited would actually have access to fresh
3566 seafood.

3567

3568 **Bobby Wilkinson (2:19:59):**

3569 I was already thinking we'd strike seafood.

3570

3571 **Cindy Conroy (2:20:03):**

3572 Thank you.

3573

3574 **Leo Vasquez III (2:20:05):**

3575 Can you say fresh fish?

3576

3577 **Kenny Marchant (2:20:05):**

3578 With fresh or frozen.

3579

3580 **Cindy Conroy (2:20:06):**

3581 Fresh or frozen fish or something.

3582

3583 **Cindy Conroy (2:20:08):**

3584 How about rather than seafood, fish?

3585

3586 **Cindy Conroy (2:20:08):**

3587 But it just seems fresh seafood is not realistic to the
3588 point that you would go to the HEB. From a business
3589 point, why would you want to build a big grocery store
3590 if you've got a mega HEB within driving distance? Just
3591 business sense, it doesn't make sense. You're competing
3592 against something you're not going to win. So a bodega
3593 would just be for the people that need something quickly
3594 that don't want to go 5, who don't mind going 5 miles to
3595 get everything that they probably want at a better price
3596 point anyway.

3597

3598 **Cody Campbell (2:20:42):**

3599 Sure. So it sounds like we will look at this definition
3600 again for 2027, yes.

3601

3602 **Leo Vasquez III (2:20:50):**

3603 What's next?

3604

3605 **Cody Campbell (2:20:52):**

3606 Next, we have two libraries. I think these are actually
3607 going to be very easy to get through. The first
3608 concerns an application called Hallmark Tower and the
3609 Ector County Library. That application is no longer tied
3610 with any other applications in the round, so staff did
3611 not do anything with this RFAD because it's
3612 inconsequential. The one after that concerns Maple Lofts
3613 and the Tony Shotwell Library. This is another request
3614 that concerns how we measure distance to an amenity. In
3615 this case, the Tony Shotwell Library is part of a
3616 community center. The community center has a parking
3617 lot that is directly adjacent to it. The applicant
3618 measured to the parcel that contains the parking lot
3619 rather than the parcel that contains the building
3620 itself. Staff reasonably concluded that the parking lot
3621 is part of the facility and that this was not an issue.
3622 The Board could direct us to do otherwise, but we feel
3623 pretty good about where we landed up on it. Very good.
3624 Following that is Texano Apartments. Applications were
3625 due this year on February 27th. What the QAP says is

3626 that the resolution of support that you receive from the
3627 city has to be dated before the final application
3628 delivery date. The resolution in this case was dated on
3629 February 27th. We have declined to take action on this.
3630 The argument is that February 27th is not before the
3631 application delivery date. Where we landed on this is
3632 that the actual application delivery date is 5 p.m. on
3633 February 27th. This was dated before 5 p.m. on February
3634 27th, and so we have not chosen to exclude it.
3635 Next on the list is we have an application called Rowen
3636 Vale, which is located here in the City of Austin. This
3637 is a complicated RFAD, but basically what it comes down
3638 to is that this was submitted by a neighborhood
3639 association, not by a competing applicant, is that when
3640 the applicant went to the city prior to the application
3641 round to seek their resolution of support, which is
3642 necessary for a couple of components in the QAP, the
3643 applicant, in their disclosures to the city, did not
3644 mention or may not have mentioned that the application
3645 includes a high-quality pre-kindergarten. The
3646 neighborhood organization is arguing that the city then
3647 passed a resolution for a different development than the
3648 one that was applied for, and therefore the Department
3649 should not count that resolution. This does not tie to
3650 any specific rule in the QAP or any specific requirement

3651 in statute, and so staff does not recommend taking
3652 action on this particular request. I had assumed members
3653 of the neighborhood organization would be here, but that
3654 does not appear to be the case. So unless the Board
3655 disagrees, we can move on to the next one. Great.

3656

3657 **Bobby Wilkinson (2:23:31):**

3658 I just want to recognize some thoughtful NIMBYism there.
3659 Like, they really kind of dove into the process a little
3660 bit.

3661

3662 **Cody Campbell (2:23:37):**

3663 It's sophisticated, yeah.

3664

3665 **Bobby Wilkinson (2:23:38):**

3666 Yeah.

3667

3668 **Cody Campbell (2:23:41):**

3669 Following that, we have a request for a development
3670 called Avalon at Levelland that brings up several issues
3671 related to the subject application. The vast majority
3672 of these issues fall within the purview of our normal
3673 application review, and so we declined to address them
3674 in this item. One that was brought up was the possible
3675 existence of a pipeline that carries highly volatile

3676 liquid, which should have been disclosed to staff.
3677 We've issued a deficiency. We're currently working
3678 through that process with the applicant, and so we don't
3679 have a recommendation for the Board today. This request
3680 also brought up some underwriting issues that I do
3681 believe may be material to the application.
3682 Once we get to the point that we're underwriting it, we
3683 will address those at that time. Mr. Harper.

3684

3685 **Holland Harper (2:24:26):**

3686 I don't remember that in the QAP. The pipelines were
3687 outliers.

3688

3689 **Cody Campbell (2:24:31):**

3690 It's referred to as an undesirable site feature. You
3691 would need to disclose them to staff, and then depending
3692 on the severity of the pipeline, you might have to
3693 comply with a PIPA, a pipeline mitigation thing. We'll
3694 see where that goes.

3695

3696 **Kenny Marchant (2:24:45):**

3697 Is overhead transmission lines part of that?

3698

3699 **Cody Campbell (2:24:49):**

3700 I believe they used to be, and if I recall correctly,

3701 they were removed from the QAP in 2023. I'm hearing
3702 some yeses from the audience, which is always good. I
3703 don't get many of those. Okay. We then have Shilo
3704 Lofts. The application was submitted, and it did not
3705 include a required letter confirming the zoning status
3706 from the city.

3707

3708 The requester in this case has asked us to consider that
3709 to be a material deficiency and terminate the
3710 application. A single missing document in an application
3711 would generally not be considered a material deficiency.
3712 We would just issue an administrative deficiency, have
3713 them submit it, and move on with the application review.
3714 We have issued the deficiency. I don't believe we've
3715 gotten a response to it yet, but presuming that they
3716 submit something that's satisfactory, I don't really see
3717 anything coming from this one. The very last one is
3718 particularly challenging. I believe that the person who
3719 submitted the request is in the audience, and if she
3720 would like to go into depth on the more complicated
3721 aspects of this, I will leave that to her. The aspect
3722 that's brought up in this particular request for staff
3723 that is, I think, very challenging concerns the
3724 application's ability to qualify for what are called
3725 underserved area points. So this is a scoring item in

3726 the QAP that awards points to development sites based on
3727 their location in an underserved area, which is defined
3728 a couple of different ways. It could be located in a
3729 colonia or an economically distressed area or an area
3730 that hasn't gotten a tax credit award within a certain
3731 number of years.

3732

3733 Staff each year publishes a report called the Site
3734 Demographics Characteristics Report that we make
3735 available to the industry that provides them all kinds
3736 of useful data when putting their applications together.
3737 It has the poverty rates of the census tract and whether
3738 or not it has more than two times the number of tax
3739 credit units per capita and all kinds of other things
3740 that you need when you're putting together a tax credit
3741 application. Critically, we have historically stopped
3742 updating that document after the November board meeting
3743 each year because we need just a point in time where the
3744 data is locked in and nobody has to worry about their
3745 census tract suddenly going over the poverty threshold
3746 or any other thing that would affect their application.
3747 The report includes a property inventory that people can
3748 use when they are determining qualification for
3749 underserved area and several other things that are
3750 relevant in the QAP. We published the Site Demographics

3751 report on November 20th of last year. On November 21st
3752 last year, we received a credit return that impacts this
3753 application. Because we had already published the Site
3754 Demographics report, we did not update it with that
3755 credit return because, again, we try to get to a point
3756 where the data is locked in place.

3757

3758 And there is now an application that has been made, and
3759 I have to be very clear, it is a separate application,
3760 but it does have the same name and is on the same
3761 development site as the application that was returned.
3762 So they returned the application after we published the
3763 report, and now there's a new application on that site,
3764 and that application is claiming underserved area points
3765 on the basis that there has not been an award made in
3766 that, or there's not a tax credit development that has
3767 been placed there within however many years. Staff is
3768 not certain that this is sufficient cause to disallow
3769 the underserved area points. The person who requested
3770 the administrative deficiency is making the argument
3771 that because that credit return was not publicly
3772 available, that knowledge wasn't available to competing
3773 applicants, that it may be unfair for the applicant to
3774 be able to get those points. I don't think that's an
3775 unreasonable argument. I'm just not sure that within

3776 the rules, we have sufficient basis to say we are firm
3777 in taking these points away, and so staff is not
3778 recommending action. This may be one that you kick back
3779 to us to look at again, though.

3780

3781 **Leo Vasquez III (2:28:35):**

3782 So at this point, staff is recommending the application
3783 does get the underserved because in the reality, it is
3784 underserved.

3785

3786 **Cody Campbell (2:28:50):**

3787 There is not an existing tax credit development there
3788 from within the qualifying number of years. This one's
3789 tough.

3790

3791 **Leo Vasquez III (2:29:00):**

3792 Yeah. There's that point in time versus the reality
3793 that it still is underserved.

3794

3795 **Kenny Marchant (2:29:06):**

3796 The next person in line is saying that because this is
3797 actually identical to the one that forfeited their
3798 credit, they were the only ones that knew that the
3799 credit had been forfeited and available.

3800

3801 **Cody Campbell (2:29:22):**

3802 That is the general gist of the request that we
3803 received. Yes, sir.

3804

3805 **Kenny Marchant (2:29:25):**

3806 Because it was never publicly advertised as available.

3807

3808 **Cody Campbell (2:29:29):**

3809 That is correct.

3810

3811 **Kenny Marchant (2:29:31):**

3812 And are there rules about the public advertisement of
3813 credits available?

3814

3815 **Cody Campbell (2:29:37):**

3816 So this does make this complicated. What the rule says
3817 is that when determining how many years it's been since
3818 a development has been placed there, you look at the
3819 inventory, deduct the year that the award was made from
3820 the current year, and that gives you the number. And so
3821 the previous award is still showing on the site
3822 inventory. Separately, though, the reality is that that
3823 is no longer an active award.

3824

3825

3826 **Kenny Marchant (2:30:05):**

3827 It's perfectly understandable, their complaint.

3828

3829 **Cody Campbell (2:30:09):**

3830 Yes.

3831

3832 **Leo Vasquez III (2:30:18):**

3833 It's like a candidate saying they're going to run for

3834 reelection, and then at 4:59 they don't, and someone

3835 else, their preferred candidate, files for that seat.

3836

3837 **Kenny Marchant (2:30:33):**

3838 There are rules in place for that now, though. They

3839 reopen the filing.

3840

3841 **Leo Vasquez III (2:30:42):**

3842 I can see the arguments on both sides as well.

3843

3844 **Cody Campbell (2:30:43):**

3845 It's tough.

3846

3847 **Leo Vasquez III (2:30:47):**

3848 And the second place or the other application is it in

3849 the same underserved area or just in the same region?

3850

3851 **Cody Campbell (2:30:58):**

3852 It's in the same region. It would not be in the same
3853 census tract, I don't believe. They wouldn't have gone
3854 after that census tract because they wouldn't have been
3855 aware that these points were available.

3856

3857 **Leo Vasquez III (2:31:13):**

3858 So do we tell you to look at it more, or what's the, at
3859 this point, are there other filings or responses that
3860 someone needs to take?

3861

3862 **Cody Campbell (2:31:22):**

3863 So at this point, we haven't taken any action. We
3864 haven't deducted the points. If the Board doesn't
3865 direct us to relook at this, then the application will
3866 move on. Presuming it meets all requirements, it would
3867 get these points, and it is likely that this would be
3868 determinative in terms of who gets an award this year.

3869

3870 **Leo Vasquez III (2:31:41):**

3871 Is it the, you said it's the same name of a development,
3872 but is it the same, is part of the development team the
3873 same as the ones who gave it back?

3874

3875

3876 **Cody Campbell (2:31:53):**

3877 There does appear to be a related party in the
3878 development team, but many of the persons involved in
3879 the application have been replaced.

3880

3881 **Leo Vasquez III (2:32:13):**

3882 Any opinions on this one from other board members?

3883

3884 **Holland Harper (2:32:18):**

3885 I think you let it ride for now. I don't like it, don't
3886 get me wrong, but...

3887

3888 **Leo Vasquez III (2:32:22):**

3889 Yeah. Let's see how the points turn out. You haven't
3890 final-scored everything, right?

3891

3892 **Cody Campbell (2:32:27):**

3893 That is correct.

3894

3895 **Leo Vasquez III (2:32:30):**

3896 Let us know how the scoring turns out.

3897

3898 **Cody Campbell (2:32:31):**

3899 Okay.

3900

3901 **Leo Vasquez III (2:32:34):**

3902 Yes, or do you have...

3903

3904 **Holland Harper (2:32:35):**

3905 I don't have a, I agree that it kind of doesn't smell...

3906

3907 **Leo Vasquez III (2:32:41):**

3908 Smells a little, I was going to say smells a little bit,

3909 Does that make sense?

3910

3911 **Holland Harper (2:32:43):**

3912 But it's not like this is, we'll see if this becomes a

3913 pattern. How about that?

3914

3915 **Kenny Marchant (2:32:53):**

3916 Is there possibility of a correction to this problem?

3917

3918 **Cody Campbell (2:32:57):**

3919 What we would do to correct this problem is insert a

3920 sentence in the QAP that the Site Demographics report is

3921 the authoritative document, regardless of what's

3922 happening on the ground.

3923

3924 **Leo Vasquez III (2:33:09):**

3925 Subsequent changes or...

3926 **Cody Campbell (2:33:10):**

3927 Correct.

3928

3929 **Kenny Marchant (2:33:11):**

3930 Okay. Thanks. I suggest we work that out.

3931

3932 **Cody Campbell (2:33:16):**

3933 Easily done.

3934

3935 **Holland Harper (2:33:17):**

3936 And when we do the QAP work, let's look at pipeline work

3937 and kind of get more depth with that. There's lots of

3938 pipelines that feed everything.

3939

3940 **Cody Campbell (2:33:26):**

3941 Yes, sir. As a West Texan, this one's tough for me too.

3942 Yeah.

3943

3944 **Leo Vasquez III (2:33:35):**

3945 Anything else? Nope.

3946

3947 **Holland Harper (2:33:38):**

3948 Good with the public?

3949

3950

3951 **Leo Vasquez III (2:33:41):**

3952 Okay. Yes. There's more comment, please.

3953

3954 **Robbye Meyer (2:34:04):**

3955 Robbye Meyer with Arx Advantage, and I'm the applicant
3956 behind that one, represent the applicant behind that
3957 one. And yes, I agree, it is ugly. Just to give you a
3958 little bit more color, the applicant that returned the
3959 application previously was a 2022 application that had
3960 two force majeure. They could not start construction
3961 in a timely manner, and so they returned the application
3962 late in the year. That did disadvantage everybody. It
3963 wouldn't just disadvantage us, it disadvantaged every
3964 other applicant in the cycle because no one else knew
3965 that that application disappeared. So nobody else in
3966 any other place in the application cycle knew that that
3967 application was no longer valid. It is ugly, and I don't
3968 disagree with that, but it disadvantaged my application,
3969 and I don't believe that they should be able to get
3970 underserved area points when they turned in an
3971 application, changed their organization structure so
3972 that they wouldn't be able to be hit with force majeure
3973 rule that would take effect for 2026, and they got the
3974 advantage of having a clean census tract. So I would
3975 appreciate it if you would take another look at it.

3976 I think it is unfair. Just my two cents.

3977

3978 **Leo Vasquez III (2:35:43) :**

3979 Thanks for that clarification, Robbye. Okay.

3980

3981 **Robbye Meyer (2:35:45) :**

3982 Thank you.

3983

3984 **Michael Beard (2:35:50) :**

3985 Michael Beard with BETCO Consulting speaking on behalf
3986 of the other applicant and kind of to give a little bit
3987 of color and backstory. None of this would even be a
3988 discussion point if either of these applicants had put
3989 in a pre-application, which is worth six points. We're
3990 talking about a five-point deduction here or possible
3991 deduction. The fact of the matter is my client returned
3992 these credits without even thinking about the site
3993 demographics posting or anything because this deal was
3994 no longer feasible at 80 units and the amount of credit
3995 allocation that was allocated to it and the MFDL funds
3996 that were in there, that we could not apply for
3997 subsequent MFDL funds with the agency. We were basically
3998 locked into a box where because of the environmental
3999 issues that occurred on this site that we couldn't get
4000 clearance until TCEQ cleared a bunch of stuff,

4001 which took three years. And by that time, the entire
4002 economic landscape of this was DOA. The deal was DOA
4003 and we were getting pushback from the agency to say, can
4004 you make this deal work? And we were not in a position
4005 nor were we advised to try and get another force
4006 majeure. So we basically were said, okay. At this
4007 point, even though we've put in over a million dollars
4008 in the site, we can't make it work in this current box.
4009 So we've returned the credits, we returned the MFDL
4010 funds, and we just said we're done. And then we went
4011 about our business and Region 2 rule when the pre-app
4012 law came out, no applications. So the fact that Robbye's
4013 client is saying this disadvantaged him in their
4014 decision whether they should move forward with an
4015 application, they would have put a pre-app in, we aren't
4016 having this discussion. And the fact that we did not put
4017 a pre-app in shows that this was not a nefarious attempt
4018 for us to try and circumvent the rules. I'm just
4019 putting that out there so that y'all can have clear kind
4020 of pictures about this. So I appreciate staff's
4021 consideration with that.

4022

4023 **Leo Vasquez III (2:37:51):**

4024 Just one more question then. So was this, the prior
4025 application, that was originally a 2022?

4026

4027 **Cody Campbell (2:38:00):**

4028 Yes, sir.

4029

4030 **Leo Vasquez III (2:38:00):**

4031 And then it got two force majeure.

4032

4033 **Cody Campbell (2:38:02):**

4034 That is correct.

4035

4036 **Leo Vasquez III (2:38:02):**

4037 So the last one I assume was 2025.

4038

4039 **Cody Campbell (2:38:05):**

4040 I would hesitate to say. I don't know off the top of my

4041 head, but that would, it would be 2024 or 2025

4042 depending.

4043

4044 **Leo Vasquez III (2:38:21):**

4045 Okay. Keep taking a look at it and figure out what's

4046 fair and reasonable.

4047

4048 **Cody Campbell (2:38:25):**

4049 Understood.

4050

4051 **Leo Vasquez III (2:38:29):**

4052 Any other public comment on item 32 of the agenda? If
4053 not, thank you for the report, Cody.

4054

4055 **Cody Campbell (2:38:40):**

4056 You're very welcome. Thank you.

4057

4058 **Leo Vasquez III (2:38:42):**

4059 Keep plowing ahead. 33 on the agenda. Presentation,
4060 discussion, and possible action on a request for return
4061 and reallocation of tax credits under 10 TAC Section
4062 11.6(5) related to credit returns resulting from force
4063 majeure events for the notorious, infamous Santa Fe
4064 Place. Mr. Goldberger.

4065

4066 **Joshua Goldberger (2:39:12):**

4067 Good afternoon, Chairman, members of the board. Josh
4068 Goldberger, 9 percent Program Manager. Item 33 concerns
4069 Santa Fe Place, a 90-unit development to be located in
4070 Lubbock. The project initially applied for housing tax
4071 credits in 2023 and received a forward commitment of
4072 2024 credits. As a result, the current placed in
4073 service deadline is December 31, 2026. The project has
4074 not received any prior force majeure extensions. This
4075 is the original deadline.

4076 Since the initial award of housing tax credits, the
4077 project has experienced material delays due to
4078 disruptions in tax credit equity market. During the
4079 period following the award, credit pricing decreased
4080 from 90 to 86 cents, which required the applicant to
4081 significantly redesign the project.

4082

4083 Ultimately, the applicant returned to the Board last
4084 year to request a material amendment to the development
4085 and reduce the total unit count. Following approval of
4086 that amendment, the development team has worked to
4087 further strengthen the feasibility of the project by
4088 partnering with the Lubbock Housing Authority to secure
4089 project-based vouchers. While this effort will improve
4090 the project's viability, coordination with the Housing
4091 Authority requires extensive federal review and
4092 approvals, which were delayed by government shutdowns,
4093 an issue that we heard from several other applicants who
4094 received extensions last fall. Additionally, an
4095 ownership transfer is currently under review by the
4096 Department, which would add the housing authority to the
4097 ownership structure and secure the project to tax
4098 exemption. The transfer also brings in Overland
4099 Property Group as a co-developer and limited partner.
4100 This may be handled administratively by staff and is

4101 expected to be approved in the near future.
4102 Collectively, these factors have caused delays that make
4103 it impossible to meet the current placed in service
4104 deadline. The project is now expected to close this
4105 summer and reach substantial completion by August of
4106 2027. Accordingly, the applicant has requested a one-
4107 year extension, which would establish a new placed in
4108 service date of December 31, 2027. Staff recommends
4109 approval and a representative of the applicant is
4110 present to answer any questions.

4111

4112 **Leo Vasquez III (2:41:20):**

4113 So there's going to be, Lubbock Housing Authority will
4114 be the main partner in this now.

4115

4116 **Joshua Goldberger (2:41:27):**

4117 An affiliate will be coming into the deal.

4118

4119 **Leo Vasquez III (2:41:31):**

4120 Well, let's hear from them...

4121

4122 **Joshua Goldberger (2:41:32):**

4123 Yeah. I'll let them speak to speak to the exact
4124 structure.

4125

4126 **Kent Hance (2:41:50):**

4127 Mr. Chairman, members of the board, I appreciate your
4128 service, especially after listening to the last items on
4129 the agenda, you go through a lot. Staff, we appreciate
4130 you. We've worked on this project. The industry, as all
4131 of you know, has changed a bunch. It's not 91 or 94
4132 cents anymore, and there's some down in the lower 80s.
4133 And we were able with a new partner to get something up
4134 around 87. So we had to make some adjustments. We've
4135 made some adjustments. Federal government shutdown hurt
4136 us some and caused us some delays. I would point out,
4137 though, that we've stayed on track. We feel like we'll
4138 have June closing and we've executed our letter of
4139 intent with Hunt Capital on the tax credit as a tax
4140 credit syndicator. And also UMB, a bank out of Kansas
4141 City with a branch in Lubbock, they have provided us our
4142 construction loan. And that Freddie Mac permanent loan
4143 application is pending admission of today's action. So
4144 we've stayed on this. This is going to be a successful
4145 and a good project. It had a 7-0 vote with the city
4146 council and it has the support of the members of the
4147 legislature from that area. And I wanted to say one
4148 sentence update. The Amarillo project is 25 percent
4149 leased. We just started leasing in April and I knew
4150 that y'all would be happy for me on that. And that has

4151 taken an additional \$12 million from me. I will never
4152 have one go bad regardless what it costs. And I've got
4153 Ryan Zent, he's with Overland Property Group, Mr.
4154 Chairman.

4155

4156 **Leo Vasquez III (2:43:57):**

4157 So what will be the new ownership structure beforehand
4158 versus going forward?

4159

4160 **Kent Hance (2:44:03):**

4161 The new will be with, it'll be with KRS, my company, and
4162 it will be with the Overland Property Group and Lubbock
4163 Housing Authority. We'll have all three.

4164

4165 **Leo Vasquez III (2:44:16):**

4166 What percentages are we talking about?

4167

4168 **Ryan Zent (2:44:21):**

4169 Ryan Zent with Overland Property Group. So the Lubbock
4170 Housing Authority will be the general partner of the
4171 transaction as is common here in Texas, and then KRS as
4172 well as OPG will be the special limited partners. Hunt
4173 Capital and UMB will be the investor member of the
4174 development.

4175

4176 **Leo Vasquez III (2:44:41):**

4177 Okay. So it's just adding or replacing, I guess, some
4178 prior financing or financing that fell through. And,
4179 Mr. Hance, have we received approval from the Governor's
4180 Office to tell us to do this?

4181

4182 **Kent Hance (2:45:06):**

4183 Not that I know of.

4184

4185 **Bobby Wilkinson (2:45:09):**

4186 I'm sure they'd be supportive. We did note political
4187 support. We had a letter from Senator Perry. We also
4188 had conversations with the Speaker's Office. They're
4189 still very supportive of this project.

4190

4191 **Beau Eccles (2:45:25):**

4192 A quick clarification for Josh because you said it was a
4193 one-year push on the placed in service.

4194

4195 **Joshua Goldberger (2:45:31):**

4196 Yes. That bar includes a clerical error. So the placed
4197 in service deadline will be December 31, 2027, not...

4198

4199 **Beau Eccles (2:45:37):**

4200 And the 10 percent deadline will be July 1st of this

4201 year.

4202

4203 **Joshua Goldberger (2:45:44):**

4204 It would be of '27.

4205

4206 **Beau Eccles (2:45:47):**

4207 Okay. So it's the bar, okay. So it's just that the

4208 placed in service deadline had the clerical error.

4209

4210 **Joshua Goldberger (2:45:55):**

4211 Correct.

4212

4213 **Beau Eccles (2:45:56):**

4214 Okay. That's for purposes of whoever makes the motion.

4215

4216 **Leo Vasquez III (2:46:01):**

4217 But the 10 percent is in next year.

4218

4219 **Joshua Goldberger (2:46:05):**

4220 It sounds like that's not an issue in this case anyway.

4221

4222 **Leo Vasquez III (2:46:07):**

4223 Okay. Yeah, okay.

4224

4225

4226 **Anna Maria Farias (2:46:13):**

4227 Mr. Chairman, I'm ready to make a motion.

4228

4229 **Leo Vasquez III (2:46:18):**

4230 Please make a motion.

4231

4232 **Anna Maria Farias (2:46:19):**

4233 All right. I move the Board approve the application of
4234 the force majeure provision of 10 TAC Section 11.6(5)
4235 for Santa Fe Place, all as described in the board action
4236 request, resolution, and associated documents on this
4237 item.

4238

4239 **Holland Harper (2:46:37):**

4240 Second.

4241

4242 **Leo Vasquez III (2:46:38):**

4243 Motion made by Ms. Farias. Seconded by Mr. Harper. All
4244 those in favor say aye.

4245

4246 **Board Members (2:46:43):**

4247 Aye.

4248

4249 **Leo Vasquez III (2:46:44):**

4250 Let the record reflect the chair votes no, but motion

4251 carries 5-1.

4252

4253 **Kent Hance (2:46:51):**

4254 Thank y'all.

4255

4256 **Kenny Marchant (2:46:53):**

4257 Hope you don't have any problem with windows on this
4258 project.

4259

4260 **Kent Hance (2:46:56):**

4261 No. I'm going to go build a grocery store and park.

4262

4263 **Leo Vasquez III (2:47:03):**

4264 And a library. Don't forget the library.

4265

4266 **Cindy Conroy (2:47:04):**

4267 With seafood. Make sure you have seafood.

4268

4269 **Leo Vasquez III (2:47:08):**

4270 Lubbock seafood. All right. Fresh Lubbock seafood.

4271 Okay.

4272

4273 Item 34 was pulled from the agenda. Item 35.

4274 Presentation, discussion, and possible action on a

4275 request for return and reallocation of tax credits under

4276 10 TAC Section 11.6(5) related to credit returns
4277 resulting from force majeure events for Sherry Pointe.
4278 Mr. Goldberger.

4279

4280 **Joshua Goldberger (2:47:34):**

4281 Item 35 concerns Sherry Pointe, a 96-unit mixed-income
4282 development to be located in Arlington. The project was
4283 originally awarded housing tax credits in 2024 and as a
4284 result, the current placed in service deadline is
4285 December 31, 2026. Since the initial award of tax
4286 credits, the City of Arlington has begun enforcing
4287 erosion clear zone standards. This required
4288 unanticipated responsive modifications to an already
4289 approved site plan. The resulting reconfiguration of
4290 the site layout delayed preparation of final drawings
4291 needed for permitting and construction begin. The owner
4292 then experienced further delays in the final plat
4293 submittal due to a series of expanding and evolving
4294 requirements imposed by the city, many of which the
4295 request states were not reasonably foreseeable. This
4296 included waterline redesigns and new drainage easement
4297 requirements.

4298

4299 The design and permitting delays created downstream
4300 impacts on financing. The project is financed with a

4301 HUD 221(d)(4) loan, and the permitting holdups had a
4302 direct material effect on the HUD financing process.
4303 Although the owner submitted its concept package in
4304 April '24 prior to receiving its tax credit award, the
4305 updates in site layout and construction scope delayed
4306 submission of final plans required for the complete
4307 application. Given HUD's standard review period of
4308 approximately 60 days, the earliest possible approval
4309 date is July 1, 2026, at this point, which pushes debt
4310 and equity closing into July or August shortly
4311 thereafter. At this point, meeting a December '26
4312 placed in service deadline is pretty much impossible.
4313 The applicant has thus requested a one-year extension,
4314 which would replace the placed in service deadline with
4315 December 31, 2027. Staff recommends approval and a
4316 representative of the applicant is present and available
4317 to answer any questions.

4318

4319 **Leo Vasquez III (2:49:31):**

4320 Do any board members have questions on this in our
4321 beloved City of Arlington? Do we need to hear from the
4322 applicant or is someone ready to make a motion, which...

4323

4324 **Holland Harper (2:49:55):**

4325 I'm ready, Chairman.

4326

4327 **Leo Vasquez III (2:49:55):**

4328 I assume the applicant's good with the recommendation of
4329 staff. Okay. All right. Mr. Harper.

4330

4331 **Holland Harper (2:50:01):**

4332 I move the Board approve the application for force
4333 majeure provisions of the 10 TAC Section 11.6(5) for
4334 Sherry Pointe, all as described by the board action
4335 request, resolution, and associated documents on this
4336 item.

4337

4338 **Anna Maria Farias (2:50:10):**

4339 Second.

4340

4341 **Leo Vasquez III (2:50:12):**

4342 Motion made by Mr. Harper. Seconded by Ms. Farias. All
4343 those in favor say aye.

4344

4345 **All Board Members (2:50:16):**

4346 Aye.

4347

4348 **Leo Vasquez III (2:50:17):**

4349 Any opposed? Hearing none, motion carries.

4350

4351 **Joshua Goldberger (2:50:20):**

4352 Thank you.

4353

4354 **Leo Vasquez III (2:50:21):**

4355 Keep up the fight.

4356

4357 **Kenny Marchant (2:50:24):**

4358 Those rascals over at Arlington.

4359

4360 **Leo Vasquez III (2:50:28):**

4361 Okay. Did we reach the end? Okay. All right. The
4362 Board has addressed the posted agenda items. Now is the
4363 time of the meeting when members of the public can raise
4364 issues with the Board on matters of relevance to the
4365 Department's business or make requests that the Board
4366 place specific items on future agendas for
4367 consideration. Is there anyone who would like to make
4368 public comment at this time?

4369

4370 **Kenny Marchant (2:50:55):**

4371 Mr. Chairman, I...

4372

4373 **Leo Vasquez III (2:51:01):**

4374 Mr. Marchant, I would be happy to entertain words of
4375 wisdom.

4376

4377 **Kenny Marchant (2:51:06):**

4378 Well, I'd just like to get kind of a timeline in my
4379 brain on the QAP and the next couple of months, kind of
4380 what our schedule is.

4381

4382 **Cody Campbell (2:51:17):**

4383 Yes, sir. So we have our first roundtable with the
4384 industry scheduled on May 20th. We are also working on
4385 a project, I believe it's been finalized, the RFP now,
4386 to have the QAP substantially copyedited and improved in
4387 terms of writing. So we've got a big project going on
4388 with it. The staff draft of the QAP typically comes out
4389 in about July and then it comes back to the Board, late
4390 July, maybe early August. And then it comes back to the
4391 Board in September where the board votes to approve the
4392 draft that goes out for public comment. If you are
4393 interested in having a Rules Committee meeting, which
4394 we've done in the past, we can certainly schedule that.

4395

4396 **Kenny Marchant (2:52:03):**

4397 When would you schedule that for? What would be the
4398 best time?

4399

4400

4401 **Cody Campbell (2:52:06):**

4402 The best time might be before, the early July board
4403 meeting is usually either jam-packed or it's pretty
4404 easy. With the way the round is going right now, it is
4405 looking like it's going to be a pretty easy early July
4406 meeting, so that might be a good opportunity for it.

4407

4408 **Kenny Marchant (2:52:24):**

4409 What is the date? What is the...

4410

4411 **Cody Campbell (2:52:27):**

4412 Oh, I wish I knew.

4413

4414 **Kenny Marchant (2:52:28):**

4415 I'm sorry. I don't know how to put that stuff on my
4416 iPhone.

4417

4418 **Cody Campbell (2:52:33):**

4419 Well, we could do the June board meeting, which is in
4420 about a month.

4421

4422 **Holland Harper (2:52:38):**

4423 June 4th.

4424

4425

4426 **Kenny Marchant (2:52:41):**

4427 June 4th. So do it the afternoon before.

4428

4429 **Cody Campbell (2:52:45):**

4430 Potentially the 3rd, yes, sir.

4431

4432 **Kenny Marchant (2:52:47):**

4433 Well, I would like for us to plan to do that, Mr.

4434 Chairman, if that works within your schedule.

4435

4436 **Leo Vasquez III (2:52:55):**

4437 Right now it does.

4438

4439 **Kenny Marchant (2:52:58):**

4440 Okay. Let's put that down as a tentative.

4441

4442 **Cody Campbell (2:53:01):**

4443 Certainly.

4444

4445 **Kenny Marchant (2:53:02):**

4446 Ask permission to put that down as a tentative date to

4447 have the public hearing on the QAP.

4448

4449 **Cody Campbell (2:53:08):**

4450 Sure.

4451

4452 **Leo Vasquez III (2:53:12):**

4453 Did we say June 3rd or 4th? The day before the...

4454

4455 **Cody Campbell (2:53:16):**

4456 Last year we did it the day before and that was

4457 successful.

4458

4459 **Kenny Marchant (2:53:18):**

4460 That'd be fine.

4461

4462 **Leo Vasquez III (2:53:19):**

4463 Yeah. Okay. All right. Sounds good.

4464

4465 **Cody Campbell (2:53:21):**

4466 Fantastic. Thank you all.

4467

4468 **Leo Vasquez III (2:53:26):**

4469 Okay. Seeing that there's no other business, the next

4470 scheduled meeting of the Governing Board is scheduled

4471 for 10 a.m. June 4th back at the Greer State Office

4472 Building on 11th Street. Keep looking out for further

4473 announcements. Follow us on all social media. And it

4474 is 1:02, this meeting is adjourned.

4475

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