



June 26, 2024

Via E-mail

Mr. Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711

Re: Appeal Regarding TDHCA No. 24042 (the “***Application***”), 10112 Bissonnet Living, Houston, Texas; Our File No. 52344.1.

Dear Mr. Wilkinson:

10112 Bissonnet, Ltd., a Texas limited partnership (“***Applicant***”), submitted the above referenced Application for funding in the Texas Department of Housing and Community Affairs (the “***Department***”) 2024 Housing Tax Credit Application Cycle. Applicant received a Real Estate Analysis Underwriting Report Notice dated June 24, 2024, informing Applicant that their underwriting report (the “***Report***”) was complete, and the Department was not recommending a tax credit allocation, and Applicant could appeal the Department’s decision.

The Report found that Applicant did not provide the necessary city resolution (the “***Resolution***”) to qualify for the 30% boost in eligible basis by the Full Application Delivery Date pursuant to §11.4(c)(1) of the Qualified Allocation Plan (“***QAP***”) and therefore the Total Qualified Basis decreased by \$6.05M, resulting in a \$185k reduction in annual tax credits, which generates a \$1.7M reduction in equity proceeds and renders the Application infeasible. The Department therefore is not recommending the Application for a tax credit allocation.

We hereby request a waiver of §11.4(c)(1) of the QAP related to the Resolution and specifically the requirement that “[r]equired documentation must be submitted by the Full Application Delivery Date as identified in §11.2(a) of this chapter (relating to Competitive HTC Deadlines). . .” This rule is not a statutory rule and further, §11.2(a) does not specifically state when the Resolution should be submitted.

Here, the Resolution was submitted on February 29, 2024, but erroneously did not include reference to the fact that development is located in a census tract that has more than 20% Housing Tax Credits Units per total households. This omission in the Resolution should not result in this Application being declared infeasible as it was corrected by Applicant’s submission of a Resolution on June 14, 2024, showing this information.

By granting a waiver of this rule, the Department would better serve the policies and purposes articulated in Tex. Gov’t Code §§2306.001, 2306.002, and 2306.6701 as it would achieve the following:

- a) Align with the Department’s purpose by providing 121 units for the housing needs of individuals and families of low, very low, extremely low, and moderate income in the Bissonnet Corridor, an area of Southwest Houston, that has been passed over for new



investment in favor of other areas of Houston for which this award is greatly needed and contribute to the development of a significantly underserved and highly desirable, high opportunity area;¹

- b) Provide residents of this state with decent, safe, and affordable living; while the government at all levels, including the City of Houston will be involved in assisting individuals and families of low income in obtaining a decent, safe, and affordable living environment²
- c) Encourage the development of appropriate types of rental housing for households that have difficulty finding suitable, affordable rental housing in the private marketplace; maximize the number of suitable, affordable residential rental units added to the state's housing supply; and provide for the participation of for-profit organizations such as Palladium in the acquisition, development, and operation of affordable housing developments in urban communities.³

Because a Resolution, although deficient, was submitted timely to the Department, the omission in the Resolution was corrected by Applicant, and granting a waiver of this rule would better serve the policies and purposes of the Department as stated above, we believe that a waiver should be permitted to allow for the updated Resolution to be considered for the 30% boost in eligible basis and to permit this Application to move forward.

We believe it is the intent of the Department to allow Applications such as this to remain competitive. In fact, Georgian Oaks Fort Worth 9% HTC Application #24145 elected to receive Historic Preservation Points but the letter from the Historic Preservation Commission was issued eight days past the Department's deadline and was accepted by the Department.

We therefore respectfully request that the board support a waiver of §11.4(c)(1) of the QAP for TDHCA No. 24042, 10112 Bissonnet Living.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Cody Hunt", with a stylized flourish at the end.

Cody Hunt

cc: Cody Campbell (*via E-mail*)
Beau Eccles, Esq. (*via E-mail*)
Cody Hunt (*via E-mail*)
Kim Parker (*via E-mail*)

¹ Tex. Gov't Code §2306.001.

² Tex. Gov't Code §2306.002.

³ Tex. Gov't Code § 2306.6701.