



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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June 3, 2024

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Arnold Padilla
Mission Housing Authority
1300 E. 8th Street
Mission, Texas 78572

RE: APPEAL OF SCORING OF 9% HOUSING TAX CREDIT APPLICATION
#24137 – ANACUA SENIOR VILLAGE (DEVELOPMENT)

Mr. Padilla:

The Texas Department of Housing and Community Affairs (the Department) received the Application named above on March 1, 2024. The Application was submitted to compete within the At-Risk Set-Aside and requests \$2,000,000 in Housing Tax Credits to reconstruct 104 units, 92 of which as affordable, serving the elderly population in Mission.

A pre-application was submitted for this Application, which indicated that the Application would include a total of 90 Units. The total number of Units in the final Application is 104, which is an increase of over 13% from the pre-application. In accordance with 10 TAC §11.9(e)(3), an Application is eligible for six points related to Pre-application Participation so long as certain criteria are met, including that the total number of Units does not increase by more than 10% from pre-application to Application. Because this criteria was not met, staff issued a scoring notice on May 23, 2024, which reduced the Application's total score by six points. An appeal of that scoring notice was timely submitted on May 29, 2024.

The appeal asserts that the number of Units reported in the pre-application was an error, and that the presence of this error creates an inconsistency within this Application that should be curable as an Administrative Deficiency, as defined at 10 TAC §11.1(d)(2). While the Qualified Allocation Plan (QAP) does allow for inconsistencies in an Application to be corrected, a variance between the units proposed at pre-application and the Units included in the final Application does not create an inconsistency that is necessary for staff's evaluation of the Application, which is the basis of the Administrative Deficiency process, as is established in the definition:



Administrative Deficiency - Information requested by Department staff to clarify, explain, confirm, or restrict the Development proposal to a logical and definitive plan or to provide missing information in the original Application or pre-application; or to assist staff in evaluating the Application or pre-application that, in the Department staff's reasonable judgment, may be cured by supplemental information or explanation which will not necessitate a substantial reassessment or re-evaluation of the Application or pre-application.

Such variances in Unit count are expected, and are explicitly contemplated in the rule in question. Changes to the Application that are submitted only to qualify for points claimed in the Application are prohibited by 10 TAC §11.1(d)(2)(B)(ii), and because staff has identified no other purpose for the Units in the pre-application to be updated, the QAP appears to prohibit the requested change.

Additionally, in the event that an Administrative Deficiency were issued and the Unit count in the pre-application was allowed to be changed, the Application would still not qualify for pre-application points, as the total number of Units would still have increased by more than 10% from the pre-application's initial submittal to the full Application. Accordingly, your appeal is denied.

The appeal includes a request that the decision to deny your appeal be further appealed to the Department's Governing Board at its upcoming meeting on June 13, 2024, in accordance with 10 TAC §11.902. Please consider this letter as an acknowledgement of that request, which will accordingly be processed by staff.

If you have any questions or concerns, please contact Cody Campbell at 512-475-1676 or by email at cody.campbell@tdhca.state.tx.us.

Sincerely,



Bobby Wilkinson
Executive Director