



TDHCA Governing Board Meeting Transcript*

***10:00 a.m.
June 4, 2026***

***Dewitt C. Greer State Highway Building,
Williamson Board Room***

125 E. 11th Street, Austin, TX 78701

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BOARD MEMBERS:

LEO VASQUEZ III, CHAIR

KENNY MARCHANT

ANNA MARIA FARIAS

AJAY THOMAS

HOLLAND HARPER

CINDY CONROY

SPEAKERS:

Bobby Wilkinson

Megan Sylvester

Paul Ford

Joe Guevara

Teresa Morales

Priscilla Stevenson

Jonathan Galvan

Michael De Young

Joshua Goldberger

Cody Campbell

Chris Goodpaster

Barbara Cilley

Anita Tschurr

Diana Phillips

Jonnie McCart

Wallace Reed

Walter Moreau

Robbye Meyer

Glenn Lynch

1 **Leo Vasquez III (0:00:02):**

2 Good morning. I'm calling to order the meeting of the
3 Governing Board of the Texas Department of Housing and
4 Community Affairs. It is 10:02 a.m. on June 4, 2026.
5 We'll start out with our roll call. Mr. Marchant.

6

7 **Kenny Marchant (0:00:16):**

8 Here.

9

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

11 Ms. Farias.

12

13 **Anna Maria Farias (0:00:18):**

14 Here.

15

16 **Leo Vasquez III (0:00:18):**

17 Mr. Thomas.

18

19 **Ajay Thomas (0:00:19):**

20 Here.

21

22 **Leo Vasquez III (0:00:19):**

23 Mr. Harper.

24

25 **Holland Harper (0:00:20):**

26 Here.

27

28 **Leo Vasquez III (0:00:20):**

29 Ms. Conroy.

30

31 **Cindy Conroy (0:00:21):**

32 Here.

33

34 **Leo Vasquez III (0:00:21):**

35 And myself. We are all present and accounted for. As
36 usual, we'll start out with Mr. Wilkinson leading us in
37 the pledges.

38

39 **Bobby Wilkinson (0:00:32):**

40 I pledge allegiance to the flag of the United States of
41 America, and to the republic for which it stands, one
42 nation under God, indivisible, with liberty and justice
43 for all.

44

45 Honor the Texas flag; I pledge allegiance to thee,
46 Texas, one state under God, one and indivisible.

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

48 Okay. Thank you all. I have a point of information
49 statement to start out with based on yesterday's
50 meeting, the Rules Committee.

51

52 Yesterday at the Rules Committee meeting, Mr. Darrell
53 Jack of Apartment MarketData tried to present us with
54 some written information about the rising costs of
55 affordable housing in the Austin, Texas area.

56

57 We were unable to accept his presentation at that time
58 due to state law as defined in 10 TAC Section 1.10, in
59 that there were not enough copies of the presentation
60 for the entire public to view, the entire public that
61 was here at the meeting.

62

63 However, TDHCA staff has now placed the presentation on
64 our website, and we have handouts at the sign-in desk
65 out in the front foyer, which include the information on
66 where you can find it on our website.

67

68 And then now with this process, the presentation will
69 also be delivered to the Board today. So for those of

70 you who missed the excitement yesterday, staff has
71 followed up and we dotted the i's and crossed the t's.

72

73 **Megan Sylvester (0:02:20):**

74 Just a reminder. If you would like to have materials in
75 the board book, please get it to TDHCA staff seven days
76 in advance, or at the very least three days in advance
77 so that we can put it on our website.

78

79 **Leo Vasquez III (0:02:37):**

80 Very good. We will look at the consent agenda first.
81 Do any board members or members of the public wish to
82 move any items posted to the consent agenda, move to
83 action? If not, I will entertain a motion on the
84 consent agenda as posted.

85

86 **Anna Maria Farias (0:03:02):**

87 Mr. Chairman, I move the Board approve items 1 through
88 21 as described and presented in the respective board
89 action requests.

90

91 **Holland Harper (0:03:12):**

92 Second.

93

94 **Leo Vasquez III (0:03:13):**

95 Motion made by Ms. Farias. Seconded by Mr. Harper. All
96 those in favor say aye.

97

98 **All Board Members (0:03:15):**

99 Aye.

100

101 **Leo Vasquez III (0:03:18):**

102 Any opposed? Hearing none, motion carries. Moving
103 right along. Executive Director's report. Mr.
104 Wilkinson.

105

106 **Bobby Wilkinson (0:03:29):**

107 Yes, sir. Good morning, Chairman, Board. I'll start
108 with our single family and homeless programs area. Last
109 week, our Section 8 program received its annual Section
110 8 Management Assessment Program score, or what is called
111 a SEMAP.

112

113 SEMAP is HUD's formal performance evaluation system for
114 public housing agencies that administer the Housing
115 Choice Voucher Program. It measures compliance with

116 federal regulations and evaluates the accuracy,
117 integrity, and effectiveness of program operations
118 across a series of defined indicators.

119

120 HUD assigns each agency an overall rating based on its
121 indicator scores. 90 to 100 percent means you're
122 considered a high performer. 60 to 89 gets you a
123 standard performer rating. Anything below 60 means
124 you're considered a troubled performer.

125

126 I'm pleased to report this year our program earned a
127 high performer rating of 96 percent. So I want to
128 congratulate Andre Adams and his team who run the
129 program and to Abby Versyp, who's the director over that
130 area. Well done. Andre, give us a wave. Yeah.

131

132 **Leo Vasquez III (0:04:30):**

133 Good job.

134

135 **Bobby Wilkinson (0:04:35):**

136 And just as a reminder, we administer Section 8 vouchers
137 for rural 34 counties that don't have their own housing
138 authorities that run voucher programs.

139

140 Moving over to our homeownership area, staff will be
141 doing several free community homeownership events this
142 month, bringing our homebuyer resources directly to
143 Texans across the State.

144

145 On Saturday, they'll be at the Hispanic Real Estate
146 Brokers Association's Homeownership Health and Wellness
147 Fair in Grand Prairie. For those of you interested,
148 it's happening from 10 a.m. to 2 p.m. at St. Michael the
149 Archangel Catholic Church.

150

151 And one week from today, our homeownership staff will be
152 holding a free webinar from 12 noon to 1:30 p.m. for
153 state employees, sponsored by the Texas Public Employees
154 Association.

155

156 Honestly, I wish I knew about the homebuyer program when
157 I was a young staffer. I would be thick with equity
158 right now. You don't think you would qualify, but of
159 course you would as a, yeah. They'll be talking about
160 the ins and outs of homeownership and highlighting our
161 programs.

162

163 More information on these events can be found on the
164 TDHCA website and our social media channels on X and
165 Instagram. Yeah. We're that cool now. I like to say
166 Insta or the Gram usually.

167

168 Finally, just a short note to let you know that last
169 Friday we submitted our strategic plan for the 2027 to
170 2031 to the Governor and the Legislative Budget Board.
171 This is a statutorily required document and it
172 establishes our agency's specific mission, performance
173 measures, resource needs, and populations served.

174

175 We asked for more definition changes to performance
176 measures based off the Board's input on we want to make
177 them better for us and to make more sense. We created
178 those additional measures just for the Board. These
179 measures are, basically we're asking for permission from
180 the Legislative Budget Board and the Office of the
181 Governor to make those tweaks.

182

183 There's a section called redundancies and impediments,
184 where we talk about things in our statute that maybe

185 could get changed to help streamline the agency or
186 things that are obsolete, that are from 20 years ago
187 that aren't being done anymore. It's things like that.

188

189 Most of the strategic plan is based off the instructions
190 we get from the LBB and the Governor's Office. It's not
191 free-for-all. So it's pretty formulaic, but it can be
192 important.

193

194 We now turn our attention and focus to the Legislative
195 Appropriations Request, or LAR, for the next biennium,
196 which will be due in August, most likely. As with the
197 strategic plan, Michael Lyttle's Legislative Affairs
198 team works closely with David Cervantes in Financial
199 Administration and me to assemble and submit the LAR.

200

201 I will keep you updated on our progress. Probably
202 nothing big or new. We're basically kind of, like your
203 operating budget earlier, kind of trending down as far
204 as some of those COVID-era federal programs are still
205 winding down. But we'll let you know if anything
206 noteworthy happens. And with that, I conclude my report
207 and I'm happy to answer any questions.

208

209 **Leo Vasquez III (0:07:42):**

210 Great. Thank you, Bobby. Do any board members have
211 questions for Mr. Wilkinson on his report? Hearing
212 none, thank you for the report. We'll move on with the
213 agenda. Item 23. Report of the meeting of the Internal
214 Audit and Finance Committee. Mr. Thomas.

215

216 **Ajay Thomas (0:08:01):**

217 Thank you, Mr. Chairman. Fellow members, ladies and
218 gentlemen. The Audit and Finance Committee met this
219 morning at 9:30 a.m. In that meeting, Mark Scott,
220 Director of Internal Audit, presented three report
221 items.

222

223 The first was an internal audit of the Housing Resource
224 Center Division at TDHCA. Then the second was the
225 internal audit of My First Texas Home program. And the
226 final report was on the status of the internal and
227 external audit activities at the Department.

228

229 Mr. Joe Guevara, Director of Financial Administration,
230 also presented an action item related to a request for

231 proposal issued by the Texas Department of Housing and
232 Community Affairs for audit services and the selection
233 thereof.

234

235 Mr. Paul Ford, Manager of Financial Administration and
236 Staff Services, which I believe he has a new title now,
237 presented two action items to the committee, the fiscal
238 year 2027 operating budget and the fiscal year 2027
239 Housing Finance Division budget.

240

241 After discussion, the committee voted to recommend
242 approval of all action items to the full board. Mr.
243 Guevara and Mr. Ford are here and will be presenting
244 them to the full board on the next action items.

245

246 That concludes my report on the meeting of the Audit and
247 Finance Committee, and I'm happy to answer any questions
248 that might come.

249

250 **Leo Vasquez III (0:09:19):**

251 Great. Thank you, Mr. Thomas, and thank you for the
252 well-run committee meeting earlier today. Do any other
253 board members have questions for Mr. Thomas? If not,

254 let's move on to the action item 24. Presentation,
255 discussion, and possible action on the fiscal year 2027
256 operating budget. Mr. Ford.

257

258 **Paul Ford (0:09:55):**

259 Good morning, Mr. Chairman and members. Paul Ford,
260 Manager of Financial and Staff Services. Item 24
261 concerns the approval of the Department's fiscal year
262 2027 operating budget.

263

264 As discussed earlier this morning during the Audit and
265 Finance Committee meeting, the proposed budget complies
266 with the spending authority set forth by the General
267 Appropriations Act, and we anticipate sufficient revenue
268 from all funding sources to support the Department's
269 ongoing operational cost.

270

271 The proposed fiscal year 2027 operating budget totals
272 \$46.3 million, which represents a decrease of \$2.2
273 million, or 4.6 percent, from fiscal year 2026. It
274 consists of three primary categories: permanent
275 activities, temporary programs, and capital projects.

276

277 Permanent activities, which support core programs, have
278 a budget of \$39.5 million. This represents a 4.4
279 percent, or \$1.65 million, increase. This is primarily
280 driven by the reallocation of nine full-time equivalent
281 positions as a strategic realignment of resources to
282 strengthen organizational capacity and to support
283 compliance with federal requirements.

284

285 These FTEs fall well within the cap approved in our
286 '26/'27 legislative appropriations request and are
287 funded largely by federal funds and appropriated
288 receipts. There is no impact to general revenue.

289

290 Temporary programs total \$4.4 million, which reflects a
291 decrease of 24.1 percent, or \$1.4 million. This
292 reduction corresponds with the successful completion and
293 wind-down of several COVID-related initiatives.

294

295 Of this decrease, approximately \$2 million relates to
296 salaries and wages associated with the attrition of 15
297 FTEs. This downtrend will continue as remaining COVID
298 programs conclude.

299

300 The budget for capital projects decreases \$2.5 million,
301 from \$4.9 million in 2026 to \$2.4 million in 2027. This
302 reduction reflects completion of major implementation
303 activities associated with the Multifamily Management
304 System project, which is a major software initiative
305 that enhances and streamlines multifamily activities.

306

307 The proposed budget supports 318 department FTEs within
308 the Agency's total fiscal year 2027 appropriation of 393
309 positions. So this represents a net appropriated
310 reduction of four FTEs from fiscal year 2026. It also
311 reflects the continued wind-down of temporary COVID-
312 related programs.

313

314 So a little bit more detail. 291 of those are permanent
315 department staff. 27 of those are temporary staff,
316 which represents 38 authorized positions, 11 of which
317 are not currently budgeted. The remaining 64
318 appropriated FTEs are dedicated to the Manufactured
319 Housing Division.

320

321 Overall, the fiscal year 2027 budget reflects a
322 strategic realignment of resources to support the

323 Department's long-term operational needs. While
324 temporary funding continues a downward trend, the budget
325 strengthens core functions, enhances compliance
326 capacity, and provides for increased operating costs
327 associated with current economic conditions.

328

329 This budget reflects our commitment to sound fiscal
330 management, ensures adequate resources for
331 administrative operations, and positions the Department
332 to meet its operational and compliance responsibilities
333 throughout the fiscal year. Based on current
334 projections, available revenues are expected to fully
335 support all planned expenditures.

336

337 Before I close, I'd like to express my sincere gratitude
338 to Mr. David Cervantes and Mr. Joe Guevara for their
339 continued mentorship and guidance, and also to Mr. Reno
340 Daniels on the budget team for his exceptional
341 contributions and support.

342

343 This concludes my presentation, and I welcome any
344 questions or feedback on the proposed fiscal year 2027
345 operating budget.

346

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

348 Great. Thank you, Paul. Do any board members have
349 questions for Mr. Ford before we...

350

351 **Ajay Thomas (0:13:41):**

352 Mr. Chairman, I would just say that we did cover this in
353 great detail, both in a briefing that I received prior
354 to the Audit and Finance Committee meeting and then
355 during the Audit and Finance Committee meeting earlier
356 this morning. And just want to commend staff and Mr.
357 Ford's first presentation, Mr. Cervantes under Mr.
358 Wilkinson's leadership, they've run a really good budget
359 process and I thought was very thorough. And most of the
360 changes or things that we deal with are outside of GR
361 and really more general revenue and more programmatic,
362 as we noted in the Audit and Finance Committee meeting.

363

364 So I just thought it was a really well-done job and it
365 seems like we're managing expenses really well, and the
366 budget in the Department is being run very efficiently.
367 So congratulations on that.

368

369 **Leo Vasquez III (0:14:30):**

370 All right. Anyone else? With that, I echo Mr. Thomas's
371 remarks and appreciate the briefing that y'all gave me
372 as well, so that those details help answer lots of
373 questions. Mr. Thomas, would you care to make a motion
374 on item 24 of the agenda?

375

376 **Ajay Thomas (0:14:50):**

377 Yes, sir. Mr. Chairman. I move the Board approve and
378 submit the state fiscal year 2027 operating budget, all
379 as described and authorized in the board action request,
380 resolutions, and associated documents in this item.

381

382 **Cindy Conroy (0:15:02):**

383 I'll second.

384

385 **Leo Vasquez III (0:15:03):**

386 Motion made by Mr. Thomas. Seconded by Ms. Conroy. All
387 those in favor say aye.

388

389 **All Board Members (0:15:08):**

390 Aye.

391

392 **Leo Vasquez III (0:15:08) :**

393 Any opposed? Hearing none, motion carries. Stay there,
394 Mr. Ford. Item 25. Presentation, discussion, and
395 possible action on state fiscal year 2027 Housing
396 Finance Division budget. Mr. Ford, tell us about this
397 one.

398

399 **Paul Ford (0:15:23) :**

400 Sir, as you stated, this item pertains to the Housing
401 Finance Division budget, which is a subset of our
402 internal operating budget submitted in compliance with
403 Texas Government Code 2306 and the General
404 Appropriations Act. This budget totals \$25 million,
405 which represents expenses funded specifically with fees
406 generated by single-family bond, multifamily bond, tax
407 credit, and compliance activities. I'm available for
408 any questions on this item and prepared to certify this
409 budget as well.

410

411 **Leo Vasquez III (0:15:50) :**

412 Thank you. Any questions on this item? Anything else,
413 Mr. Thomas?

414

415 **Ajay Thomas (0:15:57):**

416 No, sir. Again, very well done. All programmatic in
417 nature. I thought it was a good briefing, good
418 presentation. Good work.

419

420 **Paul Ford (0:16:04):**

421 Thank you.

422

423 **Leo Vasquez III (0:16:06):**

424 Mr. Thomas.

425

426 **Ajay Thomas (0:16:07):**

427 Mr. Chairman, I move the Board approve and submit the
428 state fiscal year 2027 Housing Finance Division budget,
429 all as described and authorized in the board action
430 request, resolutions, and associated documents in this
431 item.

432

433 **Anna Maria Farias (0:16:19):**

434 Second.

435

436 **Leo Vasquez III (0:16:20):**

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

438 those in favor say aye.

439

440 **All Board Members (0:16:24):**

441 Aye.

442

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

444 Any opposed? Hearing none, motion carries.

445

446 **Paul Ford (0:16:27):**

447 Thank you.

448

449 **Leo Vasquez III (0:16:27):**

450 Thanks, Paul. Item 26. Presentation, discussion, and

451 possible action regarding a request for proposal for

452 audit services and selection thereof. Mr. Guevara.

453

454 **Joe Guevara (0:16:41):**

455 Good morning, Mr. Chairman and board members. For the

456 record, Joe Guevara, Director of Financial

457 Administration. I'm here to discuss item 26 related to

458 the request for proposal for audit services.

459

460 As a brief background, the Department is statutorily

461 required to undergo an annual financial audit.
462 Following our fiscal year 2025 audit, the State
463 Auditor's Office ceased performing these services for
464 the Department.

465

466 Management moved quickly to secure an official
467 delegation of authority from the SAO, allowing us to
468 procure a private independent auditor. We launched a
469 competitive request for proposal in March.

470

471 A five-member internal team evaluated the submissions
472 and determined that CliftonLarsonAllen, or CLA, offered
473 the highest level of experience, resource depth, and
474 specific expertise in auditing complex state housing
475 agencies.

476

477 To review the contract structure, year one is set at
478 404,000. We retained the option for three subsequent
479 one-year renewals, which carry a 4 percent annual cost
480 escalation and remain contingent on yearly SAO approval.

481

482 Because of the maximum potential value over the life of
483 this contract, it crosses the \$1 million threshold,

484 Texas Government Code 2261.254 requires the Governing
485 Board's authorization.

486

487 Staff is confident in CLA's ability to step in
488 seamlessly. Their specialized industry knowledge means
489 there's a minimal learning curve, which ensures the
490 continuity of our financial reporting, protects our high
491 credit ratings, and keeps us aligned with our
492 bondholders and federal partners.

493

494 Backed by the Audit Finance Committee's recommendation,
495 staff requests the Board approve and authorize the
496 Department to execute this contract. Thank you, and I'm
497 available for any questions you may have.

498

499 **Leo Vasquez III (0:18:33):**

500 Any questions? So just to repeat, the State Auditor's
501 Office was doing this and now they've asked us to,

502

503 **Joe Guevara (0:18:43):**

504 That's correct. They have the authority to do any kind
505 of audit work within the state agencies. They were
506 doing the audit since 2012, I believe, and given new

507 legislation, they had to shift their resources for the
508 efficiency audits that they were charged with. So they
509 had to relinquish that responsibility, and so we had to
510 go out for bid.

511

512 **Bobby Wilkinson (0:19:03):**

513 And they were charging us kind of a flat fee since 2012,
514 so now we're having to pay market prices.

515

516 **Joe Guevara (0:19:09):**

517 Yeah, exactly. So definitely was a cost increase, but
518 reasonable cost increase.

519

520 **Leo Vasquez III (0:19:15):**

521 Great. Okay. In that case, if there's no other further
522 questions, I'll entertain a motion on item 26 of the
523 agenda.

524

525 **Ajay Thomas (0:19:29):**

526 Mr. Chairman, I move the Board approve the selection of
527 CliftonLarsonAllen LLP to perform its annual audit of
528 the State Housing Trust Fund, all as described and
529 authorized in the board action request, resolutions, and

530 associated documents on this item.

531

532 **Cindy Conroy (0:19:41):**

533 I'll second.

534

535 **Leo Vasquez III (0:19:42):**

536 Motion made by Mr. Thomas. Seconded by Ms. Conroy. All

537 those in favor say aye.

538

539 **All Board Members (0:19:47):**

540 Aye.

541

542 **Leo Vasquez III (0:19:48):**

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

544 Item 27 of the agenda. Presentation, discussion, and

545 possible action regarding the issuance of a multifamily

546 housing governmental note, Series 2026, Resolution No.

547 26-007, and a determination notice of housing tax

548 credits. Ms. Morales.

549

550 **Teresa Morales (0:20:12):**

551 Good morning. Teresa Morales, Director of Multifamily

552 Bonds. Item 27 involves a bond issuance for the

553 rehabilitation of a 130-unit property in Dallas. All of
554 the units will be restricted at 60 percent of the area
555 median income and will continue to serve the general
556 population.

557

558 This project previously received funding from the
559 Department as we were the issuer of 501(c)(3) bonds
560 allocated to the project in the early '90s, which have
561 since been paid off.

562

563 The project is not changing hands. The Atlantic Housing
564 Foundation, which is a nonprofit, will remain in the
565 structure and serve as general partner. This
566 transaction is a private placement and so the bonds will
567 be unrated and placed with Fifth Third Bank, who will be
568 serving as the construction lender.

569

570 Once the conditions to conversion are met, Barings LLC
571 will step in as perm lender and acquire the governmental
572 note. Enterprise is providing the tax credit equity and
573 has actually already received committee approval.

574

575 The bond issuance amount is set at \$18 million for the

576 construction loan. At conversion, it is expected that
577 some of this will be paid down and the perm loan will
578 have a 17-year term and a 40-year amortization.

579

580 With Board approval today, we will proceed with
581 obtaining approval by the Bond Review Board, with rate
582 lock to immediately follow in order to accommodate a
583 closing at the end of June.

584

585 Staff recommends approval of bond resolution number 26-
586 007 for \$18 million and a determination notice of 4
587 percent housing tax credits in the amount of 1,250,668.

588

589 **Leo Vasquez III (0:21:57):**

590 Okay. Thank you. Do any board members have questions
591 for Ms. Morales?

592

593 **Kenny Marchant (0:22:01):**

594 Yeah. Mr. Chairman, I'd just like to understand the
595 distinction of us approving these bonds. I'm not
596 against them, but I just want to understand the process
597 a little better, why you have to present these bonds to
598 us for sale.

599

600 **Teresa Morales (0:22:21):**

601 Statutory.

602

603 **Kenny Marchant (0:22:22):**

604 Statutory.

605

606 **Teresa Morales (0:22:33):**

607 The Board is required to adopt a bond resolution
608 identifying the terms or the parameters, and that gives
609 us authorization to proceed with obtaining other
610 governmental approvals, whether that be the Texas Bond
611 Review Board, who has to approve all of TDHCA's bond
612 transactions, and then ultimately the Attorney General's
613 office in rendering their legal opinion.

614

615 **Kenny Marchant (0:22:45):**

616 And are these for 4 percent, 9 percent, or is it...

617

618 **Teresa Morales (0:22:48):**

619 These are specifically bond transactions that are
620 layered with 4 percent housing tax credits, and these
621 are transactions where the Department is issuing them.

622 So 4 percent deals, you can have the bonds issued by
623 locals. Those transactions this board does not see.
624

625 **Kenny Marchant (0:23:06):**

626 Okay.

627

628 **Leo Vasquez III (0:23:11):**

629 Okay. And then just to clarify, this is a rehab project
630 where they are changing the ownership structure, but
631 there's still the core prior ownership group staying
632 there.

633

634 **Teresa Morales (0:23:25):**

635 Correct. There's a new limited partnership being
636 created, but Atlantic Housing Foundation will continue
637 to remain in the ownership structure. I believe they
638 initially purchased the property back in 2004, so
639 they've held it for quite some time, and this is them
640 repositioning the property and doing quite a lengthy
641 amount of rehab.

642

643 **Leo Vasquez III (0:23:51):**

644 Okay. Great. Any other questions? And by the way, for

645 everyone in the audience, I guess we're getting more
646 into part of the agenda where there may be public
647 comment.

648

649 If you want to speak on a topic, just so you slow me
650 down a little bit in the process, come up to the front
651 couple rows so I know that you want to speak and we'll
652 give you the opportunity. So seeing that there's no
653 public comment on this item, I will entertain a motion
654 on item 27 of the agenda.

655

656 **Holland Harper (0:24:20):**

657 I move the Board approve Resolution No. 26-007, the
658 issuance of tax-exempt multifamily housing governmental
659 notes Series 2026 with determination notice of 4 percent
660 housing credits for Waters at Waterchase, all as
661 described, conditioned, and authorized in the board
662 action request, resolution, and associated documents on
663 this item.

664

665 **Anna Maria Farias (0:24:37):**

666 Second.

667

668 **Leo Vasquez III (0:24:39):**

669 Motion made by Mr. Harper. Seconded by Ms. Farias. All
670 those in favor say aye.

671

672 **All Board Members (0:24:43):**

673 Aye.

674

675 **Leo Vasquez III (0:24:44):**

676 Any opposed? Hearing none, motion carries. Thanks,
677 Teresa. Item 28 of the agenda, presentation,
678 discussion...

679

680 **Kenny Marchant (0:24:51):**

681 Mr. Chairman, can I make a motion that we receive public
682 input?

683

684 **Leo Vasquez III (0:24:57):**

685 Sure. Is there a second to Mr. Marchant's...

686

687 **Holland Harper (0:25:00):**

688 Second.

689

690

691 **Leo Vasquez III (0:25:03):**

692 For the rest of the meeting.

693

694 **Kenny Marchant (0:25:04):**

695 For the rest of the meeting. Yeah.

696

697 **Leo Vasquez III (0:25:05):**

698 Okay. All right. All in favor, aye.

699

700 **All Board Members (0:25:07):**

701 Aye.

702

703 **Leo Vasquez III (0:25:07):**

704 Motion carries. Okay. The Eccles Rule is in effect as

705 a Sylvester Rule today. Item 28. Presentation,

706 discussion, and possible action on the approval of a

707 loan for Crossroads Redevelopment. Ms. Stevenson.

708

709 **Priscilla Stevenson (0:25:23):**

710 Good morning, Chairman and members of the board. My

711 name is Priscilla Stevenson, Manager of the Multifamily

712 Direct Loan Program.

713

714 This item concerns the approval of a National Housing
715 Trust Fund loan for a development known as Crossroads
716 Redevelopment. Crossroads Redevelopment is to be
717 located in Austin and proposes the reconstruction of 110
718 units that will serve a supportive housing population.

719

720 The development will focus on serving families with
721 children that have been homeless and have special needs
722 by providing supportive services such as onsite case
723 management, a learning center for the youth, educational
724 classes for adults, and healthy initiatives such as
725 access to cooking classes and a food pantry.

726

727 The development will serve households with incomes at or
728 below 30 percent to 60 percent area median family
729 income. Out of the 110 total units, 23 National Housing
730 Trust Fund units will serve a population at a 30 percent
731 area median family income.

732

733 The development will provide free supportive service
734 programs that will educate, support, and improve the
735 health and financial standing of residents.

736

737 The development originally received an allocation of 9
738 percent housing tax credits and a small allocation of
739 state housing tax credits in 2025. Since that initial
740 award of funding, the total development cost increased
741 by approximately \$7 million due to the increase in
742 acquisition costs as well as construction costs.

743

744 The application has now applied for a multifamily direct
745 loan in the amount of \$5,191,318. The loan will be
746 deferred but fully repayable upon sale or refinance of
747 the property and will carry a 2 percent interest rate
748 and a 35-year term. Staff recommends approval. And I'm
749 happy to answer any questions that you may have.

750

751 **Leo Vasquez III (0:27:15):**

752 Okay. Thank you. Do any board members have questions
753 on this item? It's good to see a truly deeply
754 affordable complex being worked on here. Okay. Seeing
755 no comments or questions, I will entertain a motion on
756 item 28 of the agenda.

757

758 **Anna Maria Farias (0:27:38):**

759 Mr. Chairman, I move the Board approve the National

760 Housing Trust Fund loan to Crossroads Redevelopment, all
761 as described, conditioned, and authorized in the board
762 action request, resolution, and associated documents on
763 this item.

764

765 **Ajay Thomas (0:27:56):**

766 Second, Mr. Chairman.

767

768 **Leo Vasquez III (0:27:57):**

769 Motion made by Ms. Farias. Seconded by Mr. Thomas to
770 approve the loan to Crossroads Redevelopment. All those
771 in favor say aye.

772

773 **All Board Members (0:28:08):**

774 Aye.

775

776 **Leo Vasquez III (0:28:09):**

777 Any opposed? Hearing none, motion carries. Moving on
778 to item 29. Presentation, discussion, and possible
779 action on the approval of a loan for McAdams Haven. Ms.
780 Stevenson.

781

782

783 **Priscilla Stevenson (0:28:22):**

784 This item concerns the approval of a National Housing
785 Trust Fund loan for a proposed development known as
786 McAdams Haven. McAdams Haven is to be located in Denton
787 and proposes the new construction of 84 units that will
788 serve a supportive housing population.

789

790 The development will serve households with incomes at or
791 below 30 percent to 60 percent of the area median family
792 income. Out of the 84 total units, 36 NHTF units will
793 serve a population at a 30 percent area median family
794 income.

795

796 Each home is designed to be paired with onsite
797 supportive services including mental health care and
798 community-focused spaces intended to help residents
799 rebuild stability. In collaboration with Denton County
800 MHMR, the development will serve highly vulnerable
801 individuals exiting homelessness as well as individuals
802 experiencing chronic housing instability. Residents
803 will be offered case management services to facilitate
804 access to care based on the resident's needs.

805

806 The development will have over 4,000 square feet of
807 amenity spaces that can be used for job and skills
808 training, well-being and community building activities,
809 mental and behavioral health care as well as recovery
810 services.

811

812 The development originally received an allocation of 9
813 percent housing tax credits in 2025. The initial
814 application included a \$7 million grant from the Texas
815 Homeless Network.

816

817 The applicant has applied for a multifamily direct loan
818 in the amount of \$6,073,885, which will replace this
819 grant. The loan will be deferred but fully repayable
820 upon sale or refinance of the property and will carry a
821 2 percent interest rate at a 16-year term.

822

823 Staff recommends approval. And I'm happy to answer any
824 questions that you may have.

825

826 **Leo Vasquez III (0:30:15):**

827 Great. Thank you, Priscilla. Any questions or comments
828 on this item?

829

830 **Kenny Marchant (0:30:21):**

831 Mr. Chairman. Is the reason why these projects are not
832 listed on the financial report is because they are
833 involved with nonprofits, or?

834

835 **Bobby Wilkinson (0:30:41):**

836 It's on there. Number 29.

837

838 **Kenny Marchant (0:30:43):**

839 I'm sorry. I missed it. I appreciate it.

840

841 **Leo Vasquez III (0:30:46):**

842 It's a tiny little print.

843

844 **Bobby Wilkinson (0:30:48):**

845 They're all Denton Affordable Housing Corporation.

846

847 **Kenny Marchant (0:30:50):**

848 Okay. Yeah. Thank you.

849

850 **Leo Vasquez III (0:30:52):**

851 Four-point font.

852

853 **Bobby Wilkinson (0:30:55):**

854 Yeah. Get your readers out.

855

856 **Kenny Marchant (0:30:58):**

857 I was looking for the number of units and I didn't see

858 the...

859

860 **Leo Vasquez III (0:31:00):**

861 Need a magnifying glass as well.

862

863 **Kenny Marchant (0:31:05):**

864 Yeah. Reading it would help. I was looking for the

865 number of units and I'm misunderstanding the units.

866 It's for homeless, but are they in individual

867 apartments?

868

869 **Priscilla Stevenson (0:31:20):**

870 So yes, for this specific development, there will be 36

871 units that will be for folks that are coming in at 30

872 percent area median income. So it will be reserved for

873 extremely low-income residents.

874

875

876 **Kenny Marchant (0:31:35):**

877 Thank you very much. Sorry for the question.

878

879 **Leo Vasquez III (0:31:39):**

880 No, no. It's good. And again, this is another great

881 example of the most needy that are being addressed in

882 the full supportive services. Just like to see that.

883

884 **Ajay Thomas (0:31:55):**

885 Mr. Chairman, I just had a quick question.

886

887 **Leo Vasquez III (0:31:56):**

888 Sure. Please.

889

890 **Ajay Thomas (0:31:56):**

891 Just for my own knowledge, technical question.

892

893 So on the development cost in our briefing packet, it

894 talked about there was no change in the building cost

895 for the project, but the developer fee increased \$65,000

896 from the previous underwriting, and the total

897 development cost then it says increased by \$722,000.

898 What accounted for that increase then if the project
899 didn't have any cost escalation?

900

901 **Priscilla Stevenson (0:32:21):**

902 From my understanding, I understand that they did lose
903 that \$7 million grant. They did apply to HUD. During
904 that time of that application process, that notice of
905 funding opportunity went under programmatic revision and
906 then therefore resulted in them losing that grant at
907 that time, and that was in late 2025.

908

909 **Ajay Thomas (0:32:40):**

910 Okay. Great. Okay. Thank you.

911

912 **Kenny Marchant (0:32:46):**

913 Again, can you reiterate what the Denton County MHMR had
914 to do with this?

915

916 **Priscilla Stevenson (0:32:50):**

917 That is a mental, it's a division for mental health and
918 mental retardation, and they offer services for anyone
919 that is in need of mental or behavioral services in the
920 area.

921

922 **Kenny Marchant (0:33:01):**

923 Yeah. But they're not involved with financing...

924

925 **Priscilla Stevenson (0:33:03):**

926 They are in collaboration with them. So they will be

927 collaborating with the development to bring in their

928 services into the development if needed.

929

930 **Kenny Marchant (0:33:12):**

931 Yeah. And the (indiscernible - simultaneous speech).

932

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

934 Service provider not...

935

936 **Priscilla Stevenson (0:33:13):**

937 But it's services, not financial.

938

939 **Kenny Marchant (0:33:18):**

940 Okay. So just for disclosure, my brother is on the

941 Denton County MHMR board. I didn't know anything about

942 this, but if I need to abstain, please advise me. I

943 think

944

945 **Leo Vasquez III (0:33:31):**

946 Probably okay on this one.

947

948 **Megan Sylvester (0:33:32):**

949 Abstain. It's fine.

950

951 **Leo Vasquez III (0:33:34):**

952 Okay. All right.

953

954 **Cindy Conroy (0:33:35):**

955 You need to abstain.

956

957 **Ajay Thomas (0:33:35):**

958 You need to abstain.

959

960 **Kenny Marchant (0:33:35):**

961 I do. Okay.

962

963 **Leo Vasquez III (0:33:37):**

964 And in an abundance of caution. Okay. All right.

965 Okay. Anyone else? If not, I will entertain a motion

966 on item 29 of the agenda for McAdams Haven.

967

968 **Anna Maria Farias (0:33:56):**

969 Mr. Chairman, I move the Board approve the National
970 Housing Trust Fund loan to McAdams Haven, all as
971 described, conditioned, and authorized in the board
972 action request, resolution, and associated documents on
973 this item.

974

975 **Holland Harper (0:34:12):**

976 Second.

977

978 **Leo Vasquez III (0:34:12):**

979 Thank you. Motion made by Ms. Farias. Seconded by Mr.
980 Harper. All those in favor say aye.

981

982 **Board Members (0:34:17):**

983 Aye.

984

985 **Leo Vasquez III (0:34:18):**

986 Any opposed? Hearing none, motion carries.

987

988 **Megan Sylvester (0:34:20):**

989 Thank you.

990

991 **Kenny Marchant (0:34:20):**

992 Show me abstaining, please.

993

994 **Leo Vasquez III (0:34:22):**

995 And with noting for the record that Mr. Marchant

996 abstains from that particular vote. Okay. Moving right

997 along to item 30. And by the way, after this,

998 everyone's going to have some pleasant surprises on how

999 fast the rest of this meeting's going.

1000

1001 Item 30 is a report, not an action item, a report

1002 relating to the conclusion of the 2025 non-competitive 4

1003 percent Housing Tax Credit program and an update of the

1004 2026 non-competitive 4 percent Housing Tax Credit

1005 program. Mr. Galvan.

1006

1007 **Jonathan Galvan (0:35:02):**

1008 Good morning, Chairman, members of the board. Jonathan

1009 Galvan, 4 percent Tax Credit program manager. As

1010 mentioned, item 30 involves a report related to the 2025

1011 and 2026 4 percent tax credit program.

1012

1013

1014 The 2025 4 percent tax credit application log is
1015 included as Exhibit A and reflects those applications
1016 that were submitted to TDHCA from January 2025 through
1017 December 2025 in conjunction with the issuance of bond
1018 reservations from the Bond Review Board.

1019

1020 Currently, there are 10 applications that have been
1021 approved and have had determination notices issued but
1022 have yet to close. Additionally, the log reflects 43
1023 applications that have closed on their respective bond
1024 allocations. Altogether, when considering what has
1025 closed and been approved, the total number of units is
1026 11,485 with a total of approximately \$124 million in 4
1027 percent tax credits for the 2025 program year. The 2025
1028 program year has effectively concluded and the figures
1029 represented herein are considered final.

1030

1031 Now turning to the ongoing 2026 program year. The 2026
1032 Private Activity Bond program has an annual ceiling
1033 amount of approximately \$4.2 billion, and as of May 7,
1034 2026, eligible requests totaled approximately \$3.2
1035 billion.

1036

1037 The 2026 4 percent tax credit application log is
1038 included as Exhibit B and reflects those applications
1039 that were submitted to TDHCA from January through June
1040 2026 in conjunction with the issuance of bond
1041 reservations. Currently, there are 21 applications under
1042 review for a total of 4,368 units and approximately \$58
1043 million in requested 4 percent tax credits. Additionally
1044 reflected on the log are nine applications that have
1045 been approved and have had determination notices issued
1046 but have yet to close.

1047

1048 Finally, the log reflects two applications that have
1049 closed on their respective bond allocations. Altogether,
1050 when considering what has closed and been approved and
1051 is currently active, the total number of units is 6,673
1052 and approximately \$85 million in 4 percent tax credits.

1053

1054 The start of the 2026 program year was different from
1055 prior years in that the Private Activity Bond ceiling
1056 was not oversubscribed and the level of participation
1057 was considerably lower compared to previous years.

1058

1059 The reasons behind this decline are varied but include a
1060 decrease in credit pricing, a decrease in interest among
1061 tax credit syndicators, volatile interest rates, and a
1062 softening of rental rates in some urban markets.

1063

1064 Although it is still too early to predict the total
1065 production of credits and units in the 2026 program
1066 year, a graph has been included in Exhibit C to provide
1067 perspective on how the 4 percent tax credit program has
1068 performed in each of the previous five years.

1069

1070 As you can see, the total number of units peaked in
1071 2021, most likely due to very low interest rates and a
1072 more favorable tax credit market. Overall activity in
1073 the 4 percent program and, in turn, total units
1074 stabilized between 2022 and 2025. That concludes my
1075 report and I'm happy to answer any questions.

1076

1077 **Leo Vasquez III (0:38:29):**

1078 Thank you for that. Do we have any indication that
1079 there might be a flood of applications that comes in
1080 here late compared...

1081

1082 **Jonathan Galvan (0:38:41):**

1083 So bond reservations continue to be issued and in turn
1084 applications continue to be submitted. We're seeing one
1085 or two a week at this point. So we still have the
1086 entire half of the year. So I wouldn't say a flood
1087 maybe, but a steady flow is expected, I would say.

1088

1089 **Leo Vasquez III (0:39:03):**

1090 Because on this graph, we're, the 2026 chart is going to
1091 drop tremendously based on the current figure.

1092

1093 **Jonathan Galvan (0:39:13):**

1094 Yeah. I think we're at about 7,000 now currently in the
1095 pipeline, 7,000 units. But I would say that we're still
1096 on pace to be in the general range of what's considered
1097 a normal year. So that 10,000, I think, is kind of the
1098 baseline.

1099

1100 **Leo Vasquez III (0:39:34):**

1101 Okay. All right. Well, let's get the message out to
1102 industry. There's lots of availability for funding
1103 right now.

1104

1105 **Bobby Wilkinson (0:39:43):**

1106 I mean, they're motivated, given the economics, if it
1107 works for them. As a reminder, we will gobble up the
1108 rest of that bond cap for single family at the end of
1109 the year.

1110

1111 **Leo Vasquez III (0:39:54):**

1112 Okay. Great. Do any board members have questions for
1113 Mr. Galvan? And if not, again, this was just a report,
1114 so thanks for the report. Keep us updated, please.

1115

1116 Okay. I am understanding that item 31 has been pulled
1117 from today's agenda.

1118

1119 **Megan Sylvester (0:40:17):**

1120 That's correct.

1121

1122 **Leo Vasquez III (0:40:17):**

1123 Okay. Moving on to item 32. Presentation, discussion
1124 and possible action on the 2027 Low Income Home Energy
1125 Assistance Program state plan and awards, otherwise
1126 known as LIHEAP. Mr. De Young.

1127

1128 **Michael De Young (0:40:35):**

1129 Good morning, Board and Chairman. Item 32 is regarding
1130 the LIHEAP, the 2027 plan. I know it's a little bit
1131 early to talk about 2027, but we're glad to get this one
1132 completed.

1133

1134 Each year, TDHCA receives approximately \$180 million of
1135 LIHEAP funds from the U.S. Department of Health and
1136 Human Services. These funds are to provide utility
1137 assistance and perform weatherization activities
1138 throughout Texas.

1139

1140 Back in April, you all approved the draft LIHEAP plan
1141 for 2027. And the process for public hearings, we've
1142 conducted all of that. The plan is in its final form
1143 and will be presented to U.S. Department of Health and
1144 Human Services with your approval. It's due no later
1145 than September 1st of this year. The plan will result in
1146 contracts with 35 utility assistance agencies and 21
1147 weatherization agencies that cover all 254 counties in
1148 the state. Those contracts will start January 1, 2027.
1149 They run through December 31, 2027.

1150

1151 Public comment on the plan was received from three
1152 organizations and the comment is summarized in
1153 Attachment A. In Attachment B, you'll find the list of
1154 subrecipient awards. The subrecipients who have been
1155 recommended for the award. But two are recommended for
1156 awards with conditions and they have an asterisk on
1157 them: South Texas Development Council and Tri-County
1158 Community Action.

1159

1160 If you approve this board action, we'll send the plan to
1161 the U.S. Department of Health and Human Services for
1162 their review and approval and then issue contracts, as I
1163 said, starting on January 1. Staff recommends your
1164 approval. And I can answer any questions you might have
1165 about the plan.

1166

1167 **Leo Vasquez III (0:42:15):**

1168 Great. Thank you. So this is pretty much rolling
1169 forward prior years, correct? I mean, with basic
1170 modifications, but same structure.

1171

1172 **Michael De Young (0:42:26):**

1173 Yes, sir.

1174

1175 **Leo Vasquez III (0:42:28) :**

1176 Do any board members have questions on the LIHEAP plan?

1177 If not, I will entertain a motion on item 32 of the

1178 agenda. Ms. Conroy.

1179

1180 **Cindy Conroy (0:42:45) :**

1181 I was totally thrown off by that. I move the Board

1182 approve the final 2027 LIHEAP state plan and awards to

1183 subrecipients of 2027 LIHEAP funds, all as specifically

1184 conditioned, described, and authorized in the board

1185 action request, resolution, and associated documents of

1186 this item.

1187

1188 **Ajay Thomas (0:43:06) :**

1189 Second.

1190

1191 **Leo Vasquez III (0:43:06) :**

1192 Motion made by Ms. Conroy. Seconded by Mr. Thomas. All

1193 those in favor say aye.

1194

1195 **All Board Members (0:43:11) :**

1196 Aye.

1197

1198 **Leo Vasquez III (0:43:11):**

1199 Any opposed? Hearing none, motion carries.

1200

1201 **Michael De Young (0:43:13):**

1202 Thank you.

1203

1204 **Leo Vasquez III (0:43:14):**

1205 Thank you, Michael. Item 33. Presentation, discussion,

1206 and possible action authorizing the Department to submit

1207 an application in response to the U.S. Department of

1208 Housing and Urban Development's 2025 NOFA for Section

1209 811 Project Rental Assistance for persons with

1210 disabilities and, if successfully awarded, to operate

1211 such program.

1212

1213 **Bill Cranor (0:43:40):**

1214 Sorry, that's a mouthful.

1215

1216 **Leo Vasquez III (0:43:42):**

1217 Mr. Cranor.

1218

1219

1220 **Bill Cranor (0:43:43):**

1221 Good morning, Mr. Chairman and board members. I'm Bill
1222 Cranor, Director of 811. Staff is requesting
1223 authorization for TDHCA to apply for HUD's 2025 Section
1224 811 Project Rental Assistance notice of funding
1225 opportunity.

1226

1227 HUD has announced the availability of \$158 million
1228 nationally for this program over 16 states, with a
1229 maximum award amount of \$9.875 million. Previously,
1230 TDHCA has received four awards totaling \$38 million.

1231

1232 The Section 811 program is designed to expand integrated
1233 affordable housing opportunities for extremely low-
1234 income persons with disabilities who may also qualify
1235 for community-based long-term services and supports
1236 through Medicaid or other programs.

1237

1238 Staff does not anticipate proposing changes to the
1239 Department's existing multifamily programs to support
1240 this application. Our current program structure already
1241 has strong development participation.

1242

1243 In partnership with the Texas Health and Human Services
1244 Commission and DFPS, TDHCA has established a strong
1245 referral network to help ensure units are leased
1246 efficiently as funding and units become available.

1247

1248 At this time, 928 households have been successfully
1249 housed with 620 currently housed under this program.
1250 TDHCA operates the most successful 811 PRA program in
1251 the nation.

1252

1253 The proposed 2026 application would substantially mirror
1254 the current program design, including serving the same
1255 target population and geographic areas. Staff believes
1256 there is already strong demonstrated demand within the
1257 existing framework and additional expansion is not
1258 necessary at this time.

1259

1260 In summary, this application represents an opportunity
1261 to secure additional funding from federal resources that
1262 support affordable integrated housing for Texans with
1263 disabilities while building on a program infrastructure
1264 that is already performing effectively.

1265

1266 Staff recommends the Board authorize the Department to
1267 apply for the 2026 Section 811 PRA NOFA. I'm happy to
1268 answer any questions.

1269

1270 **Leo Vasquez III (0:46:04):**

1271 Great. Thank you. Any questions? Mr. Marchant.

1272

1273 **Kenny Marchant (0:46:08):**

1274 What is the percentage of people that try to access this
1275 program that are denied access because of funds?

1276

1277 **Bill Cranor (0:46:18):**

1278 Because of funds?

1279

1280 **Kenny Marchant (0:46:19):**

1281 Because of the lack of funds.

1282

1283 **Bill Cranor (0:46:22):**

1284 Well, we have a waitlist right now of 1,600 people. We
1285 have enough money for, we have 600 and about 20 people
1286 housed. We have enough for another 40 or 50 before we
1287 take in our 2023 award, which is going to be another
1288 125. So it's not that they can't access housing, but

1289 they're going to be waiting a long time without more
1290 funding.

1291

1292 **Kenny Marchant (0:46:48):**

1293 Okay. I probably didn't ask it the right way.

1294

1295 **Bill Cranor (0:46:50):**

1296 Okay.

1297

1298 **Kenny Marchant (0:46:55):**

1299 If we serve the needs of those that we've identified and
1300 are applying for this need, what percentage is that of
1301 the people that we're serving of the group that's
1302 seeking the help?

1303

1304 **Bill Cranor (0:47:14):**

1305 Our estimate, most recent estimate of the number of
1306 people who would be eligible for this program and could
1307 benefit from it statewide is about 90,000. And we have,
1308 with this, adding another 146, we would be at about 800
1309 units.

1310

1311

1312 **Leo Vasquez III (0:47:32):**

1313 Okay. So there're roughly 90,000 people, if they asked
1314 for it, would qualify if they asked?

1315

1316 **Bill Cranor (0:47:39):**

1317 Theoretically, yes.

1318

1319 **Cindy Conroy (0:47:40):**

1320 And how many are asking and then how many do we actually
1321 serve?

1322

1323 **Bill Cranor (0:47:45):**

1324 Well, we have 1,600 on the waitlist currently active,
1325 waiting. We have served 900 people. We have 620
1326 approximately, depending on how things, people moved in
1327 on the first that I don't know about, currently housed.

1328

1329 **Kenny Marchant III (0:48:05):**

1330 Okay. So we have 7- or 800 people that would like to
1331 have a unit or be served by this program that we're not
1332 able to serve because of funds.

1333

1334

1335 **Bill Cranor (0:48:17):**

1336 We don't have, well, I mean, we have...

1337

1338 **Kenny Marchant (0:48:20):**

1339 Is it lack of units or is it lack of funds?

1340

1341 **Bill Cranor (0:48:24):**

1342 Well, it's some of both. We don't get units in this

1343 program. They just give us money to pay the rental

1344 assistance, so we don't really ever know exactly how

1345 many units it is. But the money we get, we spend and we

1346 house people...

1347

1348 **Kenny Marchant (0:48:38):**

1349 I meant by the lack of units, is the lack of just units

1350 available that are disabled units, that qualify under

1351 units for disabled.

1352

1353 **Bill Cranor (0:48:52):**

1354 I'm sorry, I don't understand.

1355

1356 **Ajay Thomas (0:48:53):**

1357 So maybe ask a different way. Like, how do we get more

1358 people involved in this program? Like, how do you
1359 expand this? Like, let's say we want to double it. How
1360 do you do it?

1361

1362 **Bill Cranor (0:49:00):**

1363 You would need more money from HUD.

1364

1365 **Kenny Marchant (0:49:02):**

1366 Okay. We don't get, we don't have enough money.

1367

1368 **Bill Cranor (0:49:06):**

1369 Right. We're in the QAP as often as we need to be.

1370 Cody might answer that. And we actually have more units
1371 than we have money to fill those units because we set up
1372 the program where the tenant or the applicant could
1373 choose among a different array of apartment complexes
1374 that they feel fit their needs.

1375

1376 So we have about twice as many units at all times as we
1377 actually have money to fill those units.

1378

1379 So it's definitely not a unit issue.

1380

1381 **Kenny Marchant (0:49:40):**

1382 Okay. So are there any funds in our, that we have
1383 control of that are discretionary that could be put over
1384 into this program? Or they can't be transferred.

1385

1386 **Bobby Wilkinson (0:49:54):**

1387 No. And that 90,000 number, there are other programs
1388 that can serve this population. So 811's not the only
1389 game in town, but it's more tailored to that population
1390 than regular housing choice vouchers, et cetera.

1391

1392 **Kenny Marchant (0:50:08):**

1393 Okay. Thank you.

1394

1395 **Leo Vasquez III (0:50:15):**

1396 Okay. Any other questions or comments on this item?

1397 This is action, right?

1398

1399 **Kenny Marchant (0:50:24):**

1400 Mr. Chairman, are you ready to (indiscernible).

1401

1402 **Leo Vasquez III (0:50:26):**

1403 Yes, I am. Mr. Marchant, 33.

1404

1405 **Kenny Marchant (0:50:30):**

1406 I move the Board approve and authorize the submission of
1407 an application for funding to HUD for Section 811
1408 Project Rental Assistance Program, subsequently
1409 authorize the Board action request and resolution and
1410 associated documents on this item. Do you need me to
1411 repeat the first part of it? It's okay.

1412

1413 **Holland Harper (0:50:59):**

1414 Second.

1415

1416 **Leo Vasquez III (0:51:00):**

1417 Motion made by Mr. Marchant. Seconded by Mr. Harper.
1418 And just to clarify that the title of this in the agenda
1419 cites 2025 NOFA. This is the 2026 NOFA, okay.

1420

1421 **Bill Cranor (0:51:19):**

1422 Yes. I pulled the 2025.

1423

1424 **Leo Vasquez III (0:51:22):**

1425 Yeah. So just so everyone knows, that's what we're
1426 voting on here. Okay. Again, motion made by Mr.

1427 Marchant. Seconded by Mr. Harper. All those in favor
1428 say aye.

1429

1430 **All Board Members (0:51:33):**

1431 Aye.

1432

1433 **Leo Vasquez III (0:51:33):**

1434 Any opposed? Hearing none, motion carries. All right.

1435 Thank you.

1436

1437 **Bill Cranor (0:51:37):**

1438 Thank you.

1439

1440 **Leo Vasquez III (0:51:39):**

1441 Okay. Item 34. Presentation, discussion, and possible
1442 action authorizing the Department to amend the service
1443 area for the Foster Youth to Independence Initiative.

1444 Mr. Adams.

1445

1446 **Andre Adams (0:51:56):**

1447 Good morning. Good morning, Board Chair and members.

1448 Hope everybody's doing great today. My name is Andre

1449 Adams, Program Manager for the Housing Choice Voucher

1450 Section 8 program. And today I'm presenting action item
1451 34 for possible action authorizing the Department to
1452 amend services areas for the Foster Youth to
1453 Independence Initiative.

1454

1455 Activities as of today. TDHCA has requested 48 FYI
1456 vouchers for HUD-eligible youth referred by the
1457 Department of Family and Protective Services. I'll be
1458 referring to them as DFPS. As of today, 8 vouchers have
1459 been successfully issued. And as of yesterday, we
1460 finally leased our second FYI youth.

1461

1462 TDHCA has executed a partnership agreement with DFPS
1463 Transitional Living Services, which makes all eligible
1464 referrals provide all required support service at no
1465 cost to TDHCA. DFPS has expressed support for a
1466 statewide issuance model, and as of today, talks are in
1467 discussion.

1468

1469 To support this amendment, there are five key reasons
1470 why statewide authority is necessary for TDHCA's
1471 administration for Foster Youth Initiative.

1472

1473 First, the current requirement to defer to local PHAs
1474 has created an uneven access. Meaning DFPS referral
1475 youth live in areas where PHAs technically administer
1476 FYIs but lack capacity and has reached its allocation or
1477 cannot issue quickly due to staffing or administration
1478 delays. These gaps slow issuance and directly affect
1479 housing stability for youth exiting foster care.

1480

1481 The second reason is DFPS offers a statewide system and
1482 has emphasized the need for a single consistent referral
1483 pathway. A statewide TDHCA service area removes the
1484 need to determine which PHAs can issue in each county,
1485 reduces the administrative back and forth, and ensures
1486 timely assistance regardless of the location.

1487

1488 And our third reason is statewide authority improves
1489 utilization by eliminating delays caused by when local
1490 PHAs cannot or do not issue vouchers. With TDHCA able
1491 to issue anywhere in Texas, referrals can be processed
1492 immediately, ensuring vouchers are used to assist
1493 eligible youth.

1494

1495 A statewide model promotes equity, access across the

1496 rurals and unserved areas. Many rural counties lack a
1497 local PHA administering FYI, and capacity varies widely
1498 when one exists. TDHCA's statewide infrastructure
1499 allows the Department to fill these gaps and provide
1500 consistent access to assistance.

1501

1502 And finally, the last is DFPS has formally supported
1503 removing prior restrictions, noting that a single
1504 statewide issuer is a more efficient and youth-centered
1505 model. The alignment strengthens coordination on
1506 referrals, eligibility, and support services.

1507

1508 From a fiscal and operational standpoint, statewide
1509 expansion of TDHCA FYI service areas is practical and
1510 efficient. FYI vouchers are funded entirely by HUD
1511 through the Housing Choice Voucher program. There is no
1512 requirement for state general revenue, and the
1513 administrative cost structure mirrors TDHCA's existing
1514 HCV, Housing Choice Voucher, operation.

1515

1516 Because TDHCA already maintains the system, staff
1517 expertise and compliance infrastructure necessary to
1518 administer HCV, expanding the FYI service areas do not

1519 require new operational units or significant additional
1520 resources.

1521

1522 Supportive services are an essential component of FYI
1523 model and provided exclusively by DFPS at no cost to
1524 TDHCA. DFPS ensures that each youth receives the
1525 required case management, transitional planning, and
1526 ongoing support throughout the assistance period, which
1527 is generally limited to 36 months.

1528

1529 This arrangement allows TDHCA to focus on the voucher
1530 issuance and housing administration while DFPS handles
1531 the services delivery on the side.

1532

1533 Operationally, TDHCA is well-positioned to administer
1534 statewide FYI vouchers. The Department has already
1535 managed statewide housing programs and established
1536 processes for eligibility certification, voucher
1537 issuance, landlord engagement, and monitoring.

1538

1539 The FYI caseload is relatively a small growth only as
1540 DFPS makes referrals, allowing TDHCA to scale
1541 responsibilities without overextending resources. And

1542 as I reiterated, statewide model also reduces the
1543 administrative inefficiencies.
1544
1545 Under the current structure, staff must determine
1546 whether a local PHA is available, willing, or is able to
1547 issue an FYI voucher before TDHCA can proceed. Removing
1548 this streamlined workflow shortens issuance timelines
1549 and reduces the risk of losing housing opportunity due
1550 to procedural delays from PHAs.
1551
1552 Finally, improved voucher utilization strengthens
1553 TDHCA's standing with HUD. Consistent, timely issuance
1554 demonstrates program effectiveness and support future
1555 requests for additional vouchers. A statewide service
1556 area ensures that TDHCA can respond quickly to referrals
1557 to maintain a strong and performance metric.
1558
1559 Staff recommends that the Board authorize TDHCA to
1560 administer the Foster Youth to Independence initiative
1561 statewide without limitations related to other PHAs' FYI
1562 availability and utilization. This action will allow
1563 TDHCA to issue vouchers anywhere in Texas, ensuring
1564 youth have consistent access to housing assistance

1565 regardless of geography.

1566

1567 This amendment aligns with HUD's intent for the program,
1568 strengthens the partnership with DFPS, and most
1569 importantly, improves barriers for young people
1570 transitioning out of foster care who need stable
1571 housing. This concludes my presentation. And I'm happy
1572 to answer any questions.

1573

1574 **Holland Harper (0:58:27):**

1575 Mr. Adams, how many dollars are we talking about?

1576

1577 **Andre Adams (0:58:31):**

1578 Right now, so HUD only approves 25 vouchers per year.
1579 We have already requested the 25 and we already on the
1580 way of leasing those 25. So before we can apply for the
1581 next round will be October of '26.

1582

1583 **Megan Sylvester (0:58:49):**

1584 Andre, isn't it correct, though, that HUD is moving
1585 toward a model where they would issue more?

1586

1587

1588 **Andre Adams (0:58:53):**

1589 Yes. Yes, they are.

1590

1591 **Megan Sylvester (0:58:55):**

1592 Yeah.

1593

1594 **Andre Adams (0:58:56):**

1595 We're just waiting for that guidance.

1596

1597 **Bobby Wilkinson (0:58:56):**

1598 Just to add color, this is a priority of the White

1599 House, in particular the First Lady, Foster Youth. I

1600 did a roundtable with Secretary Turner in San Antonio a

1601 few weeks ago with stakeholders and including some youth

1602 themselves, hearing firsthand.

1603

1604 So we're doing two things. We're going to statewide so

1605 we can send them wherever we want to go. We want to use

1606 all the 25, ask for 25 more, lease them up, ask for

1607 more.

1608

1609 And in the operating budget that you voted on earlier,

1610 we have a housing navigator specific for Foster Youth,

1611 which seems like an FTE for 25, but the idea is to grow
1612 the program to hundreds, right?

1613

1614 **Cindy Conroy (0:59:29):**

1615 Cool. I have a question. How many foster, how many
1616 children are transitioning out of foster care looking
1617 for this? Because I see it's 25 and I'm just like,
1618 because I think that there are significantly, this is
1619 just a drop in a bucket of people that need help.

1620

1621 **Andre Adams (0:59:49):**

1622 Definitely. So we're just one PHA that is administering
1623 the FYI program right now. I believe on an average they
1624 are, it's about close to 800 youth that are
1625 transitioning out of foster care per year.

1626

1627 So with housing authorities currently that are being
1628 assisted right now, it's around 600 and, I want to say
1629 it's like 668, 682, one between those two, that are
1630 currently being assisted right now through PHAs
1631 throughout Texas currently.

1632

1633

1634 **Cindy Conroy (1:00:15):**

1635 Okay. So they are okay.

1636

1637 **Andre Adams (1:00:17):**

1638 Yes.

1639

1640 **Cindy Conroy (1:00:19):**

1641 This issue just always blows my mind that we have

1642 children and, I mean, having been involved with the

1643 Heart Gallery, we have children who at the age of 16,

1644 because they haven't been adopted, opt to just wait and

1645 figure it out on their own once they get out of the

1646 system. And that kind of breaks your heart, right?

1647

1648 Most parents don't even let their 16-year-old do their

1649 own laundry, and here we're expecting these kids to

1650 navigate housing and survival. So my respect completely

1651 for what you do and my hope that we can get more.

1652

1653 **Anna Maria Farias (1:00:55):**

1654 Mr. Chairman. I want to congratulate you Mr. Adams for

1655 your length of presentation. When I was a member of the

1656 Board of Regents at Texas Woman's University, we started

1657 seeing a lot of the students that came out of foster
1658 care and they wanted an education.

1659

1660 And they found themselves either sleeping on a park
1661 bench or at a friend's backseat of a car, or spending as
1662 many hours as they could in the library so they could
1663 have shelter. And so what happened with us, we had some
1664 extremely wealthy board member regents that put in money
1665 so that they could have a place to be.

1666

1667 And I'm very proud to say that at HUD, when Secretary
1668 Ben Carson became secretary, this came to his attention
1669 and they started the program of foster care. And it's a
1670 very small world in the political world of Washington.

1671

1672 At the same time, there was a young man by the name of
1673 Scott Turner working at the White House during the
1674 faith-based and opportunity zones, and he was then very
1675 involved in the foster care.

1676

1677 So then he becomes the secretary, and that's why we're
1678 seeing a lot more. It's a very small world. It just
1679 goes around and around. And Secretary Ben Carson had

1680 spent a lot of time in Section 8.

1681

1682 So for us as Board of Regents, when we saw the stories
1683 in person of those students and then they graduated, I
1684 tell you, everybody would just break down. It is just,
1685 because these are the kids that make it in spite of
1686 everything else.

1687

1688 Like you were saying, some young kids complain because
1689 they don't have a \$200 pair of tennis shoes, and these
1690 kids had to live on the street and spend as much time as
1691 they could in the library just so they could have
1692 shelter.

1693

1694 So I really want to congratulate you. And you will get
1695 a lot of people that need that foster care because they
1696 want to go to college. So keep it up.

1697

1698 **Andre Adams (1:03:05):**

1699 Thank you.

1700

1701 **Leo Vasquez III (1:03:10):**

1702 When Mr. Wilkinson and I were going over the agenda,

1703 this was originally on the consent agenda because of
1704 course we're going to approve this, but my hope was that
1705 we could get some more visibility and more discussion,
1706 exactly what you all just did.

1707

1708 **Anna Maria Farias (1:03:26):**

1709 Absolutely, yeah.

1710

1711 **Leo Vasquez III (1:03:26):**

1712 I was getting goosebumps when you were talking. Okay.

1713 Mr. Adams, Mr. Wilkinson, whatever we can do to help

1714 accelerate the growth of this kind of program, because

1715 we know there are huge gaps. When I saw 25 as well,

1716 just like, come on, man.

1717

1718 **Cindy Conroy (1:03:44):**

1719 Exactly. It was just like 25.

1720

1721 **Leo Vasquez III (1:03:46):**

1722 Yeah.

1723

1724 **Cindy Conroy (1:03:47):**

1725 Because their chances to succeed are so slim. At 16,

1726 you've got to make it on your own. And so anything we
1727 can do to help is...

1728

1729 **Andre Adams (1:03:58):**

1730 Thank you.

1731

1732 **Leo Vasquez III (1:03:59):**

1733 So keep us up to date on the progress. And whatever we
1734 can do to help push from the inside or the outside, you
1735 definitely have the full support of the Board for this
1736 initiative.

1737

1738 **Andre Adams (1:04:13):**

1739 Thank you.

1740

1741 **Leo Vasquez III (1:04:14):**

1742 With that, I would entertain a motion on item 34 of the
1743 agenda.

1744

1745 **Anna Maria Farias (1:04:19):**

1746 Mr. Chairman, I move the Board approve the
1747 implementation of the Foster Youth to Independence
1748 initiative on a statewide basis, all as described and

1749 authorized in the board action request.

1750

1751 **Cindy Conroy (1:04:33):**

1752 I'll second.

1753

1754 **Leo Vasquez III (1:04:35):**

1755 Motion made by Ms. Farias. Seconded by Ms. Conroy. All

1756 those in favor say aye.

1757

1758 **All Board Members (1:04:39):**

1759 Aye.

1760

1761 **Leo Vasquez III (1:04:40):**

1762 Any opposed? Hearing none, motion carries. Thanks,

1763 Andre.

1764

1765 **Andre Adams (1:04:44):**

1766 Thank you.

1767

1768 **Leo Vasquez III (1:04:46):**

1769 Okay. In the interest of fast, efficient meetings, I've

1770 been informed that items 35 and 36 have been pulled from

1771 this meeting's agenda. So moving right on to 37.

1772 Presentation, discussion, and possible action on a
1773 request for an extension of the previously approved
1774 deadline to place in service for Sunset Ridge. Mr.
1775 Goldberger.

1776

1777 **Joshua Goldberger (1:05:13):**

1778 Good morning, Chairman, members of the board. Josh
1779 Goldberger, 9 percent Program Manager. Item 37 concerns
1780 Sunset Ridge, a 36-unit development to be located in
1781 Burnet.

1782

1783 The development received 9 percent housing tax credits
1784 in 2024. And in 2025, this board approved a force
1785 majeure request to reallocate the credits with a six-
1786 month extension to the placed in service deadline rather
1787 than the year that is federally allowable. As a result,
1788 the current deadline to place in service is June 30th of
1789 2027.

1790

1791 That extension, just to refresh your memory, was granted
1792 due to some delayed permitting from the City of Burnet
1793 related to drainage issues, which ultimately required a
1794 redesign of the site. Since then, the owner has fully

1795 closed on the development and the project is now under
1796 construction.

1797

1798 Based on the updated timeline provided in your board
1799 materials, the owner anticipates completing the project
1800 in early June of next year, a few weeks before the
1801 current deadline. However, the syndicator requires a
1802 minimum three-month buffer between the anticipated
1803 completion date and the placed in service deadline.

1804

1805 We have discussed requests that are driven by investor-
1806 required buffers before, but what makes this case a
1807 little different is that even though this project has
1808 closed, the syndicator is withholding the owner's
1809 initial equity installments until it receives an
1810 additional six-month extension through December of 2027.

1811

1812 The equity holdback is expected to increase development
1813 costs because to maintain construction progress, the
1814 owner will instead need to rely more heavily on
1815 construction loan draws. The syndicator policies have
1816 placed the owner in a bit of a difficult position here.

1817

1818 Accordingly, the development team has requested an
1819 additional six-month extension of the placed in service
1820 deadline to December 31st of 2027. This is consistent
1821 with the investor's request and will allow the tax
1822 credits to be delivered.

1823

1824 Because this request simply extends the previously
1825 approved deadline to the federally allowable place in
1826 service date, is not a force majeure reallocation of
1827 credits, rather, it's just the extension of a board-
1828 approved deadline.

1829

1830 Staff does recommend approval. That recommendation is
1831 based largely on the fact that this project is under
1832 construction and appears well-positioned to meet even
1833 that original deadline, as well as the fact that this
1834 request does not actually require that reallocation
1835 under the force majeure rule. A representative of the
1836 applicant is present to answer any questions, and I am
1837 also available.

1838

1839 **Leo Vasquez III (1:07:43):**

1840 Is there a representative of the syndicator here?

1841

1842 **Joshua Goldberger (1:07:45):**

1843 I do not believe so, unfortunately.

1844

1845 **Leo Vasquez III (1:07:49):**

1846 Okay. All right. Maybe we'll have some representatives

1847 come up. I'm just reading through this, that you got to

1848 be kidding me. Okay. Before that, what was said to us

1849 back in October '25 when we first, or whatever the date

1850 was that we gave the extension in the first place? That

1851 was October '25, you said?

1852

1853 **Joshua Goldberger (1:08:12):**

1854 Yes. And that was, the deadline was June 30th of 2027

1855 that was approved, and the application is actually on

1856 track to meet that deadline.

1857

1858 **Leo Vasquez III (1:08:24):**

1859 Okay. But now the syndicator is saying they want more

1860 time.

1861

1862 **Joshua Goldberger (1:08:29):**

1863 Correct. Yeah.

1864

1865 **Bobby Wilkinson (1:08:31):**

1866 This is a first for us, right?

1867

1868 **Joshua Goldberger (1:08:32):**

1869 Yeah. This is a first for us.

1870

1871 **Bobby Wilkinson (1:08:32):**

1872 We've had it where they've threatened not to close if

1873 they don't get a force majeure in advance. But during

1874 construction, post-closing, we're going to withhold

1875 payments because that's our policy, this is, so frankly,

1876 we...

1877

1878 **Leo Vasquez III (1:08:48):**

1879 Isn't there a contract saying...

1880

1881 **Bobby Wilkinson (1:08:50):**

1882 I guess the contract allows it. So frankly, we

1883 struggled with staff recommendation on this. But we're

1884 kind of just kicking the developer while they're down if

1885 we don't extend, and we can't really do anything to

1886 Boston Financial. It'd be nice to get a power of

1887 subpoena and you could yell at them or something, but...

1888

1889 **Cindy Conroy (1:09:11):**

1890 I was thinking harsher, but okay.

1891

1892 **Leo Vasquez III (1:09:21):**

1893 Okay. Do board members have questions? Bottom line,

1894 it's they're on target to meet the extension we already

1895 gave them.

1896

1897 **Joshua Goldberger (1:09:35):**

1898 Right.

1899

1900 **Leo Vasquez III (1:09:35):**

1901 It's just that the group holding the purse strings from

1902 the private side is moving their goal posts.

1903

1904 **Joshua Goldberger (1:09:45):**

1905 Correct. And the owner is still moving the project

1906 along. It's still under construction even as we speak,

1907 but it's going to make it more expensive if they can't

1908 get these equity payments until later.

1909

1910 **Leo Vasquez III (1:09:56):**

1911 And there's no more payments until the Department
1912 approves another extension.

1913

1914 **Joshua Goldberger (1:10:03):**

1915 Per our understanding, yes.

1916

1917 **Leo Vasquez III (1:10:07):**

1918 Wouldn't it be better for the developer to get shorted
1919 by the syndicator and then sue the syndicator for
1920 breaking their contract that they committed to?

1921

1922 **Joshua Goldberger (1:10:19):**

1923 I'm not sure on that one.

1924

1925 **Leo Vasquez III (1:10:20):**

1926 Okay. All right. Staff recommends to approve the
1927 extension for another six months.

1928

1929 **Joshua Goldberger (1:10:30):**

1930 Yes. We did eventually get to a recommendation of
1931 approval, even though, as our director mentioned, we
1932 struggled with this one. So yes, we recommend approval.

1933

1934 **Holland Harper (1:10:40):**

1935 Mr. Chairman, you ready?

1936

1937 **Leo Vasquez III (1:10:42):**

1938 Okay. Is anyone speaking against the staff's

1939 recommendation? Does anyone want to speak against the

1940 approval? So I suspect a motion is about to be made to

1941 approve the staff's recommendation. Does anyone have a

1942 urgent need to speak before we take this vote? Okay.

1943 Mr. Harper, how about a motion?

1944

1945 **Holland Harper (1:11:08):**

1946 I move the Board approve the requested extension of the

1947 previously approved placed in service deadline for

1948 Sunset Ridge to December 31st of 2027, all as described

1949 and authorized in the board action request and

1950 associated documents in the item.

1951

1952 **Anna Maria Farias (1:11:19):**

1953 Second.

1954

1955

1956 **Leo Vasquez III (1:11:21):**

1957 Motion made by Mr. Harper. Seconded by Ms. Farias to
1958 approve the extension. All those in favor say aye.

1959

1960 **All Board Members (1:11:26):**

1961 Aye.

1962

1963 **Leo Vasquez III (1:11:27):**

1964 Any opposed? Hearing none, motion carries. Don't ever
1965 work with Boston Financial. Okay. Item 38 of the
1966 agenda. Presentation, discussion, and possible action
1967 to issue a list of approved applications for the 2026
1968 housing tax credits in accordance with Texas Government
1969 Code Section 2306.6724(e).

1970

1971 Now I know why everyone got up here to the front. Mr.
1972 Campbell, tell us what this item on the agenda is about
1973 and what steps we are taking here, which really aren't
1974 steps. Megan will chime in here.

1975

1976 **Cody Campbell (1:12:20):**

1977 Good morning. Cody Campbell, Director of Multifamily
1978 Programs for the Department. As Mr. Vasquez just noted,

1979 this item concerns the approval of a list of approved
1980 applications for 2026 9 percent housing tax credits.

1981

1982 The Board is required by statute to review the
1983 recommendations of department staff regarding
1984 applications and to issue a list of approved
1985 applications each year no later than June 30th.

1986

1987 To be clear, this is not a list of awards. No funding
1988 is being approved this morning. It is simply a list of
1989 applications which, as of June 1st, when the report was
1990 prepared, had not been found ineligible to compete in
1991 this round. The applications recommended for award will
1992 be presented to the Board at the meeting on July 24th.

1993

1994 This item also does provide the public with the
1995 opportunity to provide comment on the list, and I
1996 believe we are going to have some of that this morning.

1997

1998 As provided by the QAP award recommendation methodology,
1999 the Department will not perform a detailed review of all
2000 applications. We review priority applications that are
2001 most likely to be competitive. Priority applications

2002 are based on self-score, preliminary review, and other
2003 relevant factors.

2004

2005 As staff continues the review process, applications
2006 remain subject to the identification of material
2007 deficiencies, administrative deficiencies, or point
2008 losses. Further, the credit amount reflected on the list
2009 is the amount requested by the applicant, which may
2010 change as the application is underwritten. The
2011 underwriting reports that have been completed to date
2012 are posted to the Real Estate Analysis section of the
2013 Department's website.

2014

2015 Staff recommends that the Board approve the list of
2016 active applications for the 2026 competitive housing tax
2017 credit round. And I'm happy to answer any questions
2018 that you have.

2019

2020 **Leo Vasquez III (1:13:57):**

2021 Okay. So all we're doing here is recognizing the
2022 applications that have not been disqualified or kicked
2023 out.

2024

2025 **Cody Campbell (1:14:08):**

2026 That's correct. Yes, sir.

2027

2028 **Leo Vasquez III (1:14:08):**

2029 These are the ones that are still alive. We are not

2030 having anything here to do with scoring items and stuff

2031 like that, unless it's someone that was denied or

2032 disqualified and you're trying to talk your way back in.

2033

2034 **Cody Campbell (1:14:22):**

2035 Sure.

2036

2037 **Leo Vasquez III (1:14:22):**

2038 But for everyone else on the list, we're not discussing

2039 what points and where they're landing in the list and

2040 everything.

2041

2042 **Board Members (1:14:30):**

2043 That is exactly correct. Yes, sir.

2044

2045 **Leo Vasquez III (1:14:32):**

2046 Okay.

2047

2048 **Bobby Wilkinson (1:14:33):**

2049 This is required by statute and it's kind of a holdover
2050 from when the system was more analog and we weren't
2051 posting logs and stuff.

2052

2053 **Cody Campbell (1:14:42):**

2054 Yeah.

2055

2056 **Leo Vasquez III (1:14:44):**

2057 Okay. Given that background, would any members of the
2058 public like to speak on item 38 of the agenda?

2059

2060 **Chris Goodpaster (1:14:53):**

2061 Mr. Chairman, I would...

2062

2063 **Leo Vasquez III (1:14:55):**

2064 Please come forward. Everyone sign in when you start
2065 speaking. Identify your name clearly for the record and
2066 what entity you are representing. And we'll put a
2067 three-minute timer. You don't have to use all three
2068 minutes. Please go ahead.

2069

2070

2071 **Chris Goodpaster (1:15:16):**

2072 Mr. Chairman, board members, thank you. Good morning
2073 and thank you for your time. My name is Chris
2074 Goodpaster. I'm here on behalf of myself and several
2075 residents of Travis Heights surrounding the proposed
2076 development of Rowen Vale, Application 24169.

2077

2078 We're here not because we oppose affordable housing by
2079 any means and not because we oppose affordable housing
2080 on this site. In fact, we support affordable housing on
2081 this site. My wife and my family are longtime
2082 supporters of Foundation Communities, as well as other
2083 members of our community.

2084

2085 So this is not about affordable housing and whether it
2086 should be on this site. It's about whether this
2087 application has followed the QAP with regard to its
2088 inclusion of a pre-K and whether that failure to follow
2089 the QAP is putting the residents that I'm here on behalf
2090 of and the potential residents of the development safety
2091 and welfare at risk.

2092

2093

2094 There's no dispute that the application requires a
2095 resolution from the City of Austin approving the
2096 development. The problem is that the development
2097 approved by the City of Austin resolution is not the
2098 same as the development that is before this body in the
2099 application. The development approved by the City of
2100 Austin omitted the high-quality pre-K.

2101

2102 And that omission is material here because the City of
2103 Austin regulates the development, operation, and
2104 building of pre-K facilities. Those relate to traffic,
2105 those relate to queuing and other building codes and
2106 setbacks and other things that affect the welfare and
2107 the safety of the residents surrounding the proposed
2108 development.

2109

2110 It's particularly relevant here because the proposed
2111 development is one block away from a middle school
2112 that's in operation, that will operate at the same time
2113 as the pre-K, creating a lot of traffic and safety
2114 issues. It's surrounded by single-family homes and it's
2115 in a highly congested area of Austin, the SoCo area.

2116

2117 The problem with not including the pre-K in the City of
2118 Austin resolution is that it denied the city council
2119 members and the people they represent the ability to
2120 address these important issues. All of which are
2121 governed by the city code and regulations.

2122

2123 And by denying that opportunity, the resolutions failed
2124 to address the policy underlying the QAP, which is to
2125 make sure that the application that is before this Board
2126 is considered by the municipality and its residents in
2127 full transparency.

2128

2129 Because the resolution did not include the high-quality
2130 pre-K and because that omission is material, and
2131 particularly with respect to the site chosen here, the
2132 application is ineligible because the resolution is void
2133 with respect to the application.

2134

2135 To the extent the Board reviews the application and
2136 considers it, the application should not be identified
2137 to include the high-quality pre-K because that portion
2138 of the development was not approved by the resolution.

2139 I appreciate your time. Thank you.

2140

2141 **Leo Vasquez III (1:18:20):**

2142 Okay. Thank you for your input. Who's next?

2143

2144 **Barbara Cilley (1:18:35):**

2145 Thank you, board members, for allowing me this

2146 opportunity. I'm with the South River City Citizens.

2147

2148 **Leo Vasquez III (1:18:41):**

2149 Okay. I'm sorry, y'all. I was just going to say make

2150 sure you introduce yourself and sign in when you're...

2151

2152 **Barbara Cilley (1:18:45):**

2153 Oh, okay. Sorry. I've never done this before. My name

2154 is Barbara Cilley. I am with South River City Citizens.

2155 That's the neighborhood that this project will impact.

2156 Our neighborhood is Travis Heights, and then it is east

2157 of the freeway along kind of the strip there that is

2158 adjacent to Travis Heights.

2159

2160 So my job is to tell you, to really demonstrate our

2161 commitment in our neighborhood to affordable housing. I

2162 went around and, I'm sorry, I shot pictures of all this,

2163 but I didn't realize I needed to get it to you three
2164 days in order to be posted correctly. So I'm going to
2165 read my visual presentation as best I can.

2166

2167 I went around and I looked at all the things that would
2168 be designated affordable housing that are in the
2169 boundaries of our neighborhood group. That's Section 8
2170 housing. It's also Foundation Communities, which you're
2171 more than familiar with because they do your tax credit
2172 projects. And then we also have a shelter bed system of
2173 145 units, which is funded by the City of Austin.

2174

2175 So we have a total of 659 affordable housing units in
2176 our neighborhood. We have 145 in Southbridge. At the
2177 Arbor Terrace, which is a Foundation Communities, we
2178 have 120 units. The price range is 525 to 1,002. The
2179 Section 8 housing, Travis Park Apartments, is 200 to
2180 800. It's 199 units.

2181

2182 The largest one we have is a Foundation Communities.
2183 Now, this is particularly relevant. It's four stories
2184 in scale. It has 80 feet of setback and is adjacent to
2185 the park, Heritage Oaks Park. The price range, 686 to

2186 1,648. The reason this is relevant is we're talking
2187 about a scale of five stories. And this is an image of
2188 the nearest residential structure.

2189

2190 It's important to really discuss the scale of all these
2191 because it really works with our neighborhood. The
2192 tallest one we have is four. Typically, they're three
2193 and two.

2194

2195 Now, this developer did the Aria Grand. It is five
2196 stories. They advertise it as luxury apartments,
2197 although it's supposed to be tax credits I think it is.
2198 It's 999 to 2,470.

2199

2200 When the council passed this, they had to do two
2201 exceptions to this. Pursuant to the section of the
2202 Texas Qualified Plan, the council expressly acknowledges
2203 and confirms that the city has more than twice the
2204 statewide average of units per capita.

2205

2206 In other words, all the neighborhood projects that are
2207 affordable work with the neighborhood, this one doesn't.
2208 We hope when you come to score it, you'll look at the

2209 impact of no setback and five stories in people's
2210 backyard. Thanks for listening to me.

2211

2212 And I'm working with our housing hub and I was
2213 fascinated because one of the things we're going to be
2214 working on is the foster care situation. And the
2215 housing hub is also going in our neighborhood. That's
2216 why I'm working on that particular project. So thank
2217 you very much.

2218

2219 **Leo Vasquez III (1:22:34):**

2220 Okay. Great. Thank you.

2221

2222 **Anita Tschurr (1:22:40):**

2223 Good morning everyone. My name is Anita Tschurr and I
2224 am in charge of planning and zoning, as much as it is,
2225 for our neighborhood association for Travis Heights,
2226 which is where this Rowen Vale development is supposed
2227 to be taking place. And our neighborhood did submit a
2228 QCP to you all in opposition for this development.

2229

2230 And one of the reasons, kind of elaborating more with
2231 what Chris said, is that Margaret Gomez, who is the

2232 precinct commissioner for Number 4, has said and has a
2233 letter that we have submitted to you all too, so I'm not
2234 going to read the whole thing.

2235

2236 But that we received, when we voted for Proposition A, a
2237 \$75 million annual fund that is supposed to be the first
2238 of its kind in Texas and it is supposed to create and
2239 sustain programs for pre-K. And these are supposed to
2240 be superior pre-K.

2241

2242 What is added on to the Rowen Vale, I don't think, and
2243 they don't claim, that is going to be a superior pre-K.
2244 It is going to be mainly childcare, I think.

2245

2246 So I'm going to not read the whole thing out because
2247 it's two pages and you don't need to hear it because you
2248 have a copy of it. But I hope that you take this into
2249 consideration when you decide who is going to be getting
2250 these funds for development. Thank you.

2251

2252 **Leo Vasquez III (1:24:15):**

2253 Thank you, Ms. Tschurr.

2254

2255 **Diana Phillips (1:24:38):**

2256 Good morning. I'm Diana Phillips. I'm a neighbor of
2257 Rowen Vale. It will be 5 feet from the alley right
2258 behind my house. And thank you for the opportunity to
2259 highlight two requests made in written public comments.
2260 The first is about unaddressed environmental risk of the
2261 project, specifically asbestos.

2262

2263 Based on the information beyond the OSDA final
2264 application, there should be a complete asbestos survey
2265 of the proposed property in compliance with the Texas
2266 Asbestos Health Protection Rules and the National
2267 Emission Standards for Hazardous Air Pollutants.

2268

2269 The application for Rowen Vale, including its
2270 environmental assessment, indicates that asbestos may be
2271 present at the Rowen Vale site, but does not commit to
2272 or budget for demolition involving asbestos or an
2273 asbestos survey or remediation plan. It states no
2274 recognized environmental conditions were found in
2275 connection with the subject property.

2276

2277

2278 The Census of Structures of the U.S. Department of the
2279 Interior designation of the historic district at Travis
2280 Heights and Fairview Park says a home on that project,
2281 at 1710 Brackenridge, it's part of the tract, is a 1962
2282 domestic ranch whose principal materials are brick,
2283 wood, and asbestos. A third building on the property,
2284 which dates from at least 1965, is not part of the
2285 environmental assessment.

2286

2287 The State Health Services has a decision tree flowchart
2288 for demolition that seems to require state and federally
2289 compliant asbestos survey for that site. Because it
2290 involves a quality pre-K, additional asbestos
2291 regulations may apply.

2292

2293 The pre-K and its playground will sit where that mid-
2294 century house with asbestos now stands. Even if these
2295 regulations do not apply, a commitment to building a
2296 quality pre-K should include an initial compliant
2297 asbestos survey, and we ask that the Board require that
2298 before approval and that information be included in the
2299 plan.

2300

2301 The second part is the impact on the Travis Heights-
2302 Fairview Park National Historic District. The Board has
2303 demonstrated a commitment to historic preservation
2304 through provisions in the QAP, which recognize and
2305 reward the rehabilitation of historic structures.

2306

2307 Similar consideration should be given to the development
2308 process within national historic districts where the
2309 potential impacts extend beyond individual buildings to
2310 the entire historic neighborhood.

2311

2312 This development sits within the Travis Heights-Fairview
2313 Park National Historic District and seeks federal 9
2314 percent housing tax credits. Because federal funding is
2315 involved, Section 106 review under the National Historic
2316 Preservation Act applies.

2317

2318 Deeply affordable housing and historic preservation are
2319 not mutually exclusive goals. You have the opportunity
2320 to promote both by ensuring that the projects proposed
2321 within National Historic Districts receive appropriate
2322 historic review.

2323

2324 We therefore urge the Board to require OSDA to submit
2325 the project for Section 106 review before consideration
2326 of housing tax credit funding. I believe HUD
2327 regulations 24 CFR 50 or 58 apply depending on what you
2328 all decide, but we'd be happy to work with you and the
2329 developer in making that application process.

2330

2331 **Leo Vasquez III (1:27:42):**

2332 Okay. Thank you.

2333

2334 **Jonnie McCart (1:28:18):**

2335 Thank you, Mr. Chairman and board members. I am the
2336 president of Braun Station West out of San Antonio. I
2337 represent 1,153 homes and nearly 4,000 souls.

2338

2339 The Vincio (sic) Group has proposed a multifamily
2340 affordable housing project called Nuestra Tierra at 9405
2341 Guilbeau Road. Our objections to this project continue
2342 to grow as we are allowed further investigation of the
2343 site and the company.

2344

2345 The project basics are 60 to 65 units on 2.34 acres with
2346 90 to 97-and-a-half parking spaces. The result of this

2347 project will already increase heavy traffic that is on
2348 Guilbeau Road, which has recorded in the last three
2349 years two fiery crashes, one road rage, and two
2350 pedestrians being hospitalized due to traffic-related
2351 injuries. They were hit by cars.

2352

2353 The original project included lifestyle amenities, but
2354 these have been removed due to the density of the
2355 property. So they will no longer have a pool, a dog
2356 park, the green space, and the dedicated children's
2357 playground.

2358

2359 What does that leave? That leaves us a building and a
2360 parking lot with impervious material that is going to
2361 cause a watershed runoff into the neighboring bordering
2362 homes that surround this area.

2363

2364 In addition, the Vincio Group, which is based out of
2365 Springfield, Missouri, has its own complications of
2366 property mismanagement lawsuits from Ithaca, New York,
2367 poor management responses by the residents, projects
2368 that they have already developed, development and
2369 drainage concerns that are noted through our discussions

2370 with the developer, and the corporate and employee
2371 dynamics have also registered dissatisfaction.
2372
2373 Braun Station West supports affordable housing. Even
2374 within a half a mile of this projected project is The
2375 Bristol. It houses 90 units with a pool and a green
2376 space. There are 15 other affordable housing units in
2377 the area within a 5-mile radius.

2378
2379 This proposal fails to serve the needs of the people
2380 that they are trying to house. We ask that you afford
2381 approval to more effective projects that will better
2382 serve the needs of lower-income population.

2383
2384 That includes my presentation, but I do have a copy of
2385 over 800 electronic signatures of a petition opposing
2386 this.

2387

2388 **Megan Sylvester (1:31:25):**

2389 Ma'am, your mic glitched when you said your name. Could
2390 you repeat it, please?

2391

2392

2393 **Jonnie McCart (1:31:29):**

2394 I'm sorry?

2395

2396 **Megan Sylvester (1:31:29):**

2397 Your mic glitched when you said your name. Could you

2398 repeat it, please?

2399

2400 **Leo Vasquez III (1:31:34):**

2401 Just for the record.

2402

2403 **Megan Sylvester (1:31:35):**

2404 For the record, can you repeat your name?

2405

2406 **Jonnie McCart (1:31:36):**

2407 Jonnie McCart.

2408

2409 **Megan Sylvester (1:31:38):**

2410 Okay. Thank you.

2411

2412 **Jonnie McCart (1:31:38):**

2413 I'm sorry.

2414

2415

2416 **Leo Vasquez III (1:31:40):**

2417 That's all right.

2418

2419 **Jonnie McCart (1:31:40):**

2420 Thank you. Anything else?

2421

2422 **Leo Vasquez III (1:31:43):**

2423 No. I assume all your petitions and information have

2424 been submitted to staff outside of this meeting. If

2425 not, do y'all know who to give it to? Is it Cody or?

2426

2427 **Cody Campbell (1:31:56):**

2428 Yes. Yeah. I've been in contact with them.

2429

2430 **Jonnie McCart (1:31:59):**

2431 Yes.

2432

2433 **Leo Vasquez III (1:32:00):**

2434 Okay. All right, great. As long as you've officially

2435 submitted it, that's the key. Is there anyone else that

2436 wants to speak? Please, come on.

2437

2438

2439 **Wallace Reed (1:32:33) :**

2440 Good morning, board members. My name is Wallace Reed,
2441 and I represent Hudson Hallmark development in Region
2442 11. I want to talk about the log attached to this
2443 agenda item.

2444

2445 Region 11, as always, is incredibly competitive, and
2446 Hudson Hallmark is part of that Region 11. With that in
2447 mind, I want to address one of the tiebreaker distances
2448 in the region and in this log.

2449

2450 As you may remember, last month we spoke on an RFAD
2451 about a park in Hidalgo County. I am not here today to
2452 talk about the validity, whether this qualifies as a
2453 park. I'm here to talk about the distance used to
2454 determine the tiebreaker.

2455

2456 When this came up last month, Chairman Vasquez seemed to
2457 have indicated the distance should be measured to the
2458 park, and I believe other board members also agreed.

2459 But the log in front of you keeps the tiebreaker
2460 distance unchanged, measuring to the park as if it were
2461 the same point as the school.

2462

2463 The county park has no authority over where the
2464 applicant has chosen to measure to. The park in
2465 question has a legally recorded lease, including a legal
2466 description and a survey recorded and filed at the
2467 county courthouse.

2468

2469 We asked the tiebreaker distance to be measured to where
2470 the park legally begins, not where the school begins.
2471 Thank you. I'm here to answer any questions if you have
2472 any.

2473

2474 **Leo Vasquez III (1:33:47):**

2475 Okay. Thanks. Again, this discussion today is not
2476 about the points scoring, but I'm sure staff is re-
2477 reviewing this based on that last meeting's discussion.

2478

2479 **Wallace Reed (1:34:06):**

2480 I believe they're going to keep it as it is, but they
2481 can speak on that fact.

2482

2483

2484

2485 **Leo Vasquez III (1:34:14):**

2486 Okay. Well, again, this meeting, we're not getting into
2487 that kind of, going down individual rabbit holes like
2488 that. But...

2489

2490 **Cindy Conroy (1:34:28):**

2491 Cody, did you have anything to add?

2492

2493 **Kenny Marchant (1:34:33):**

2494 We're talking about a project that has not yet even been
2495 scored.

2496

2497 **Leo Vasquez III (1:34:40):**

2498 Well, it has, I think.

2499

2500 **Cody Campbell (1:34:41):**

2501 So for all of the projects you've heard about during
2502 this item, they are part of the 2026 competitive round.
2503 And so I don't know off the top of my head the status of
2504 every individual application in this round.

2505

2506 It is reasonable to say that they are probably all going
2507 to be reviewed by the late July board meeting. Off the

2508 top of my head, I believe all of these are in a
2509 competitive position, although of course that is not
2510 to...

2511

2512 **Kenny Marchant (1:35:06):**

2513 But he's already figured out that there's going to be a
2514 tiebreaker.

2515

2516 **Cody Campbell (1:35:10):**

2517 Yes. There is an awareness that there is a tie months
2518 ago. These people know that before they ever submit the
2519 application.

2520

2521 And I just want to clarify, when I say that applications
2522 appear to be in an award position, that's obviously not
2523 any kind of representation on behalf of the Department
2524 that a specific development would be funded. It's only
2525 about the status of the log.

2526

2527 **Megan Sylvester (1:35:33):**

2528 And there could be still things to discover during the
2529 underwriting process, for example.

2530

2531 **Board Members (1:35:36):**

2532 That is correct. Yes.

2533

2534 **Kenny Marchant (1:35:38):**

2535 So basically this whole process is these people are

2536 against those projects being in their neighborhood

2537 and...

2538

2539 **Leo Vasquez III (1:35:46):**

2540 Well, there's two different, this one was a different,

2541 The last one was a different subject. I'm sorry. I was

2542 going to do a couple summary statements on the previous

2543 group. Again, I think you'll still continue working

2544 with staff and we're not going to decide anything here

2545 right now. I can assure you.

2546

2547 **Wallace Reed (1:36:05):**

2548 I agree that you can't decide anything here right now,

2549 but the decision has been made that the distance will

2550 stay the same. What I'm asking is for the Board to give

2551 some sort of direction as to where and what they should

2552 do in regards to where the distance should go. Again,

2553 it's a legally recorded document...

2554

2555 **Megan Sylvester (1:36:23):**

2556 So that would not be officially part of this item. You
2557 can make that in as part of public comment if you like,
2558 but that's not part of this motion.

2559

2560 **Wallace Reed (1:36:31):**

2561 Do I have to repeat everything at public comment, or can
2562 I just...

2563

2564 **Megan Sylvester (1:36:33):**

2565 No. You can just say as part of, you'd like the Board
2566 to do that.

2567

2568 **Wallace Reed (1:36:36):**

2569 Okay. I figured this would be a better forum, but...

2570

2571 **Leo Vasquez III (1:36:39):**

2572 Fair enough. Don't worry. We're not holding this
2573 against you. But just make sure staff understands or
2574 that staff explains the appeal process that he's got for
2575 review. I don't know what they...

2576

2577 **Megan Sylvester (1:36:53):**

2578 Well, you can't appeal someone else's application or
2579 their score.

2580

2581 **Wallace Reed (1:36:59):**

2582 So we're asking the Board to, I guess, direct staff to
2583 measure it to where the park should start, like you
2584 guys, well seemed to have indicated during the RFAD
2585 process last month.

2586

2587 **Megan Sylvester (1:37:13):**

2588 So once again, that's not something the Board can direct
2589 for this motion.

2590

2591 **Wallace Reed (1:37:17):**

2592 Correct.

2593

2594 **Leo Vasquez III (1:37:21):**

2595 I think it's been communicated to staff and we'll, I'm
2596 not saying that they're going to agree with you, but we
2597 will look at it.

2598

2599

2600 **Wallace Reed (1:37:32):**

2601 Sure.

2602

2603 **Leo Vasquez III (1:37:34):**

2604 We'll look at it and get more official responses. We

2605 understand what your position is.

2606

2607 **Wallace Reed (1:37:42):**

2608 All right. Thank you.

2609

2610 **Leo Vasquez III (1:37:43):**

2611 All right. Thanks. And then just for the group that

2612 was speaking before, just again, in this forum, we're

2613 not going to be debating what you all have to say.

2614

2615 There's only two things that sort of jumped out at me,

2616 however. I'd really like to know when you said one of

2617 the properties says it's a luxury property, but it's

2618 supposed to be affordable. Make sure staff, I want to

2619 follow up on that particularly. Again, that doesn't

2620 really have anything to do with the reason you all were

2621 talking, but it sounds, kind of raises some red flags.

2622

2623 And then virtually, I applaud you all for coming and
2624 talking to us. And yeah, push back everywhere you can.
2625 I mean, this is one of the areas. However, almost
2626 everything I heard you all say doesn't really apply to
2627 our process for awarding tax credits or potentially
2628 awarding, they're checking off all the boxes and they're
2629 getting their points and such.

2630

2631 Almost everything that you all talked about seemed to be
2632 considerations for local zoning authorities and local
2633 environmental authorities and its setbacks and all that
2634 stuff. We don't have anything to do with that. If
2635 you're still fighting against this, you got to go to
2636 Austin Planning Commission or whatever it is that's
2637 here. So I'm just saying most of what you said doesn't
2638 fit in the arguments in our process. I just want you
2639 all to keep that in the back of your mind. We just have
2640 this scoring. If they check off all the boxes, it's got
2641 to be objective on our side.

2642

2643 And from what I understand, this is still a qualified, a
2644 not disqualified project yet. So doesn't mean it's
2645 going to for sure get an award, but that's our

2646 limitations. We got to operate, we got to stay on these
2647 rails, and we can't go off the rails.

2648

2649 So just again, I understand you probably have more to
2650 say, but we've got to keep this process going because
2651 today it's just simply, as I started at the preface of
2652 this item, we're only being reported on the not
2653 disqualified, so still live applications. And that's
2654 what this one's about.

2655

2656 Submit your documentation to staff and everything, but
2657 we're not going to change anything at this meeting in
2658 this forum. Okay. Does anyone else have a new comment
2659 on the approved list? Item 38. Okay. That's an easy
2660 way to do it. As presented by Mr. Campbell.

2661

2662 And this is a, we're voting to approve the list of
2663 approved applications, the issue of the list of approved
2664 applications.

2665

2666 **Cody Campbell (1:41:22):**

2667 Yes, sir. That's correct.

2668

2669 **Leo Vasquez III (1:41:22):**

2670 Meaning not disqualified, not that they're getting the
2671 award. Okay. Last chance for anything new and
2672 different to say on any other projects.

2673

2674 **Chris Goodpaster (1:41:36):**

2675 Mr. Chairman, I do have one question regarding the RFAD
2676 and I want to make sure that...

2677

2678 **Leo Vasquez III (1:41:41):**

2679 Okay. Come on up. And this will probably be a...

2680

2681 **Chris Goodpaster (1:41:44):**

2682 Chris Goodpaster. I spoke earlier on behalf of
2683 neighbors of Travis Heights. We also submitted an RFAD
2684 by the deadline of April 15th. And I understand that is
2685 still pending and to the extent that this vote would
2686 suggest or negate that pending RFAD, or suggest that the
2687 RFAD has no merit, then we would object to that as well.
2688 Just want to make sure our position is clear on that.

2689

2690 **Leo Vasquez III (1:42:06):**

2691 Yeah. It's different.

2692

2693 **Megan Sylvester (1:42:09):**

2694 Cody, the RFADs have all been addressed, correct? Okay.

2695

2696 **Cody Campbell (1:42:13):**

2697 Yeah. If I may.

2698

2699 **Leo Vasquez III (1:42:14):**

2700 Sure. Yep.

2701

2702 **Cody Campbell (1:42:17):**

2703 We did receive one about 48 hours ago. I believe it was

2704 on Tuesday that we got it. It may have been Monday.

2705 That calls into question the site control of Application

2706 26169, which is the application in Travis Heights about

2707 which most of the comments addressed earlier. It was

2708 received after the deadline. The rules allow for an RFAD

2709 to be submitted late if it raises issues related to the

2710 applicant's threshold qualifications. We are reviewing

2711 it. I don't think that we're prepared to provide a

2712 formal response today. But just offhand, I don't

2713 believe it's anything that the Department is going to

2714 take action on.

2715

2716 **Bobby Wilkinson (1:42:54):**

2717 He actually referenced the RFAD that was submitted
2718 earlier in April. That was the same thing he talked
2719 about, right?

2720

2721 **Cody Campbell (1:43:00):**

2722 That one concerns...

2723

2724 **Bobby Wilkinson (1:43:01):**

2725 Did it tell the city about the pre-K, right?

2726

2727 **Cody Campbell (1:43:03):**

2728 That is exactly correct. And that one I believe staff
2729 considers that matter to be closed.

2730

2731 **Leo Vasquez III (1:43:09):**

2732 Okay. All right. So whatever the latest, the couple
2733 days one, do we still consider that or if it was late
2734 and...

2735

2736 **Cody Campbell (1:43:20):**

2737 Since it came in after the deadline, we would only

2738 consider it if it raised an issue that is new to staff
2739 that would warrant termination. And again, we are still
2740 looking at it. But as of today, no. I don't believe
2741 that any action is going to be taken on it.

2742

2743 **Leo Vasquez III (1:43:34):**

2744 Okay. But this is not the final decision on that
2745 either.

2746

2747 **Cody Campbell (1:43:38):**

2748 That is correct.

2749

2750 **Leo Vasquez III (1:43:38):**

2751 Okay. Okay. So I need a motion for just approving the
2752 list, correct?

2753

2754 **Holland Harper (1:43:53):**

2755 I move the Board approve the list of active 9 percent
2756 applications according to the Texas Government Code
2757 Section 2306.6724(e) and subject to conditions and
2758 limitations and stipulations stated in the board action
2759 request resolutions on this item.

2760

2761 **Anna Maria Farias (1:44:11):**

2762 Second.

2763

2764 **Leo Vasquez III (1:44:12):**

2765 Motion made by Mr. Harper. Seconded by Ms. Farias. All

2766 those in favor say aye.

2767

2768 **All Board Members (1:44:16):**

2769 Aye.

2770

2771 **Leo Vasquez III (1:44:17):**

2772 Any opposed? Hearing none, the motion carries.

2773

2774 **Cody Campbell (1:44:20):**

2775 Thank you.

2776

2777 **Leo Vasquez III (1:44:20):**

2778 Okay. So that's the posted agenda, correct? Okay.

2779

2780 **Megan Sylvester (1:44:25):**

2781 That would be correct.

2782

2783

2784 **Leo Vasquez III (1:44:26) :**

2785 Okay. All right. So the Board has addressed the posted
2786 agenda items. Now is the time of the meeting when
2787 members of the public can raise issues with the Board on
2788 matters of relevance to the Department's business or
2789 voice a request that the Board place specific items on
2790 future agendas for consideration.

2791

2792 Is there anyone here who would like to provide public
2793 comment at this time? If so, come on up. Sign in. You
2794 know the process.

2795

2796 **Walter Moreau (1:44:57) :**

2797 Hi, Board. I'm Walter Moreau. I'm the executive
2798 director of Foundation Communities. Just to clarify,
2799 the project in Austin is not ours that was just talked
2800 about.

2801

2802 First, I just want to say thank you to the Board for
2803 your service. I've been the executive director 29 years
2804 and I'm still going. And we now have 32 affordable
2805 housing communities in Austin, Arlington, and in
2806 Carrollton. 16 learning centers, lots of health

2807 programs and programs for homeless families and
2808 individuals. Over 10,000 residents.
2809
2810 Mostly what I spend my day doing is fundraising for
2811 services. We have 20 Home Loan Bank grants in our
2812 projects. We have a million dollars a year from Michael
2813 & Susan Dell Foundation to support homeless families. A
2814 big priority for us as a mission-driven organization is
2815 to help special needs populations, especially homeless
2816 families with children.

2817
2818 For two years now, we keep running into this rule that
2819 we didn't know exists that's buried in your rulebook,
2820 that if we have a preference to serve some units for
2821 special needs populations, we cannot do that. We're not
2822 allowed, unless it's in our deed restriction in the
2823 LURA, the Land Use Restriction Agreement. No other
2824 state does this. We think this rule is ridiculous.

2825
2826 We have been trying to work with staff and your legal
2827 counsel to address this rule. We thought we got there
2828 finally. You have a draft rule out for public comment
2829 now, and I'm going to write comments on it, because the

2830 federal guidance is that it should be in a written
2831 agreement.
2832
2833 And we agree. We shouldn't run off into a preference
2834 without the Department reviewing it. But then it was
2835 added, and I didn't catch it, that there's in
2836 parentheses, you can't do that unless if you have state
2837 or federal funding in your project, which all of ours
2838 do, then it has to be in the LURA. This has just gotten
2839 to be ridiculous.

2840

2841 I loved your discussion earlier about housing for young
2842 adults, really kids, that have aged out of foster care.
2843 And if you had a tax credit owner in your program that
2844 wanted to do a preference and set aside some units for
2845 kids aging out of foster care, this rule would say they
2846 cannot do that.

2847

2848 It would have to go through the entire LURA amendment
2849 process, would have to be signed off by every financial
2850 partner. It really would be a burden on TDHCA staff
2851 because then you have to go and amend that LURA.

2852

2853 I'm sorry if I'm hot on this. This is something I'm
2854 really passionate about. I think there's an easy fix.
2855 You should have very simple rules around this, that any
2856 limitation or preference has to have a written
2857 agreement. Easy.

2858

2859 **Kenny Marchant (1:47:46):**

2860 Which category would it take away from? In other words,
2861 what unit would somebody not get because that other
2862 person got this preference?

2863

2864 **Walter Moreau (1:48:01):**

2865 The tax credit program has a general public rule that
2866 you have to lease to the general public, but there are
2867 exceptions to that and...

2868

2869 **Kenny Marchant (1:48:10):**

2870 But normally this would be at the lowest earning level.

2871

2872 **Walter Moreau (1:48:16):**

2873 Correct. Generally.

2874

2875

2876 **Kenny Marchant (1:48:17):**

2877 So it would take away from that level, right? You
2878 wouldn't take a three-bedroom unit and give it to that
2879 person, or would you be able to under your idea?

2880

2881 **Walter Moreau (1:48:28):**

2882 It's usually by income targeting. So we would have,
2883 say, let's say a property has 20 units at 30 percent,
2884 some ones, some twos, and threes.

2885

2886 If we had a preference in place by written agreement
2887 with y'all that we could do 10 or 15 or 20 of those
2888 units as a preference for households with children that
2889 had been homeless, then they would go to the top of the
2890 list over just anybody else that's at 30 percent.

2891

2892 **Kenny Marchant (1:48:57):**

2893 If there were a unit available.

2894

2895 **Walter Moreau (1:48:59):**

2896 Correct.

2897

2898

2899 **Leo Vasquez III (1:49:00) :**

2900 And would they jump ahead of everybody that was on the
2901 waiting list as well?

2902

2903 **Walter Moreau (1:49:05) :**

2904 Correct. Same like if we served homeless veterans and
2905 had a preference, or had a preference for youth aging
2906 out of foster care, or seniors with a disability. You
2907 have many, many owners that have Home Loan Bank grants
2908 that have preferences in effect.

2909

2910 And that's awesome policy. That matches the state
2911 housing plan that recognizes that those special needs
2912 populations are a priority. So I think this is a
2913 commonsense rule change that aligns with the right
2914 policy for the state. Thank you for the opportunity to
2915 speak.

2916

2917 **Megan Sylvester (1:49:46) :**

2918 I will say that there are some legal challenges to do
2919 what you want to do that we have discussed many times.
2920 We have agreements with HUD and USDA that we have to
2921 sign as part of the subordination process when their

2922 loan is in first position, and that we have to say that
2923 nothing in our LURA would prevent us, and basically we
2924 have to ensure that they are consistent.

2925

2926 And they're not, many times they would not be consistent
2927 if it was not reflected in the LURA. And so that's why
2928 we have that exception for there. I think there's a way
2929 we can narrowly tailor that, and certainly we can work
2930 with you on the wording, but there are some limitations
2931 there.

2932

2933 **Leo Vasquez III (1:50:31):**

2934 Yeah. Again, I think conceptually I don't see a problem
2935 with what you're asking, but we got to, you know we have
2936 so many different restrictions and LURAs at different
2937 levels that we're trying to have to follow along with.

2938

2939 **Walter Moreau (1:50:46):**

2940 There may be very unique cases where you have a
2941 subordination issue where you need to have a LURA, but
2942 that's it.

2943

2944

2945 **Bobby Wilkinson (1:50:53):**

2946 We're really not supposed to have a lot of back and
2947 forth with public comment.

2948

2949 **Leo Vasquez III (1:50:55):**

2950 Yeah. That's right. Kenny started it.

2951

2952 **Walter Moreau (1:50:58):**

2953 Thank you.

2954

2955 **Leo Vasquez III (1:51:01):**

2956 Okay. All right. No. Thank you, Walter. Okay. Are
2957 there any more public comment at this time?

2958

2959 **Robbye Meyer (1:51:13):**

2960 Robbye Meyer with Arx Advantage. I want to make this
2961 quick. Chairman, you made a comment yesterday at the
2962 Rules Committee and I wanted to sleep on it before I
2963 actually said anything. You made a comment that you
2964 wanted to have two cycles and that nobody had said that
2965 that was a horrible idea. And I don't think anybody
2966 wants to tell the chairman that you have a horrible
2967 idea.

2968

2969 **Leo Vasquez III (1:51:35):**

2970 He never has horrible ideas.

2971

2972 **Robbye Meyer (1:51:37):**

2973 And I'm not going to stand up here and say it's a
2974 horrible idea either. However, I do want to tell you,
2975 give you a couple of things to think about.

2976

2977 I recently had an opportunity to speak at a national
2978 conference, and the panel that I was on was talking
2979 about funding availability for rural areas. And a lot
2980 of states have challenges in rural areas and they don't
2981 have funding availability.

2982

2983 One thing in Texas is we have the regional allocation
2984 formula that spreads our funding out throughout the
2985 State of Texas. We also have a 20 percent rural set-
2986 aside that we have to meet every year. Those are
2987 statutory things. And that's very good for the State of
2988 Texas. If you move to two cycles, I don't know how we
2989 keep that in place. And I don't want rural Texas or the
2990 smaller urban regions to be affected by splitting up our

2991 allocation. And I don't know how you do it. It's hard
2992 enough to do rural as it is with the limited amount of
2993 funds that we have. It's just a thought, just think
2994 about that. I'm very rural conscious.

2995

2996 And having come from the TDHCA side of things when I
2997 first started in this business, from a staff
2998 perspective, I don't know how you'd want to run two
2999 cycles at the same time. It's a nightmare doing one.

3000

3001 But to do one cycle in being in review and then trying
3002 to do post-award stuff while you're trying to do another
3003 cycle on top of it, it's a nightmare on the industry
3004 side because we're trying to do that, but on a staff
3005 perspective, it would be the same thing. So just a
3006 thought, not a horrible idea. I just want you to think
3007 about the other things that do go along with it.

3008

3009 **Leo Vasquez III (1:53:15):**

3010 Yep. Thanks, Robbye.

3011

3012 Anyone else? If not, the, do I have someone? Okay.

3013 Snuck up on me.

3014

3015 **Kenny Marchant (1:53:33):**

3016 And, Mr. Chairman, I have a question for our legal
3017 counsel before we...

3018

3019 **Leo Vasquez III (1:53:38):**

3020 Before we close. Okay. Yep.

3021

3022 **Glenn Lynch (1:53:47):**

3023 Mr. Chairman, board members, Mr. Executive Director. My
3024 name is Glenn Lynch. I'm the father of Shane Lynch.

3025 And I don't want to beat a dead horse here, but I was in
3026 the tax credit business years ago. I developed, I don't
3027 know, maybe 3- or 4,000 units in the early 2000s.

3028

3029 My son, Shane Lynch, this past year he wanted to start
3030 doing some development and asked me to help him. And he
3031 was the one that turned in for the one that Mr. Reed
3032 spoke about on the distance. And I don't want to beat
3033 that to death.

3034

3035 I know that we turned in RFADs on that, my son did, and
3036 those RFADs were not acted upon. So it's our

3037 understanding that the time's passed for that distance
3038 to be accepted, that it will be the way it is. We were
3039 basically one out of the running.

3040

3041 What I would ask is this, I don't envy the Executive
3042 Director or the staff's job because developers
3043 oftentimes, just as I did years ago, they'll call staff
3044 and ask them questions when they're in the process of
3045 putting together their development, and thereby they get
3046 answers that, yes, you use this boundary line or you use
3047 that one.

3048

3049 And then later on they find out, I know that when we
3050 brought it to staff's attention that there was a
3051 separate recorded deed for that park, they were not
3052 aware of that. I do not know whether or not the
3053 original developers on the other part were aware of it
3054 or not, but they weren't aware of it.

3055

3056 So we brought it to their point. And in the meantime,
3057 I'm sure that they had probably told the other developer
3058 that, hey, you use this boundary line. You use the line
3059 to this parcel. And understanding that, I don't stand

3060 in judgment on anyone there. I don't know who knew
3061 what, or I don't know if the other developer even knew
3062 the thing existed, that there was a recorded deed.

3063

3064 But under a circumstance where you have something that's
3065 kind of, to me, blatantly a mistake or done wrong, back
3066 when we used to do it years ago, forward commitments
3067 used to be something that was pretty common. Now
3068 they're not very common.

3069

3070 But under a circumstance like this where I think that
3071 there has been a mistake somehow or another, I would
3072 just ask that the Board consider, if it's too late to do
3073 anything about distance, that you would consider
3074 authorizing staff to issue a forward commitment on the
3075 one deal that's just barely out due to that deal. And
3076 that's all I have to say, and I appreciate it.

3077

3078 **Leo Vasquez III (1:56:24):**

3079 All right. Thank you, sir.

3080

3081 **Glenn Lynch (1:56:25):**

3082 Thank you.

3083

3084 **Leo Vasquez III (1:56:30):**

3085 Okay. Before we close the meeting, Mr. Marchant has a
3086 question.

3087

3088 **Kenny Marchant (1:56:34):**

3089 I've got a document in front of me that I'm going to
3090 read.

3091

3092 **Megan Sylvester (1:56:38):**

3093 Yes.

3094

3095 **Kenny Marchant (1:56:39):**

3096 But if I have questions about this document and the
3097 content, because this gentleman works for several people
3098 that have applications, is that prohibited?

3099

3100 **Megan Sylvester (1:56:52):**

3101 It's during the round, you need to probably have your
3102 communications go through Bobby. That's typically
3103 what...

3104

3105

3106 **Bobby Wilkinson (1:56:59):**

3107 Yeah. We'll figure it out. Talk to Darrell. It's on

3108 LinkedIn too.

3109

3110 **Kenny Marchant (1:57:03):**

3111 Yeah. It's good information. But I had questions about

3112 it.

3113

3114 **Bobby Wilkinson (1:57:08):**

3115 Yeah. It's good with me and we'll talk with Darrell.

3116

3117 **Kenny Marchant (1:57:11):**

3118 Okay. Thank you.

3119

3120 **Leo Vasquez III (1:57:15):**

3121 All right. The next scheduled meeting of the Governing

3122 Board is at 10:00 a.m. on Thursday, July 9, 2026, here

3123 in this same room. Watch for postings for updates and

3124 such. And according to my clock, it is now exactly

3125 12:00 p.m. And we are adjourned.

3126 * * * * *

3127