



TDHCA Governing Board Meeting Transcript* from May 8, 2025

10:00 a.m. Central Time

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

125 E. 11th Street, Austin, TX 78701

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

2 Good morning. I hereby call to order the meeting of the
3 governing board of the Texas Department of Housing and
4 Community Affairs. It is 10:04 in the morning on May 8,
5 2025. Start out with roll. Ms. Farias?

6

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

8 Here.

9

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

11 Mr. Marchant.

12

13 **Kenny Marchant (0:00:20):**

14 I'm here.

15

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

17 Mr. Thomas.

18

19 **Ajay Thomas (0:00:22):**

20 Here.

21

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

23 Mr. Harper.

24

25 **Holland Harper (0:00:24):**

26 Here.

27

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

29 And Ms. Conroy?

30

31 **Cindy Conroy (0:00:26):**

32 Here.

33

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

35 We are all present and accounted for. We have a quorum.

36 And as usual, we'll start out with Mr. Wilkinson leading

37 us in the pledges.

38

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

40 I pledge allegiance to 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. Honor the Texas flag; I pledge allegiance to

44 thee, Texas, one state under God, one and indivisible.

45

46 **Leo Vasquez III (0:01:03):**

47 All right. In the Rules Committee yesterday, we were

48 discussing offline if anyone will sing the national

49 anthem at the beginning of movies, at the beginning of
50 meetings. We will give you an extra bonus point on
51 your, so keep that in mind. Again, thank you all for
52 being here. We are going to start with the consent
53 agenda. Are there any items on the consent agenda that
54 a board member or member of the public wishes to move to
55 the action item?

56

57 **Holland Harper (0:01:50):**

58 I just have one comment, Chairman.

59

60 **Leo Vasquez III (0:01:51):**

61 Yes.

62

63 **Holland Harper (0:01:52):**

64 On number seven, the performance measures. If we could
65 just get the like a barred graph of what the plan to
66 actual is so it's easy to see. So on the backside of
67 the bar graph you can see like hey, I was supposed to
68 get a 1000, I got 980 on the low mark. Or I've got 2000
69 and my goal was 1200, and I'm killing it.

70

71 **Leo Vasquez III (0:02:09):**

72 Yeah, absolutely.

73

74 **Holland Harper (0:02:10):**

75 So that, and then the other thing I'd love to get from
76 staff is a contact on the Grim Hotel. I'm in Texarkana
77 all the time, I'm about to go by and see that project.

78

79 **Leo Vasquez III (0:02:21):**

80 Okay. Great. Okay. So that's no changes to the...

81

82 **Holland Harper (0:02:23):**

83 No changes.

84

85 **Leo Vasquez III (0:02:24):**

86 Okay.

87

88 **Holland Harper (0:02:26):**

89 Well I guess no changes.

90

91 **Leo Vasquez III (0:02:27):**

92 Well for future reports, we'll have a... Okay. Seeing
93 no other changes, I'll entertain the motion on the
94 consent agenda.

95

96

97 **Anna Maria Farias (0:02:39):**

98 Mr. Chairman, I move the Board approve items 1 through
99 11 as described and presented in the respective board
100 action request and reports.

101

102 **Holland Harper (0:02:48):**

103 Second.

104

105 **Leo Vasquez III (0:02:51):**

106 Great. Motion made by Ms. Farias. Seconded by Mr.
107 Harper. All those in favor say aye.

108

109 **All (0:02:56):**

110 Aye.

111

112 **Leo Vasquez III (0:02:57):**

113 Any opposed? Hearing none. Motion carries. Moving
114 right along to the Executive Director's reports. Mr.
115 Wilkinson.

116

117 **Bobby Wilkinson (0:03:09):**

118 Good morning, Chairman and Board. It's a short list
119 today, just a few items. From our single family and
120 homeless programs area, our Office of Colonia

121 Initiatives staff are traveling along the Texas-Mexico
122 border to meet with several of Colonia's self-help
123 centers.
124
125 They will do site visits and to introduce our new
126 contract for Deed Implementation Manager, Ms. Sofia
127 Castro. Site visits will occur in El Paso and Cameron
128 County. Staff will also meet with Nueces, Maverick, Val
129 Verde, and Hidalgo counties. Last month, I reported to
130 you that the Homeowners Assistance Fund program was on
131 the verge of being completed. This month I can report
132 to you that it is finished. As of April 15, the HAF
133 program is closed for payments. Texas HAF provided
134 assistance to 58,536 unique households with average
135 assistance per household totaling \$12,658. A total of
136 \$742 million in assistance was paid to eligible
137 homeowners. To date, no other state in the country has
138 assisted more homeowners than we did with this program.
139
140 Congratulations to Lizet Hinojosa and her team and to
141 Brook Boston for her oversight. Though they'll still
142 exist as a division for a while, like Rent Relief will
143 get audited a few times, and so yeah. But that's it for
144 my prepared remarks. Mr. Lyttle has comments on the

145 session in another item or two, but prepared to answer
146 any additional questions.

147

148 **Leo Vasquez III (0:04:33):**

149 That statistic sounds like it's worthy of a press
150 release. Maybe. Okay. Mr. Marchant?

151

152 **Kenny Marchant (0:04:41):**

153 I'd say great job.

154

155 **Leo Vasquez III (0:04:43):**

156 Thank you. Okay. Okay. We will be hearing more about
157 the session activities later on in the agenda. So
158 moving along to item 13: Presentation, discussion and
159 possible action on Resolution Number 25-021, amending
160 previously adopted resolution relating to the issuance
161 of Multifamily Housing Revenue Bonds Series 2025A1, A2,
162 and Taxable Bonds Series 2025B. Ms. Morales.

163

164 **Teresa Morales (0:05:14):**

165 Good morning. Teresa Morales, Director of Multifamily
166 Bonds. Item 13 seeks to amend bond Resolution Number
167 25-013, originally approved by the Board in January,
168 relating to the Ridge at Loop 12, which involves the new

169 construction of 300 units in Dallas. The resolution was
170 previously amended by the Board last month by Resolution
171 Number 25-017.

172

173 However, the request before you is to amend it yet
174 again, third time is the charm, with Resolution Number
175 25-021. Since the Board's approval last month, there
176 have been additional factors affecting the construction
177 and the permanent loan amounts being underwritten by the
178 lender and equity investor. Specifically, HUD released
179 the 2025 Income and Rent Limits which resulted in an
180 increase in the Dallas area.

181

182 There have been updates to some expense line items and
183 there has been movement in interest rates. Government
184 inefficiency at its best, this outdated provision in our
185 governing statute is not conducive to responding to
186 daily changes in the market, adds unnecessary delays,
187 additional costs and risk, not to mention the extensions
188 of the land purchase contract with impatient sellers.

189 This particular site has been under contract since
190 January of 2023. Exhibit B to the bond resolution in
191 your package reflects terms that are now feasible for
192 closing. Staff recommends approval of Bond Resolution

193 Number 25-021 in the aggregate principal amount of
194 \$61,914,000 with the specific amounts of Series A-1, A-
195 2, and Taxable Series B based on the applicable all-in
196 rate as further specified on Exhibit B of the
197 resolution.

198

199 **Leo Vasquez III (0:07:09):**

200 So on this one, we had requests for changing it, we
201 changed it, now we're changing it, we have requests to
202 move back to where we originally started from?

203

204 **Teresa Morales (0:07:21):**

205 For the all-in, the aggregate principal amount.
206 Correct. What has changed is the sliding scale of the
207 A-1, 2, and B.

208

209 **Bobby Wilkinson (0:07:33):**

210 Can we revisit? It's a quirk in our statute that if the
211 bonds are unrated, it needs to be exact, and we have to
212 get the Board vote every time, but if they're rated, we
213 would have just handled this at the staff level; is that
214 right?

215

216

217 **Teresa Morales (0:07:44):**

218 Not necessarily at the staff level. With rated
219 transactions, if they're rated by Moody's or S&P, what
220 statute allows us to do is the Board has the authority
221 to delegate those terms, and so the resolution that
222 you're adopting is a parameters resolution that reflects
223 not to exceed amounts.

224

225 So it's still an interest rate formula, we have that
226 identified, but it's a paramount not to exceed X or a
227 maturity date not to exceed X. And so that way, as we
228 go through, and debt and equity kind of firm up what
229 some of these numbers are, there's movement in interest
230 rates, construction costs go up, whatever those
231 variables are, it's still absorbed because we have a cap
232 that the Board has approved. And then the specifics of
233 where that, the perm amount where those numbers end up,
234 it's still a factor of the interest rate, but there's
235 flexibility there to where we don't have to go back to
236 the Board.

237

238 **Bobby Wilkinson (0:08:40):**

239 And this one's been back twice?

240

241 **Teresa Morales (0:08:41):**

242 This one is the third time technically; the first time
243 was just the original approval.

244

245 **Bobby Wilkinson (0:08:46):**

246 So I'm curious, and I should've talked to you about this
247 before, but why not just get the bonds rated every time?
248 I mean this saves a little bit of money with the
249 ratings?

250

251 **Teresa Morales (0:08:55):**

252 It's limiting the product, right? So we don't, as an
253 issuer, dictate the type of financing structure that a
254 developer uses. If there is an entity, in this case,
255 it's NewPoint Real Estate Capital that's willing to
256 purchase the bonds directly and hold them as opposed to
257 going to the open market. There's flexibility here in
258 the types of transactions that developers can do. It's
259 the best execution for their product.

260

261 **Bobby Wilkinson (0:09:19):**

262 And they just run the risk if something has to change,
263 if they have to come back to the Board for...

264

265 **Teresa Morales (0:09:23):**

266 Right. We typically step out with our approval, not
267 necessarily too early in the process. We do have
268 confirmation that there, that there's due diligence
269 going on that the transactions moving along with debt
270 and equity. But our approval kind of puts into effect a
271 number of other steps that have to take place and so
272 there is the risk that if there is dramatic changes or
273 volatility in the market, that they have not yet
274 solidified exactly what is the amount that we're going
275 to issue, and that can be difficult recognizing that
276 they haven't rate locked.

277

278 **Bobby Wilkinson (0:10:02):**

279 Thank you.

280

281 **Ajay Thomas (0:10:06):**

282 Thanks, Chairman. Teresa, so a question for my
283 edification. So the Department capped the amount that
284 ultimately we're prepared to issue at any point, where
285 the expectation is, so spreads have widened dramatically
286 for unrated bonds. If the developer comes back and
287 says, well, we got, we have to have, we have to issue
288 more debt or we have to get more financing in place, is

289 our expectation that they come to the table more equity
290 or are we prepared to increase the cap or the amount
291 that we want to (indiscernible)and issue?

292

293 **Teresa Morales (0:10:38):**

294 So we are limited by the amount that is reserved, right?
295 So initially what I do is I come before the Board with
296 an inducement resolution that says, this is the
297 authority that we want to have to reserve a certain
298 amount of bonds. And so developer has to know that
299 wherever the deal ultimately ends up, that is the actual
300 cap is the amount that's reserved. If for some reason
301 things happen and they have to exceed that, well then we
302 have to unwind and come back to the Board for authority
303 to actually reserve more than what the Board previously
304 approved. That's a reservation issue, so.

305

306 **Ajay Thomas (0:11:13):**

307 Okay. Thank you.

308

309 **Leo Vasquez III (0:11:19):**

310 Okay. Are there any other questions for Ms. Morales? I
311 assume no one wants to speak on this. Okay. So I'll
312 entertain a motion on item 13 of the agenda.

313

314 **Holland Harper (0:11:33):**

315 I move the Board Approve Resolution Number 25-021 as a
316 second amendment to the previous adopted bond
317 resolution, really relating to the Multifamily Housing
318 Revenue Bond, The Ridge at Loop 12, Series 25...
319 Correction 2025A-1 and Series 2025A-2 and Series 2025B,
320 all as described, conditioned, and authorized in the
321 Board action request, resolutions, and associated
322 documents on this item.

323

324 **Leo Vasquez III (0:12:00):**

325 Thank you. Motion made by Mr. Harper. Is there a
326 second?

327

328 **Anna Maria Farias (0:12:04):**

329 Second.

330

331 **Leo Vasquez III (0:12:05):**

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

333

334 **All (0:12:08):**

335 Aye.

336

337

338 **Leo Vasquez III (0:12:09):**

339 Any opposed? Hearing none, motion carries.

340

341 **Teresa Morales (0:12:11):**

342 Thank you.

343

344 **Leo Vasquez III (0:12:13):**

345 Thank you, Teresa. Okay. Item 14 on the agenda report

346 on legislation from the regular session of the 89th

347 Texas Legislature. Mr. Lyttle.

348

349 **Michael Lyttle (0:12:28):**

350 Good morning, Chairman, board members, Mr. Wilkinson.

351 My name is Michael Lyttle, Director of External Affairs,

352 presenting item 14 on the agenda, which is a report on

353 legislation from the regular session of the 89th

354 Legislature. With just 25 days left in the regular

355 session, I wanted just to provide you with a brief

356 summary of bills that appear to be moving, that have

357 momentum, and appear likely to reach the Governor's desk

358 at this point.

359

360 This by no means is meant to be a be all, end all list,

361 just sort of a snapshot, if you will, of what's going
362 on. And Bobby, as I roll through, if you want to add
363 something in some of these bills, please jump in. First
364 and most importantly, Senate Bill 1, which is the budget
365 bill, arguably the most important bill this session.

366

367 It's currently in Conference Committee. As Bobby has
368 previously shared with you, our budget request from our
369 legislative appropriations request was fully captured in
370 the bill, which is good news.

371

372 Outside of a few technical changes to a budget rider or
373 two, there's really nothing else in play as our budget
374 is concerned, so I think it's in pretty good shape and
375 we're just eager to see the Conference Committee on
376 Senate Bill 1 resolve their remaining issues and approve
377 the bill and send it to the governor, so good news on
378 the budget front. Policy wise, the biggest areas of
379 this session I think have been the traveling HFCs issue
380 and of course the tax credit program, which is always a
381 big issue of interest with bills that get filed. Here
382 are some of the bills that are carrying momentum from
383 those two policy areas.

384

385 First, I want to mention House Bill 1585 from Chairman
386 Cecil Bell that is passed out of the House and is now in
387 the Senate. This bill limits HFCs from conducting
388 financial and real estate transactions outside their
389 geographic limitations as established by law. And that
390 is all that it does. Unlike some of the other bills
391 that have been filed, the deal traveling HFCs and those
392 bills also add TDHCA into the mix of doing audits of
393 these HFCs and making sure that they are including
394 affordable units in their developments. House Bill 1585
395 only deals with keeping HFCs at home, if you will.

396

397 There are two other major bills as I just referenced
398 that deal with this issue. One of them is from Chairman
399 Bettencourt in the Senate. That's Senate Bill 867. And
400 another one is from Chairman Gates in the House, House
401 Bill 21. Both of those bills are much more enhanced and
402 significant as far as what they do for TDHCA's rules
403 with traveling HFCs.

404

405 They are moving, but they are not as far along in the
406 process as the first bill that I mentioned. It's a very
407 simple bill. Let's see. Tax credit world, Senate Bill
408 898 from Senator César Blanco, would increase the

409 maximum award for a single development from \$2 to 3
410 million. That bill has been passed by the Senate. It's
411 now over in the House.

412

413 **Bobby Wilkinson (0:15:32):**

414 Just to add. So it would allow the Board to take it
415 from \$2 to \$3 million. It would still be up to your
416 discretion, and you could differentiate between urban
417 and rural, and by regions, whatever. So it would give
418 you more latitude.

419

420 **Michael Lyttle (0:15:45):**

421 Thank you. Senate Bill 578 from Senator Royce West
422 would require any tax credit development awarded under
423 the 2026 QAP or later to install and maintain operable
424 exterior surveillance cameras in appropriate locations
425 throughout the development. This bill would not apply
426 to rural developments, however. That bill is moving
427 along as well. Senate bill, the West bill has been
428 passed by the Senate.

429

430 It's over in the House, along with this next one I'm
431 going to mention, which is Senate Bill 732 from Senator
432 Borris Miles. It would require elderly tax credit

433 developments to be equipped with a generator that can
434 keep at least one enclosed area of the complex between
435 68 degrees and 82 degrees and can power each elevator
436 that provides the only access to residential units.
437 Basically, that is an outcrop of what happened during
438 Hurricane Beryl when there were some developments, not,
439 I don't think any of them were ours, were they?

440

441 **Bobby Wilkinson (0:16:48):**

442 Yes. And one notoriously, they couldn't get parts and
443 it was six months.

444

445 **Michael Lyttle (0:16:52):**

446 That's true. Yeah, we had that one. Yeah. But there
447 were a number of developments, senior developments that
448 had trouble with power outages and access for seniors
449 and that's what spurred...

450

451 **Bobby Wilkinson (0:17:01):**

452 Some nursing homes, some market rate and advertise
453 themselves as elderly...

454

455 **Michael Lyttle (0:17:04):**

456 Correct.

457

458 **Bobby Wilkinson (0:17:05):**

459 But a couple of ours had an issue.

460

461 **Michael Lyttle (0:17:07):**

462 Yeah. So both of those bills been passed by the Senate
463 over in the House. In the homeless programs area,
464 Senate Bill 2623 by Senator Brandon Creighton that adds
465 TDHCA to what's called a "Safe Schools and Neighborhoods
466 Task Force."

467

468 It would require us to identify any homeless services
469 facilities that are operating within 1,500 feet of a
470 school safety zone and we would be required to notify
471 local municipalities and counties about that. It would
472 also prohibit in most cases any homeless services from
473 being provided within that 1,500-foot radius from a
474 school safety zone. That bill is out of the Senate.
475 It's over in the House now.

476

477 Senate Bill 243 from Senator Pete Flores. This bill
478 would significantly expand our role in the oversight of
479 migrant labor farmworker housing, as well as expanding
480 the complaint process that's associated with it. The

481 bill would also require TDHCA to work with other
482 agencies to identify and locate unlicensed facilities,
483 and to have an active physical presence in all regions
484 of the State with bilingual staff to provide outreach
485 and educational materials. That bill has also been
486 passed by the Senate and it's over in the House.

487

488 In terms of general state agency bills, there are
489 probably a dozen, I would say, that are moving along
490 really well. One, in fact, has already been passed and
491 signed into law by the governor. It is what's known as
492 the Texas DOGE Bill from Senator Phil King. That's
493 Senate Bill 14. That bill creates a Texas regulatory
494 efficiency office within the Governor's office to find
495 and eliminate unnecessary regulations in state agencies
496 and create best practices for state agencies to follow
497 in reducing what they say are regulatory strains on the
498 state. The office is going to be working with state
499 agencies to review regs and suggest improvements to
500 maximize efficiency and reduce cost. State agencies
501 will also work with that office when they propose new
502 rules to ensure that the rules are written in plain
503 language and provide local employment and government
504 growth impact statements.

505

506 So perhaps the concerns that Ms. Morales mentioned
507 earlier, we can start talking to that office about some
508 of these rules and regulations, and actually a number of
509 them we had in our cleanup bill, which is not moving
510 along as fast as we would like, but those measures are
511 items that we identified as redundancy and impediment in
512 our strategic plan. So hopefully, yeah, again, we'll be
513 able to engage that office in those discussions after
514 once they get active. Government efficiency and
515 regulatory review has been a big topic this session.

516

517 Another bill moving along is House Bill 12 from
518 Representative Keith Bell. It improves the regulatory
519 process in Texas and supposed to provide greater
520 transparency by creating a limited sunset review for
521 regulatory agencies, focusing on identifying inefficient
522 rules and by establishing efficiency audits that are
523 overseen by the Legislative Budget Board and the State
524 Auditor's Office. This bill also is going to increase
525 reporting on agencies' performance measures and
526 requiring them to give public notice and solicit input
527 during each agency's sunset review process. That bill
528 has been passed by the House and it's pending in a

529 Senate committee right now.

530

531 So to finish, I wanted to let you all know that I will
532 email you all later today with a more complete list of
533 all of these bills. And of course, if you have any
534 questions now or at some point later on, please ask me
535 or Bobby, and we would be happy to respond.

536

537 **Leo Vasquez III (0:20:48):**

538 Okay. Thank you, Michael. Anyone have questions from
539 the Board for Mr. Lyttle?

540

541 **Kenny Marchant (0:20:55):**

542 I have a question of Cody, concerning something, one of
543 the, of his items.

544

545 **Leo Vasquez III (0:21:04):**

546 That's on the agenda?

547

548 **Kenny Marchant (0:21:06):**

549 No, it's just a comment. Cody, if in fact, the
550 traveling housing, what's, what do you mean...

551

552

553 **Michael Lyttle (0:21:14):**

554 HFC, Traveling Housing and Finance Corp bill.

555

556 **Kenny Marchant (0:21:17):**

557 If for some reason that does not pass, is it possible

558 for us to amend our QAP to penalize points wise for a

559 traveling HFC that makes application?

560

561 **Cody Campbell (0:21:34):**

562 I don't see any reason why we couldn't do that.

563

564 **Bobby Wilkinson (0:21:35):**

565 I think we could just prohibit them totally, as far as

566 how they interact with us in getting tax credits. A lot

567 of what happened with PFCs before and HFCs now,

568 sometimes they're just owning the property and not

569 paying property taxes and that's the only subsidy.

570 They're not paired with anything from us. We're not

571 part of the deal.

572

573 **Kenny Marchant (0:21:54):**

574 Okay.

575

576

577 **Bobby Wilkinson (0:21:56):**

578 And that, and they'd offer a little bit of
579 affordability, sometimes the rents don't change at all.
580 That was the controversy. And especially if you're
581 doing it in someone else's backyard. And so Dallas is
582 not making the money, but Cameron County is. Yeah.
583

584 **Kenny Marchant (0:22:08):**

585 Yeah. I'm confident then it's going to pass but it's
586 been some, if you get locked up over there, things are
587 crazy.
588

589 **Cody Campbell (0:22:13):**

590 Sure.
591

592 **Kenny Marchant (0:22:14):**

593 We could address it.
594

595 **Bobby Wilkinson (0:22:16):**

596 I think by rule we could.
597

598 **Kenny Marchant (0:22:17):**

599 Yes.
600

601 **Bobby Wilkinson (0:22:17):**

602 Yeah. At least, at least anything that we're a part of
603 the funding stack.

604

605 **Cody Campbell (0:22:20):**

606 Right.

607

608 **Kenny Marchant (0:22:21):**

609 Okay. Thank you.

610

611 **Cody Campbell (0:22:22):**

612 Sure thing.

613

614 **Leo Vasquez III (0:22:24):**

615 Okay. Any other questions for Mr. Lyttle? If not,
616 thank you for that report.

617

618 **Michael Lyttle (0:22:30):**

619 Thank you.

620

621 **Leo Vasquez III (0:22:31):**

622 Okay. Cody, hang on a second. I may be surprising you
623 here.

624

625 **Cody Campbell (0:22:34):**

626 Okay.

627

628 **Leo Vasquez III (0:22:36):**

629 Now, although one of my biggest pet peeves is when
630 you're on an exit ramp and you're waiting for your turn
631 to go off and then someone comes up and cuts in line,
632 that just irritates the heck out of me, almost as much
633 as people who don't use their turn indicators. But that
634 in mind...

635

636 **Kenny Marchant (0:22:54):**

637 That's me.

638

639 **Leo Vasquez III (0:22:55):**

640 How many people here are here to speak about the last
641 item on the agenda? Item 24. Is that, that's it.

642

643 **Bobby Wilkinson (0:23:07):**

644 All the back row.

645

646 **Leo Vasquez III (0:23:08):**

647 Some that, well, okay. I'm going to, since this one
648 might be, we, the Board members might need to have some

649 fresh brain power on this one, I'm going to take item 24
650 out of order on the agenda. So we'll get that, get that
651 done first. So item 24: Presentation, discussion, and
652 possible action, on an appeal of the termination of
653 Trinity East Senior.

654

655 **Cody Campbell (0:23:37):**

656 Great. Thank you and good morning. My name is Cody
657 Campbell. I am the Director of Multifamily Programs for
658 the Department. As Mr. Vasquez just mentioned this
659 item, I figured it would be most people in this room.
660 This item concerns an appeal of the termination of a
661 2025 9 percent Housing Tax Credit Application called
662 Trinity East Seniors, which proposes the new
663 construction of 90 units in Houston's Third Ward.

664

665 The project is part of a HUD Choice Neighborhood
666 Initiative. The Choice Neighborhood Program provides
667 grants to cities for the revitalization of areas and for
668 the rehabilitation or replacement of aging public
669 housing stock. This particular grant is for \$50 million
670 for the revitalization of the Third Ward, including the
671 replacement of the aging Cuney Homes housing
672 development. Trinity East Senior would be part of the

673 replacement of that housing.

674

675 The QAP includes a short list of neighborhood risk
676 factors which generally render a site ineligible unless
677 the factor is acceptably mitigated. These factors
678 include high crime rates, high poverty rates, and poorly
679 performing schools. For crime, the Part I Violent Crime
680 Rate is considered to be a risk factor if it is over 18
681 per 1,000 persons annually.

682

683 Part I violent crimes include murder, robbery,
684 aggravated assault and certain heinous sexual crimes.
685 We use neighborhoodscout.com to establish the crime rate
686 for the neighborhood. If the crime rate exceeds the
687 allowable limits, then we would look for one of two
688 things to conclude that the site is eligible: The
689 applicant may either demonstrate that the crime rate
690 reported on neighborhoodscout.com is inaccurate and that
691 the true crime rate is acceptable, or the applicant may
692 demonstrate that there is a downward trend that would
693 lead Staff to reasonably conclude that the crime rate
694 will be acceptable within the next two years.

695

696 According to Neighborhood Scout, the Part I Violent

697 Crime Rate for this site is 35.68 per 1,000,
698 functionally double the allowable limit. The
699 application's mitigation documentation states that the
700 City is engaged in significant crime reduction
701 strategies and includes crime rates over the last three
702 years, which do not show a meaningful trend of
703 decreasing crime. In addition, one of the stated goals
704 of the Choice Neighborhood Grant is a 20 percent
705 reduction in Part I violent crimes, which would still be
706 far above the threshold.

707

708 Because Staff could not conclude that the site was
709 eligible, the application was terminated and the
710 applicant timely appealed. The appeal reiterated the
711 crime reduction strategies that are ongoing in the
712 neighborhood, including the closing of several nuisance
713 businesses, initiatives by the Houston Police
714 Department, and improvements to the neighborhood such as
715 enhanced lighting.

716

717 This is coming to the Board with a neutral
718 recommendation, which is a little bit unusual from
719 Staff, but it is difficult to conclude how effective
720 these crime reduction strategies may be, and how

721 persuaded the Board might be by them. There is just
722 inherently kind of a subjective call that needs to be
723 made here.

724

725 Again, Staff looked at this. We looked at the recent
726 crime trends, we looked at the current crime rate and we
727 looked at the goals of the Choice Neighborhood Grant.
728 And at the staff level, we could not determine that the
729 site should be eligible to participate in this program.

730

731 However, as the Board, all you would need to do is be
732 reasonably persuaded by the crime mitigation strategies
733 presented by the applicant that the crime rate will be
734 acceptable by the time the building's placed in service.
735 And again, as I just said, that is kind of a subjective
736 analysis. This concludes my presentation, but I'm happy
737 to answer any questions that you may have.

738

739 **Bobby Wilkinson (0:27:06):**

740 Just like to add that this would be an automatic award
741 because of the Choice Neighborhood Award.

742

743 **Cody Campbell (0:27:10):**

744 Sure.

745

746 **Bobby Wilkinson (0:27:11):**

747 We did this for the city of Fort Worth. They had a \$30,
748 \$35 million award and they had a certain unit goal. And
749 so they were trying to transform an area of former
750 public housing take those to the ground, and they had a
751 master plan with multiple phases, YMCA, and a bunch of
752 other stuff. And around the neighborhood, a lot of the
753 single-family homes market rate were getting fixed up
754 and bought as well as part of the, kind of a ripple
755 effect. So we have two competing board goals here. You
756 know, keeping crime low and then matching with a Choice
757 Neighborhood Award, which in part I think requires crime
758 not to be too low because it's supposed to be
759 transformative.

760

761 **Cody Campbell (0:27:52):**

762 That is correct.

763

764 **Bobby Wilkinson (0:27:54):**

765 So we have a lot of people here that will, they'll talk
766 to you about the story they have to tell. And so it'd
767 be, it'd be the Board's call. Yeah.

768

769 **Leo Vasquez III (0:28:03):**

770 Okay. I believe Mr. Lyttle has a couple of letters from
771 state legislators to read into the record.

772

773 **Michael Lyttle (0:28:10):**

774 Yes, sir. Michael Lyttle, TDHCA Staff. First reading a
775 letter to the Board from Senator Borris Miles, reads as
776 follows: "I wish to support the appeal of staff's
777 termination filed on behalf of Trinity East Seniors in
778 the 2025 competitive 9 percent housing tax credit round.
779 I understand that the TDHCA staff have proposed that the
780 project's 9 percent application be terminated because
781 the project is situated in a neighborhood that has a
782 high Part I violent crime rating.

783

784 The project is located in Texas Senate District 13 and
785 is a vital part of a proposed comprehensive
786 redevelopment of the Cuney Homes public housing site and
787 the Third, Third Ward community. The project is an
788 essential part of the proposal for a \$50 million Choice
789 Neighborhood Implementation Award for the redevelopment
790 of the Cuney Homes public housing project, and the Third
791 Ward Complete Community initiative that was recently
792 awarded jointly to the Houston Housing Authority and the

793 City of Houston.

794

795 The award is to be used to leverage additional funding
796 to create a truly transformational redevelopment of the
797 target area. By focusing such investment dollars on a
798 defined neighborhood and by leveraging that investment,
799 the surroundings can be redesigned to enhance safety and
800 provide modern means of controlling crime and provide
801 affordable housing for many of the City of Houston's
802 qualifying low- and moderate-income residents.

803

804 In view of these benefits, the appeal should be granted
805 and the project should be permitted to compete for the 9
806 percent housing tax credits that are instrumental in
807 leveraging the initial \$50 million investment into
808 funding estimated to ultimately exceed 600 million for
809 comprehensive redevelopment of the target area. Thank
810 you for providing the opportunity for my support of this
811 appeal to be considered. Sincerely, Borris L. Miles,
812 Senator, District 13."

813

814 The next letter is from State Representative Jolanda
815 "Jo" Jones to the Board. It reads, "This letter
816 reflects my continued support of Application 25090

817 Trinity East Seniors, a proposed 90-unit new
818 construction development for seniors 55 and older in
819 Houston's historic Third Ward. I previously provided a
820 letter of support dated June 30, 2025, for this project,
821 which is now in my District 147.

822

823 I request that the Governing Board of the Texas
824 Department of Housing and Community Affairs find that
825 the project is qualified for an award of 9 percent
826 credits, notwithstanding the recommendation of TDHCA
827 staff that the project be disqualified because of the
828 Part I violent crime statistics in its neighborhood.

829

830 The project is a crucial element in the success of the
831 \$50 million Choice Neighborhood Implementation Award for
832 Houston's Cuney Homes in Third Ward, which HUD jointly
833 awarded to the Houston Housing Authority and the City of
834 Houston.

835

836 The project is designed to provide replacement housing
837 for the residents of Cuney Homes' public housing
838 project, which will then be demolished and replaced with
839 new multifamily housing using the CNI Award. It is
840 anticipated that this transformational redevelopment of

841 Cuney Homes and the Third Ward in general will have a
842 very beneficial effect upon the neighborhood crime way,
843 crime rate.

844

845 I am advised that HHA has already started purchasing and
846 eliminating various commercial locations that have been
847 crime hotspots in the past. The area immediately
848 surrounding the project site is an evolving scene of
849 older single-family homes with interspersed new low- and
850 mid-rise multifamily housing and a few vacant lots. The
851 project's inner city location within a half mile of
852 Downtown Houston's central business district is likely a
853 principal cause of the high crime rate, but it is also
854 one of the primary benefits of the project.

855

856 The Houston Community College Central Campus is nearby
857 and the Third Ward focus of the CNI Award borders both
858 the University of Houston and Texas Southern University.
859 As I previously pointed out, the project will have
860 fantastic amenities available to it in the form of the
861 Texas Medical Center, Hermann Park, the Miller Outdoor
862 Theatre, and the Museum District.

863

864 Job opportunities presented by CBD and the adjoining

865 Midtown area will help position families for a better
866 economic future. Because the project will permit HHA
867 and the City to redevelopment, to redevelop Cuney Homes,
868 the benefits to the Third Ward are anticipated to far
869 exceed the 90 units of housing provided by the project.
870 It is my understanding that the City and HHA plan to
871 leverage the \$50 million CNI award with tax credits and
872 other federal, state, local, and private funding, to
873 ultimately provide a total of \$610.7 million for
874 comprehensive redevelopment of the Third Ward.

875

876 This kind of opportunity does not come along frequently.
877 The Trinity East Senior Project is a key to the ultimate
878 transformation of the Cuney Homes public housing because
879 that transformation cannot commence until the families
880 currently housed at Cuney Homes are provided appropriate
881 replacement housing.

882

883 The project is part of the replacement housing plan and
884 deserves support for this reason, as well as the
885 inherent advantages of the project itself. It is my
886 understanding that the crime rate limitation imposed in
887 the 2025 Qualified Allocation Plan may be waived by the
888 TDHCA Board.

889

890 I urge you to support the development of Trinity East
891 Seniors by finding that its application for 9 percent
892 housing tax credits is eligible for a tax credit award
893 because of the mitigation of the crime rate created by
894 the inclusion of the project in the plan for the CNI
895 Award, subject to its competitive score. Thank you for
896 the opportunity to express my continuing support of
897 Trinity East Seniors. Sincerely, Jolanda "Jo" Jones,
898 State Representative, House District 147."

899

900 **Leo Vasquez III (0:34:04):**

901 Was that all on one page? I mean, how small was that
902 font?

903

904 **Michael Lyttle (0:34:09):**

905 I need to go get some oxygen now.

906

907 **Leo Vasquez III (0:34:11):**

908 Okay. All right. All right. Thank you, Michael.

909

910 **Beau Eccles (0:34:13):**

911 If I could just get a quick clarification, because that
912 letter said that the crime rate could be waived. This

913 is not a waiver.

914

915

916 **Leo Vasquez III (0:34:26):**

917 So noted. All right. Thank you. Okay. Before we have

918 comment, we have our, what we fondly call our Eccles

919 rule here that we need to entertain a motion for public

920 comment during this meeting, Mr. Thomas.

921

922 **Ajay Thomas (0:34:45):**

923 Mr. Chairman, I move that the Board allow for public

924 comment on Agenda Item 24 and other agenda items posted

925 on this items agenda.

926

927 **Cindy Conroy (0:34:54):**

928 Second.

929

930 **Leo Vasquez III (0:34:56):**

931 Okay. Motion made by Mr. Thomas, seconded by Ms.

932 Conroy. All those in favor say aye.

933

934 **All (0:35:01):**

935 Aye.

936

937 **Leo Vasquez III (0:35:02):**

938 All right. Any opposed? None. We will hear public
939 comment. Now, since I see a horde of people over here,
940 let me just ask that, okay? And anyone for this item or
941 future items, and we'll do the rest in order, please
942 come up towards the front so I'm aware that you're going
943 to want to speak on an item. We'll ask you to come in
944 the front. There's a sign-in sheet. Make sure you sign
945 in.

946

947 For the verbal record, make sure you introduce yourself
948 and what entity you represent or yourself. And for this
949 group, I'm just asking you, if you are going to say
950 essentially exactly what someone else has already said,
951 keep it as short as you can and just note that, hey, I
952 reiterate what the attorney said or Mr. Nicholson. So
953 with those, we'll, I'll still give a three-minute time
954 frame per speaker, but you don't have to use all three
955 minutes. Okay. So who would, Mr. Marchant, yes.

956

957 **Kenny Marchant (0:36:13):**

958 Let the first one who's up finish signing in, then I'll
959 ask my question.

960

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

962 Okay. Whoever wants to come up first, please, start
963 and, to get signed in while we're...

964

965 **Cody Campbell (0:36:21):**

966 Yes, sir.

967

968 **Kenny Marchant (0:36:22):**

969 You turned it down basically because it technically did
970 not meet your criteria, correct?

971

972 **Cody Campbell (0:36:31):**

973 That is correct. The...

974

975 **Kenny Marchant (0:36:32):**

976 Solely because of that.

977

978 **Cody Campbell (0:36:33):**

979 That is correct. Yeah.

980

981 **Kenny Marchant (0:36:34):**

982 Okay. Thank you.

983

984

985 **Cody Campbell (0:36:35):**

986 Okay.

987

988 **Leo Vasquez III (0:36:36):**

989 Okay. And then also I guess let me make one more

990 comment.

991

992 **Cody Campbell (0:36:37):**

993 Sure.

994

995 **Leo Vasquez III (0:36:38):**

996 Just in general, so you'll understand, is anyone here to

997 speak against the project? Okay. Just so you all

998 understand, this board over time has frequently heard

999 from industry advocates and that we keep getting pounded

1000 on by saying, why are you keep putting these tax credit

1001 properties in undesirable neighborhoods with crime, and

1002 not having all these amenities and such? So just, when

1003 you all are giving your presentation and trying to make

1004 your argument why the crime should, is going to be

1005 mitigated in this case, remember that there's a whole

1006 'nother group that's saying quit putting them here, put

1007 them in better places. So there's a balancing act that

1008 we're facing.

1009 With that, please introduce yourself and...

1010

1011 **Jamie Bryant (0:37:33):**

1012 Hi, good morning, Board. My name is Jamie Bryant. I am
1013 the recently appointed CEO and president of the Houston
1014 Housing Authority about 90 days in. And so thank you
1015 for the opportunity for us to come speak today. Thank
1016 you to all my community partners who have come from
1017 Houston today, Texas Southern, City of Houston, our
1018 nonprofit partners, church community partners, who've
1019 all come here to advocate for this, and thank you for
1020 your time.

1021

1022 As mentioned, a lot of details were already explained in
1023 the letters and by your staff, and so I won't go into
1024 those other than that we are here to appeal the
1025 termination on Trinity East, and this is not about
1026 Trinity East specifically as much as it is about the CNI
1027 grant and the work we're doing in Third Ward. As I
1028 stepped into this role, my job was to assess everything
1029 that was going on at the agency, stop the bad things
1030 that we were doing, as well as put emphasis in resources
1031 and support the imperative things that we need to do.

1032

1033 Cuney Homes was the very first public housing
1034 development by the Housing Authority in 1939. It's over
1035 85 years old, 550-plus units. And so this \$50 million
1036 CNI grant that as you've heard is going to be leveraged
1037 into over a half a billion dollars of development is
1038 critically important to this neighborhood, to the city
1039 of Houston, to our partners at the universities, and the
1040 momentum there to do something like this.

1041

1042 I came from private development and spent a lot of time
1043 building large mixed-use projects. You know, these
1044 things take time and they take time to build up the
1045 momentum, the financing. And so Trinity East is not
1046 just about a 190-unit senior complex. This is about
1047 community transformation.

1048

1049 And we've already, as you've heard, been working on
1050 things, buying up derelict properties, increasing
1051 security, working with HPD, the Constable's Office, TSU
1052 on increased patrols and security, but also as we move
1053 forward with economic success plans, job training, the
1054 environment there we believe surely that we are going to
1055 continue to make progress in this community and it's
1056 essential to the city of Houston.

1057

1058 While it's been talked about that you also have the
1059 ability to provide an exemption on this risk factor due
1060 to our mitigation plan in extenuating circumstances, we
1061 also believe that there's alignment with HUD as this
1062 truly is a larger rehabilitation project. And my
1063 understanding is the QAP and the Board has the ability
1064 to exempt us from this one provision as well, under that
1065 provision. And so at the end of the day, we're at an
1066 inflection point in the city of Houston. We have, we
1067 have community partners finally aligned.

1068

1069 We have leaders at the City, at the Housing Authority,
1070 and with our nonprofits who are aligned, and law
1071 enforcement, and we have the opportunity finally to do
1072 something critical here, so we would ask the TDHCA
1073 continue their support for their project as you did with
1074 our application for this CNI grant, and allow us to move
1075 forward with the first phase of the CNI program, which
1076 is Trinity Seniors. So thank you for your time today.

1077

1078 **Leo Vasquez III (0:40:30):**

1079 Great. Thank you. Are there any board members who have
1080 questions for Mr. Bryant?

1081

1082 **Holland Harper (0:40:34):**

1083 So, Mr. Bryant when you look at the statistics, you're
1084 nine times more likely to get hurt in this district than
1085 anywhere else in Texas.

1086

1087 **Jamie Bryant (0:40:42):**

1088 Yes, sir.

1089

1090 **Holland Harper (0:40:43):**

1091 And in the deal, you have a lot of support, but what we
1092 haven't heard is a comprehensive plan for safety. And
1093 over the last three years, there has not been a big
1094 movement in safety in this district.

1095

1096 **Jamie Bryant (0:40:51):**

1097 Yes.

1098

1099 **Holland Harper (0:40:52):**

1100 So what is the real plan for providing security in this
1101 district?

1102

1103 **Jamie Bryant (0:40:57):**

1104 The real plan is continuing to be formulated throughout

1105 multiple agency partners. I mentioned, I, I'm 90 days
1106 into the job and I've been meeting with various law
1107 enforcement partners as well as the university because
1108 what I can tell is you're absolutely right. There has
1109 not been a clear direction on how, on how we work on
1110 this.

1111

1112 And while I am confident that long term, the
1113 revitalization plan and the development, and the
1114 infusion of a half a billion dollars into this
1115 neighborhood will make a positive impact, we're working
1116 on things, right, that we can do today that can make a
1117 positive impact.

1118

1119 And so whether that is with security systems, whether
1120 that's with our onsite presence with the 22 officers we
1121 employ at HHA working with TSU to get better response
1122 rates, the Constable's office. You know, one of the
1123 things we've been trying to do as well is buy up
1124 derelict properties.

1125

1126 And not just buy them up, but shut down the properties
1127 where we know drug dealing is going on and increased
1128 presence there. And so you've not seen, you have not

1129 seen the effects of that because most of that is very
1130 recent, and we're confident that you're going to
1131 continue to see those effects.

1132

1133 But you have my, you have my dedication as well as the
1134 dedication of the, of the city and all of our partners
1135 and you'll hear from TSU as well, that we're going to
1136 lean in and put everything we have into this to make
1137 sure this gets better. Because the success of investing
1138 this much money into this neighborhood and making it
1139 successful won't matter if we don't solve this issue.
1140 The success of this...

1141

1142 (Overlapping conversation.)

1143

1144 **Holland Harper (0:42:22):**

1145 There will be no profit, there will be no success.

1146

1147 **Jamie Bryant (0:42:23):**

1148 Absolutely, 1,000 percent.

1149

1150 **Holland Harper (0:42:25):**

1151 Today, we don't have security.

1152

1153

1154 **Jamie Bryant (0:42:27):**

1155 Correct. And that's, and that's what we are working on
1156 right now with all of our partners. I mean, we have
1157 limited resources, obviously, at the Housing Authority
1158 to do that, which is why we are leaning in with our
1159 partners at the Constable's office at HPD, TSU's staff
1160 as well as our own. So you have my, you have my
1161 dedication on this element.

1162

1163 **Anna Maria Farias (0:42:47):**

1164 Mr. Chairman?

1165

1166 **Leo Vasquez III (0:42:48):**

1167 Please.

1168

1169 **Anna Maria Farias (0:42:50):**

1170 Thank you. First of all, congratulations. You're new.

1171

1172 **Jamie Bryant (0:42:53):**

1173 Thank you.

1174

1175 **Anna Maria Farias (0:42:53):**

1176 I've seen many CEOs come and go out of Houston, and I do

1177 not have a conflict of interest, I know that Rackleff
1178 and I were both assistant secretaries, I, at Fair
1179 Housing, he at Community Planning and Development. We
1180 went through the confirmation hearings together. We
1181 survived them so he knows how tough I am and I know how
1182 experienced he is. And with that being said, here it
1183 comes.

1184

1185 **Jamie Bryant (0:43:20):**

1186 Please.

1187

1188 **Anna Maria Farias (0:43:21):**

1189 In order to get my vote, I have to be reasonably
1190 persuaded. And people that have come before us before,
1191 including the staff knows that whenever there's a lot of
1192 crime, I'm the person that votes against the project.
1193 With that being said, I'm the kid that grew up in the
1194 housing projects in Crystal City, Texas.

1195

1196 **Jamie Bryant (0:43:45):**

1197 Yes.

1198

1199 **Anna Maria Farias (0:43:46):**

1200 And in between presidents, I went back home and ran the

1201 Housing Authority, that had been overtaken by thugs and
1202 drug dealers, prostitution, the whole works. I'll tell
1203 you, they knew me as a kid and I'll tell you exactly
1204 what people want: Safe, decent, affordable housing, but
1205 above all, they want safety.

1206

1207 **Jamie Bryant (0:44:08):**

1208 Yes.

1209

1210 **Anna Maria Farias (0:44:09):**

1211 And if you don't have safety, you do not have decent
1212 housing. So as many of you come back here, at least to
1213 persuade me, and I'm just one vote, you need to talk
1214 about safety.

1215

1216 **Jamie Bryant (0:44:21):**

1217 Yes.

1218

1219 **Anna Maria Farias (0:44:22):**

1220 And I think elections, whether they're national, state,
1221 or local, are showing that over and over again. The
1222 thing is, with \$50 million and \$2 million, there's a lot
1223 of zeros, so also, how are you going to protect all
1224 those millions of dollars of inventory to make sure that

1225 it does not walk away? Because at that point, you don't
1226 have decent housing because they've stolen a lot.

1227

1228 **Jamie Bryant (0:44:52):**

1229 Yes.

1230

1231 **Anna Maria Farias (0:44:53):**

1232 And what happens, and I know this from listening to
1233 people where I grew up and where I went back for seven
1234 years, if they are promised things and they don't get
1235 them, it creates a lot of cynicism, but above all, it
1236 creates hopelessness. And they, like my mom, with three
1237 jobs, they're trying to work hard to get us out of the
1238 housing projects so we can succeed. So at least with
1239 me, talk about what my colleague talked about, safety.

1240

1241 **Jamie Bryant (0:45:24):**

1242 Yes.

1243

1244 **Anna Maria Farias (0:45:25):**

1245 How are you going to work with everyone to bring it
1246 down? Because otherwise we're just throwing money to
1247 the bad people, no less, and they're just laughing all
1248 the way to the bank.

1249

1250 **Jamie Bryant (0:45:36):**

1251 Yes.

1252

1253 **Anna Maria Farias (0:45:37):**

1254 So, please. Thank you.

1255

1256 **Jamie Bryant (0:45:38):**

1257 I, if I may have a moment, I can address your comment.

1258

1259 **Beau Eccles (0:45:42):**

1260 And actually, if I could give a similar clarification

1261 that...

1262

1263 **Jamie Bryant (0:45:46):**

1264 Yes.

1265

1266 **Beau Eccles (0:45:46):**

1267 That I did after the letters, you talked a couple of

1268 times about the Board's ability to grant an exemption.

1269 That's not the standard you're shooting for here. The

1270 standard is that you've brought forward enough facts and

1271 evidence to demonstrate that they could reasonably

1272 believe that by the time this project places in service,

1273 that the crime rate is going to be at or below 18 per a
1274 thousand on Part I violent crime. So that's what you're
1275 shooting for in this presentation.

1276

1277 **Jamie Bryant (0:46:15):**

1278 No. Apologies. I was, when I mentioned the word
1279 exemption, I was referring to the exemption that I
1280 believe is in the QAP around neighborhood risk factors
1281 for HUD rehabilitation projects, not regarding the
1282 mitigation plan. So just for clarification. No, so I
1283 do want to, I do want to articulate. So I did, I have
1284 done work in this space.

1285

1286 In fact, I, in my private life, I got involved in some
1287 affordable housing and tax credit developments 15 years
1288 ago, one of them being a project next to Sharpstown High
1289 School, which had a notorious gang next door. And I
1290 remember sitting with the principal at the middle school
1291 next door and him telling me how he had shut the high
1292 school down three times because of gunfire that had come
1293 off of the property we were about to acquire. And it,
1294 and it hit home with me about what that does to those
1295 children, what it does to those families.

1296

1297 And so we leaned in hard on this very specific project,
1298 working with both the schools, the neighbors, the school
1299 system, but some of it was in environmental design. The
1300 project in Cuney Homes is this way is designed as a
1301 maze, right? And it allows for people to run into these
1302 projects to find places to hide, to have the dark spots.

1303

1304 And so it was little things like going with, going to
1305 the police department and even showing them our designs
1306 on lighting and landscaping to make sure we mitigated
1307 those things, even the design of the buildings. But we
1308 went a step further as well.

1309

1310 We had the police department come in on occasion and
1311 train our leasing staff on how to recognize things like
1312 gang tattoos and gang markings because a lot of times,
1313 the residents who are coming in to apply for these were
1314 young women, sometimes single moms.

1315

1316 And while they were not putting their boyfriend or
1317 whoever it was on the lease, he might be out in the car
1318 and we were trying to track that with cameras and notice
1319 markings and things of that nature, so that some of it
1320 was mitigating just the elements we were allowing into

1321 the projects. And so there's a lot of proactiveness
1322 that has to take place.

1323

1324 As you mentioned, on the construction side, I've
1325 developed and constructed over a billion know, \$4 to 5
1326 billion of real estate in my career. That happens in
1327 all projects, unfortunately, and some of it is as we
1328 lean in with our partners and general contractors to
1329 make sure that we're implementing things like just-in-
1330 time deliveries and things of that nature, so we don't
1331 have supplies sitting onsite for an inordinate amount of
1332 time. Of course we want to secure them when they do get
1333 there, but that's one of the biggest issues.

1334

1335 I mean, I've had things walk off of sites and in high
1336 end neighborhoods within five minutes of them getting
1337 delivered. So that's not necessarily specific to the
1338 Third Ward or Cuney, but it is something that will be
1339 high on our list, and make sure that not only is the
1340 crime plan, but that the money is spent. We're not
1341 doubling spending money because we're losing things off
1342 site, so.

1343

1344

1345 **Leo Vasquez III (0:48:56):**

1346 Mr. Marchant?

1347

1348 **Kenny Marchant (0:49:00):**

1349 With respect to the grand project that you're talking
1350 about.

1351

1352 **Jamie Bryant (0:49:04):**

1353 Yes, sir.

1354

1355 **Kenny Marchant (0:49:05):**

1356 The whole overall plan, is this the first project inside
1357 of that big plan?

1358

1359 **Jamie Bryant (0:49:12):**

1360 That is correct.

1361

1362 **Kenny Marchant (0:49:13):**

1363 So is it, is it reasonable to expect that it may take a
1364 while to build out this plan?

1365

1366 **Jamie Bryant (0:49:20):**

1367 Yes. I mean to implement and to develop what we're
1368 talking about 500 to \$600 million. Right now, Cuney is

1369 around 550 units. We will be coming back with anywhere
1370 between 1,100 and 1,200 units both for the replacement
1371 of Cuney as well as additional units and mixed to create
1372 a mixed income environment.

1373

1374 **Kenny Marchant (0:49:37):**

1375 Okay. Okay.

1376

1377 **Jamie Bryant (0:49:38):**

1378 So this is a five- to eight-year development about over
1379 six or seven phases.

1380

1381 **Kenny Marchant (0:49:42):**

1382 Of which the first, of which the first residents...

1383

1384 **Jamie Bryant (0:49:45):**

1385 Correct.

1386

1387 **Kenny Marchant (0:49:47):**

1388 In this concept will be seniors.

1389

1390 **Jamie Bryant (0:49:50):**

1391 Correct. And so we have a replacement housing

1392 requirement with HUD that we have to...

1393

1394 **Kenny Marchant (0:49:52):**

1395 Well, I understand that.

1396

1397 **Jamie Bryant (0:49:54):**

1398 Yes.

1399

1400 **Kenny Marchant (0:49:55):**

1401 Just let me get on down the road on this one. And so

1402 it's probably doubly important that these people be

1403 safe, safest, because they're going to be the first

1404 people in there and it's going to be seniors.

1405

1406 So other than just a broad description of how great it's

1407 going to be, I think that I personally would like to

1408 have a specific plan, police plan, et cetera, et cetera,

1409 et cetera, that's going to say, this is how we're going

1410 to ensure these 90 residents are going to be safe and

1411 we're going to move them in, we're going to entice them,

1412 lure them, try to get them in by telling them they're

1413 going to be safe.

1414

1415 And I, if this board of approves that project on that

1416 premise by overriding our staff, I think it's going to

1417 be more than it's going to take, in my case, just a
1418 little more than glossy pictures, and...

1419

1420 **Jamie Bryant (0:51:01):**

1421 Understood.

1422

1423 **Kenny Marchant (0:51:02):**

1424 And dreams and hopes, and all of that kind of thing.

1425

1426 **Jamie Bryant (0:51:06):**

1427 Yes, sir.

1428

1429 **Kenny Marchant (0:51:07):**

1430 I hope you understand.

1431

1432 **Jamie Bryant (0:51:08):**

1433 No, absolutely.

1434

1435 **Kenny Marchant (0:51:09):**

1436 I mean the testimony that we hear and I, if they could,
1437 if the testimony could focus on that, I think that would
1438 be most helpful to me. And as I've heard the other
1439 board members, maybe too.

1440

1441

1442 **Jamie Bryant (0:51:21):**

1443 Yes, sir. Fair enough.

1444

1445 **Bobby Wilkinson (0:51:24):**

1446 These seniors, they're already in this neighborhood now?

1447

1448 **Jamie Bryant (0:51:26):**

1449 Correct.

1450

1451 **Bobby Wilkinson (0:51:28):**

1452 And in the Cuney Homes project?

1453

1454 **Jamie Bryant (0:51:29):**

1455 Correct.

1456

1457 **Bobby Wilkinson (0:51:31):**

1458 And so it would, they would just be put into a newer,

1459 safer building in the same neighborhood they're already

1460 in.

1461

1462 **Jamie Bryant (0:51:35):**

1463 Correct. And so we have a replacement housing plan that

1464 has to get kicked off first in phases so that we can

1465 continue to, so we can begin to relocate folks out of
1466 Cuney into the projects. Trinity East is the first
1467 phase of that. And so, when it opens, we will be
1468 moving, we will be moving the first phase of seniors out
1469 of Cuney Homes, so that we can then begin on the second
1470 phase, which would be the demolition of one of the, of
1471 some of the sites at Cuney to begin the second phase.
1472 And so this is a, this is a progress, but we have to
1473 start.

1474

1475 **Bobby Wilkinson (0:52:06):**

1476 Eventually they all get moved into new buildings and the
1477 Cuney goes to the ground, right?

1478

1479 **Jamie Bryant (0:52:10):**

1480 Correct. And we, so we're not going to come in and tear
1481 the whole thing down at once and move everybody out of
1482 the neighborhood and then bring them back in. We're
1483 trying to look at a phased approach where nobody gets
1484 displaced from the neighborhood.

1485

1486 **Bobby Wilkinson (0:52:20):**

1487 Thank you.

1488

1489

1490 **Kenny Marchant (0:52:21):**

1491 But Cuney is a senior project?

1492

1493 **Jamie Bryant (0:52:22):**

1494 You know, Cuney is a family project that has well over a

1495 thousand residents in it, but has a large

1496 concentration...

1497

1498 **Kenny Marchant (0:52:30):**

1499 Seniors out of that project.

1500

1501 **Jamie Bryant (0:52:31):**

1502 Correct. Because one of the issues too with the seniors

1503 is as we move, once we move them out into Trinity East,

1504 we will begin demolition of the, of phase two, which

1505 will be within the Cuney Homes project of the existing

1506 public housing stock. And our decision to focus on

1507 seniors first was mainly around the inconvenience, the

1508 noise, the construction, and to give them preference

1509 first on the relocation plan. They are not the only, it

1510 is not all senior, but we have well, more than 90 units'

1511 worth of seniors in Cuney that we'll need to address,

1512 sir.

1513

1514 **Leo Vasquez III (0:53:07):**

1515 Okay. One little tidbit that you've mentioned in your
1516 remarks.

1517

1518 **Jamie Bryant (0:53:11):**

1519 Yes, sir.

1520

1521 **Leo Vasquez III (0:53:11):**

1522 Did you say that the Houston Housing Authority has 22
1523 officers?

1524

1525 **Jamie Bryant (0:53:16):**

1526 That we employ through both...

1527

1528 **Leo Vasquez III (0:53:18):**

1529 I mean, are they like licensed law enforcement?

1530

1531 **Jamie Bryant (0:53:20):**

1532 Correct. It's through a, it's through a contract
1533 with...

1534

1535 **Leo Vasquez III (0:53:22):**

1536 The constable?

1537

1538 **Jamie Bryant (0:53:23):**

1539 With Precinct 6. We have a, our Chief, our Chief of
1540 Security is a retired HF, Houston Police Department
1541 officer and a licensed peace officer and then we have 21
1542 constables that we contract for full time through
1543 Precinct 6 that are both at our building and then across
1544 our 20-some odd properties on a, on a full-time basis.

1545

1546 And we utilize them as such. But we still rely heavily
1547 on the police department and other precincts for their,
1548 for their support. Because one officer at a project,
1549 for example, one officer at a project like Trinity East
1550 might be enough. One officer sometimes at a project
1551 like Cuney as a whole is not enough to respond as
1552 quickly as we need to. So it is not by any means
1553 holistic. It is supplemental in nature.

1554

1555 **Leo Vasquez III (0:54:13):**

1556 Okay.

1557

1558 **Bobby Wilkinson (0:54:13):**

1559 I was curious, too. If he had some in police force.

1560

1561

1562 **Jamie Bryant (0:54:16):**

1563 No, it's not like, there are housing authorities, like
1564 Oakland has its, has a full-on police force and over 100
1565 officers on staff. We only have one officer on staff.
1566 We subcontract the other 21 through Precinct 6.

1567

1568 **Leo Vasquez III (0:54:28):**

1569 Okay. Great. And I guess in closing for you, thank you
1570 for being willing to jump into your role here because I
1571 can...

1572

1573 **Jamie Bryant (0:54:37):**

1574 Yes, sir.

1575

1576 **Leo Vasquez III (0:54:38):**

1577 Imagine the challenges.

1578

1579 **Jamie Bryant (0:54:39):**

1580 It is and I, again, understand. Look, we can't do
1581 anything without a plan and the plan needs to be
1582 concrete and I, and you have my dedication.
1583 Unfortunately, I'm 90 days in and I'm still learning
1584 everything there is about what's been going on in this

1585 agency. But this is one of the most important things
1586 for us to accomplish as an agency is with our partners
1587 at the city, so.

1588

1589 **Leo Vasquez III (0:54:58):**

1590 Okay. Great. Thank you, Mr. Bryant.

1591

1592 **Jamie Bryant (0:55:00):**

1593 Thank you.

1594

1595 **Leo Vasquez III (0:55:01):**

1596 Who wants to go next? Uh-oh.

1597

1598 **Mike Nichols (0:55:27):**

1599 Good morning. Chairman Vasquez, Executive Director
1600 Wilkinson, Board. I'm Mike Nichols. I'm the Director
1601 of the City of Houston Housing and Community Development
1602 Department. I've got a standard presentation, I'm going
1603 to throw it away and try to answer some of your
1604 questions directly.

1605

1606 First, I'm here on behalf of Mayor Whitmire and his
1607 administration and that's very important in this detail.
1608 This is a very different situation. I'm not here for a

1609 standalone project. I would not be here for one
1610 standalone project. This is a partnership between the
1611 City of Houston and the Houston Housing Authority. This
1612 is now with the State of Texas, and I don't want to miss
1613 that opportunity. And this is the first step in a major
1614 project for Cuney Homes.

1615

1616 And let me just add, it is also a first step in another
1617 project that we hopefully will be back in a couple of
1618 years in the Irvington neighborhood with the Choice
1619 Neighborhood Grant. But this is the first step. I like
1620 the questions that you've asked and that's why it's
1621 important that we're here.

1622

1623 Mayor Whitmire agrees with you that the number one issue
1624 in the city of Houston is safety. Affordable housing is
1625 one of his top issues, but the number one issue is
1626 safety. He has last week signed a first-time agreement
1627 with the police union to add police officers, to
1628 increase their pay, and we believe that will have a huge
1629 impact on safety in the city, as well as in this area.
1630 The second thing I just want to add is with me today is
1631 our head of Public Safety, Director of Public Safety and
1632 the Mayor makes sure that he and I are partners.

1633

1634 I'm in housing, but he's in public safety. The former
1635 chief of police with me today looks at these issues and
1636 how we can work together. That's the same thing about
1637 our partnership between the City and the Housing
1638 Authority: Different agencies, different entities but we
1639 are real partners today. As we look at this safety
1640 issue, the commitment is that we will solve these
1641 problems that you have. How do we do it? We have a
1642 list of mitigation. They started the mitigation. It
1643 will make a difference in this neighborhood. We are
1644 committed to driving down this serious crime rate. With
1645 elderly people, there's nothing more important in the
1646 housing department than making it safe. That's our
1647 number one objective also throughout this.

1648

1649 We think that building this in this neighborhood, that
1650 the project, the Choice Neighborhood project, will
1651 increase safety in the neighborhood and increase safety
1652 in Houston overall. It is, as you said, safe and
1653 affordable housing, and that's what we're asking for.
1654 Again, this is a transformative project. It is a huge
1655 deal that we get this tax credit and get this off the
1656 ground. These projects do take a long time.

1657

1658 Do I wish it was faster? Absolutely. In all the work
1659 we're doing, we wish it was faster, but we have not had
1660 that work, but we're going to go as fast as the money
1661 comes in.

1662

1663 **Leo Vasquez III (0:58:34):**

1664 Great. Thank you. Any questions for Mr. Nichols? Mr.
1665 Marchant?

1666

1667 **Kenny Marchant (0:58:37):**

1668 One. And you're, you may not be the one that answer
1669 this, and if there's somebody more qualified to answer
1670 that would be... How many units are going to be torn
1671 down to make, I mean, are you going to build, you're
1672 going to have to tear how many units down to build these
1673 units?

1674

1675 **Mike Nichols (0:58:55):**

1676 I'm going, I'm going to ask them to answer that so
1677 you'll get the right answer.

1678

1679 **Kenny Marchant (0:59:00):**

1680 Because you're picking seniors out of it,

1681

1682 **Mike Nichols (0:59:02):**

1683 That's why I'm going to ask them to get the right answer
1684 as we go through that. And also the next speaker, I
1685 think, will have the more exact mitigation efforts that
1686 you're looking for. What I'm, what I'm here to say is
1687 that the City is not a passive partner here, we're an
1688 active partner and the major issue will be how do we
1689 make sure this area is safe?

1690

1691 Your issue on making sure the equipment is safe is
1692 something I think about all the time in all of our
1693 projects. As you know, most of the projects we deal
1694 with are reimbursement, so you have to make sure that
1695 product is safe as it goes up. Thank you.

1696

1697 **Leo Vasquez III (0:59:41):**

1698 Okay. Thank you, Mike.

1699

1700 **Barry Palmer (1:00:04):**

1701 Good morning. Barry Palmer with Coats Rose, speaking on
1702 behalf of the Houston Housing Authority. In response to
1703 your question, Mr. Marchant, the grant from HUD requires
1704 the Housing Authority to build in the neighborhood, 160

1705 units before they start demolishing so that people will
1706 have a place to move to when demolition starts. So
1707 that's the plan, to build 160 units in three different
1708 properties in the neighborhood, and then start
1709 demolition at that, at that point and do the demolition
1710 in phases.

1711

1712 But so you've heard today from the city of Houston and
1713 from the Housing Authority about how important this
1714 project is to the City and to the Housing Authority.
1715 And you're going to be hearing in a little bit from
1716 representatives of the neighborhood about how important
1717 it is to the Third Ward.

1718

1719 But you may be wondering how you can grant this appeal
1720 consistent with your QAP and your rules, and with prior
1721 TDHCA precedent. And I want to say that the answer is
1722 that you can do that because the crime rate is not in
1723 itself a prohibition on granting 9 percent credits, that
1724 there is a couple, there's an exception and there's the
1725 ability for mitigation.

1726

1727 There's an exception for rehabilitation if it is
1728 federally assisted. And that has been expanded to

1729 include reconstruction on the same site. So what we're
1730 doing here is reconstruction in the same neighborhood
1731 within a mile of the site. The only reason that it's
1732 not being done on the site is because the requirement of
1733 HUD that we build some housing before we demolish, but
1734 this, you could consider the fact that this is
1735 essentially a rehabilitation or reconstruction because
1736 the housing, the people are already there and we're just
1737 providing new quality housing for people to live in who
1738 are already in that neighborhood.

1739

1740 The other issue or the other ability you have to find
1741 this project eligible is to make a reasonable
1742 determination that the crime will reduce by the time the
1743 project is complete in two years. And you know, it part
1744 of it is, if you're putting this much money into a
1745 neighborhood, that in and of itself, will lead to the, a
1746 reduction in crime because private industry who's
1747 investing money there, are going to want to protect
1748 their investments. If you look at what's going on in
1749 this neighborhood, there's a lot of new construction
1750 going on.

1751

1752 We sent some pictures in the Board packet of all the new

1753 construction of upscale townhomes and other properties
1754 in this neighborhood. So this is a rapidly gentrifying
1755 area, and we really need to get in now with affordable
1756 housing while before land's too expensive to do
1757 affordable housing in the Third Ward.

1758

1759 And finally, granting this appeal will be consistent
1760 with past precedent of the Board. You know, San
1761 Antonio, which is one of the cities that received a CNI
1762 grant in the recent past had this same issue come up
1763 when they came in with the first phase of Wheatley
1764 Courts, which they had a CNI grant to redevelop, and
1765 staff initially turned it down because of the crime
1766 rate.

1767

1768 And the Board overturned that because of the reasonable
1769 determination that by investing all this money in the
1770 neighborhood that there is a strong likelihood that
1771 crime is going to go down to an acceptable level. We
1772 have some other speakers who will talk from the
1773 neighborhood about their experience and what's going on
1774 in the neighborhood, including we have someone from TSU,
1775 which is directly next to Cuney Homes, that will talk
1776 further about the neighborhood.

1777

1778 **Leo Vasquez III (1:04:53):**

1779 Thank you, Barry.

1780

1781 **Barry Palmer (1:04:54):**

1782 Any questions?

1783

1784 **Leo Vasquez III (1:04:56):**

1785 Any questions for Mr. Palmer? Okay. Let me make a, no,

1786 thank, thanks Barry. Let's make sure we understand that

1787 this is improving the neighborhood. We understand as

1788 the Board, we are, it's our discretion to grant the

1789 appeal. Still, and I think that several of us are

1790 waiting to hear this, which one of you can come up and

1791 start saying, we are working with HPD and we are,

1792 instead of one patrol a day, it's going to be five a

1793 day. We're working with the Constable's office.

1794 They're going to go assign three extra patrols, officers

1795 to this neighborhood.

1796

1797 **Holland Harper (1:05:43):**

1798 Hey, Chairman, can I read a few statements out of our

1799 packet?

1800

1801

1802 **Leo Vasquez III (1:05:45):**

1803 Yeah, please, Mister.

1804

1805 **Holland Harper (1:05:47):**

1806 "This neighborhood has one of the highest overall rates
1807 of crime incidents per thousand residents population in
1808 America, according to the exclusive Neighborhood Scout
1809 analysis."

1810

1811 The other one is this, that in the staff
1812 recommendations, they go through this and they say,
1813 well, the, let me read it verbatim for you guys.

1814

1815 "No evidence was provided to establish a reasonable
1816 expectation based on the data or projections from a
1817 qualified law enforcement official that the violent
1818 crime will, rates will fall below 18 per thousand within
1819 two years. The Houston Police Department's letters
1820 describe the ongoing efforts to reduce the crime, but do
1821 not project a future crime rate or assert that crime
1822 levels will fall below threshold."

1823

1824 My problem with what, what you're saying is that,

1825 listen, it's great. We're going to put money, we're
1826 going to make it better. No one has come with a deal to
1827 say, how are we going to provide security for the
1828 citizens that live there? And that is our job as
1829 leaders. You want to clear the zone, you want to make
1830 it better, you provide security.

1831

1832 If you have to put checkpoints around the whole thing
1833 and drug dogs every corner, you do it. I've personally
1834 seen it work and it does it. If you want my vote, I
1835 wish we would table this item. You come back with an
1836 idea of how you're going to provide security for the
1837 citizens that are going to speak for this, and we'll be
1838 happy to support it. But throwing half a billion
1839 dollars at a project without security is a waste of
1840 everybody's time. Pardon me.

1841

1842 **Leo Vasquez III (1:07:07):**

1843 So is there anyone... No, I thank you, Mr. Harper. I
1844 concur with your concerns. Is there anyone that can I
1845 mean, I see Satterwhite here, but yeah, he's not
1846 actually here to speak on this. You know where's Alan
1847 Rosen? He always. There's a microphone here, please.

1848

1849

1850 **Marilyn White (1:07:31):**

1851 Good morning. My name is Reverend Marilyn White and I'm
1852 the Pastor at Trinity East United Methodist Church. And
1853 I wanted to come before you all on behalf of the
1854 project. Trinity East has been in the Third Ward
1855 community for 117 years and we are a boots-on-the-ground
1856 church. We're in the community. We're open seven days
1857 a week, active in our community. We're part of over 25
1858 community organizations working with nonprofits and
1859 other organizations in the community to make the
1860 community better for Third Ward.

1861

1862 In regards to crime, we are concerned about crime and we
1863 have been addressing crime and working on the crime
1864 issues in Third Ward. This past Tuesday night, our city
1865 council representative called a community-wide meeting.
1866 We all showed up at the Third Ward Multicultural Center.
1867 The Houston Police Department was there, Harris County
1868 Sheriff's Department, other city officials, judges, and
1869 community leaders.

1870

1871 And we came together to talk about what we are all doing
1872 together and how we can put together and improve the

1873 crime issues that we are having. And one of the things
1874 that the Houston Police Department announced was that
1875 they are adding addition, more officers in the Third
1876 Ward area.

1877

1878 They have an ongoing crime prevention team that's
1879 focused on Third Ward. They put this plan into place
1880 last year. They have a formation of a new club squad
1881 focused on bars in Third Ward. We've started to improve
1882 lighting at parks and areas around the Cuney Homes and
1883 all over Third Ward. More community engagement with the
1884 police department working with us because the community
1885 has been working on this crime issue for a long time and
1886 so now strengthening that relationship with the Houston
1887 Police Department. One of the things that he announced
1888 at our meeting that there has been a significant
1889 reduction last year, over last year and right now, 24
1890 percent reduction in aggregate, aggravated assaults, and
1891 48 percent reduction in robberies in the community. The
1892 reduction is bigger in Third Ward than in the city
1893 overall, the city of Houston overall.

1894

1895 This was his comment at the meeting. So the police
1896 department is actively right now working on Third Ward,

1897 this area. More police officers are being assigned.
1898 We're seeing now right by Cuney Homes, we have a
1899 community trail that we have redeveloped and it's still
1900 being redeveloped because of a \$6 million grant that has
1901 gone into that, that allowed us to put in the lighting
1902 and have safety controls in effect by Cuney Home.
1903
1904 And so now we are seeing mounted police officers on
1905 horseback patrolling that area. So I do want you all to
1906 know that the community is active and will be active in
1907 solving this issue. Today I do have community
1908 representatives with me. Ms. Sasha Marshall from the
1909 City of Houston who's assigned the Cuney Homes.
1910
1911 We have three of the seniors from Cuney Homes, and we
1912 had many more who wanted to come with us today but we
1913 were thinking because of the mobility issues, we could
1914 not bring them with us, but they are here as well to
1915 support. We have the Super Neighborhood president here
1916 with us as well as one of the Board members from
1917 Emancipation Economic Development Council, which is
1918 right on the main thoroughfare in Third Ward, right by
1919 Emancipation Park.
1920

1921 So want you all to know that we are not just sleeping in
1922 Third Ward. We are aware of the crime issue. We are
1923 addressing the crime issues. We have not just started
1924 this process, but it's been going on for a while. And
1925 so now we are seeing positive results from our efforts
1926 in Third Ward. So thank you all so much for allowing me
1927 to come before this court.

1928

1929 **Leo Vasquez III (1:12:09):**

1930 Thank you for that. That's really, and by the way, as a
1931 just informational note, these bells ringing indicate
1932 that we have a new pope. Okay.

1933

1934 **Anna Maria Farias (1:12:25):**

1935 Mr. Chairman?

1936

1937 **Cindy Conroy (1:12:27):**

1938 Do we know who it is?

1939

1940 **Leo Vasquez III (1:12:28):**

1941 So okay. Yeah. Okay. No, I don't know yet. Some guy
1942 in a red suit. Ms. Farias, you have a question for?
1943 Okay.

1944

1945

1946 **Anna Maria Farias (1:12:39):**

1947 Okay. Actually, I have a question...

1948

1949 **Leo Vasquez III (1:12:41):**

1950 Please.

1951

1952 **Anna Maria Farias (1:12:43):**

1953 To you, Mr. Chairman. Can we postpone this meeting
1954 until June? I do hear from you, ma'am, and I see the
1955 people in the audience, but I think it's safe to say
1956 that three of us have real concerns about the safety
1957 issue and the enormous amount of money that's going to
1958 go into it. Sorry. I would, to be reasonably
1959 persuaded, I would really want to hear directly from law
1960 enforcement about what they're actually doing.

1961

1962 **Leo Vasquez III (1:13:20):**

1963 Mr. Thomas. One second.

1964

1965 **Ajay Thomas (1:13:25):**

1966 Cody, in the original application, right?

1967

1968

1969 **Cody Campbell (1:13:27):**

1970 Yes, sir.

1971

1972 **Ajay Thomas (1:13:28):**

1973 Was there any details, mitigation plan or crime
1974 prevention plan or specific project in Trinity East that
1975 were, that were on some of (indiscernible).

1976

1977 **Cody Campbell (1:13:39):**

1978 There should be an attachment to this item in your Board
1979 Book called NRF Packet, which is what they submitted
1980 with the initial application, and it details broadly the
1981 crime reduction efforts in the neighborhood. Off the
1982 top of my head, I can't recall anything that would be
1983 specific to Trinity East.

1984

1985 **Ajay Thomas (1:13:55):**

1986 Okay. And I saw that and I saw the letter from South
1987 Central Division for the general conceptual plan to
1988 reduce crime in the area.

1989

1990 **Cody Campbell (1:14:03):**

1991 Sure.

1992

1993 **Ajay Thomas (1:14:04):**

1994 Look, I, from what I've heard so far, and the plan is

1995 great, I agree with Member Harper. Plan is great.

1996 We're very supportive of these type of transformative

1997 projects. It's obviously a big initiative of the Mayor

1998 to have this done, but I think just want to frame this

1999 for this Ward, I think the important thing to remember

2000 here is we don't have the ability in this item to grant

2001 an exemption or a waiver of any kind.

2002

2003 **Cody Campbell (1:14:28):**

2004 Sure.

2005

2006 **Ajay Thomas (1:14:30):**

2007 Here, what we're really deciding is whether this appeal

2008 should be granted based on the metric the staff was

2009 neutral on.

2010

2011 **Cody Campbell (1:14:39):**

2012 Sure.

2013

2014 **Ajay Thomas (1:14:41):**

2015 But I think leads us or led us to believe that given

2016 its, the metric is at 18, the number was 36, Staff

2017 really is saying this didn't meet the criteria.

2018

2019 **Cody Campbell (1:14:53):**

2020 Correct. Right.

2021

2022 **Ajay Thomas (1:14:55):**

2023 So we can, we have to determine whether what's been

2024 presented in the original application, is that

2025 sufficient enough for us to question the statistics.

2026

2027 **Cody Campbell (1:15:07):**

2028 Sure.

2029

2030 **Ajay Thomas (1:15:08):**

2031 So that we're going to take on faith that when this

2032 project is completed or is in, it's on its way in

2033 service, crime is going to be reduced in this metric to

2034 get below that 18 number, right?

2035

2036 **Cody Campbell (1:15:23):**

2037 Correct. Correct.

2038

2039 **Ajay Thomas (1:15:24):**

2040 That's what we're really deciding.

2041

2042 **Cody Campbell (1:15:27):**

2043 Yeah.

2044

2045 **Ajay Thomas (1:15:28):**

2046 It's not a qualitative decision about whether we like

2047 the project or want to do the project, right? So I

2048 think maybe Counsel can weigh in here, is there any

2049 flexibility or latitude to have them go back and put in,

2050 yes, we have a mitigation plan, and these are the

2051 specifics of the plan, that would give members of this

2052 board comfort that that crime statistic is going to be

2053 reasonably met so that we can approve the project?

2054

2055 **Leo Vasquez III (1:16:06):**

2056 And if I could add on to that, like the statistics that

2057 the pastor was just saying on the reduction of 25

2058 percent of this and 40 percent of that, part of the

2059 heartburn that I think that we're feeling here is that

2060 it's not like the crime statistics were close. I mean,

2061 this is double the limit that we're supposed to have.

2062

2063 And I think we have as Mr. Palmer pointed out we've, the

2064 Board has had some discretion in the past. I know, if

2065 you can think of one there in Houston, like near north
2066 side, that we've granted these kinds of appeals, but it
2067 was close. Even if we reduce those overage numbers by
2068 half, we're still one and a half times the limit that
2069 we're allowed to have.

2070

2071 I'd be inclined at this point, and I kind of, I wish
2072 sort of Staff had worked through this and talked to you
2073 all more specifically. Again, the project, the whole
2074 improvement of the neighborhood and everything, we're
2075 all for. I mean, that's, but we need a much more
2076 detailed plan on, here is exactly how we're going to do
2077 it. Here's what... Again and you'll have sort of
2078 touched upon it all over the place, but not A, B, C, D,
2079 E, F, G. This is what we're having, and I think we need
2080 that.

2081

2082 And I, if that was being presented right now, I would
2083 bet you, we would have immediately kind of voted and
2084 granted the appeal. I would think about suggesting we,
2085 there's, is there any kind of deadline that we're
2086 meeting, missing on this?

2087

2088 I mean, if it doesn't happen today, something falls

2089 apart, some federal funding or something? I mean,
2090 because if, I mean, because what I'm going to suggest
2091 and, yeah, please come up and speak that we table this
2092 and ask you all to provide a detailed plan addressing
2093 this, specific steps that are going to be taken to...
2094

2095 **Neal Rackleff (1:18:21):**

2096 No.

2097

2098 **Leo Vasquez III (1:18:22):**

2099 Improve the safety. Introduce yourself again, please.
2100

2101 **Neal Rackleff (1:18:25):**

2102 My name is Neal Rackleff. Until just about a week ago,
2103 I was in private practice, but now I'm the Executive
2104 Vice President and COO of the Houston Housing Authority
2105 back in public service, joining the Honorable Anna Maria
2106 Farias in that realm again. We don't have an impending
2107 deadline. We would be grateful for the opportunity to
2108 be able to regroup and come back with a fuller plan for
2109 you.

2110

2111 The Chief, Satterwhite, indicated that he's been
2112 instructed by the mayor to full, to put the full weight

2113 of HPD and their public safety resources behind this
2114 effort. But that is a complex initiative and he needs
2115 more time to be able to come up with the kind of more
2116 specific plan that you're requesting. This whole Choice
2117 Neighborhoods initiative is designed to be a massive
2118 community collaborative, ongoing process where we work
2119 grapple together with issues precisely like this.

2120

2121 So when the application was initially filed, there
2122 wasn't as much that had coalesced together to get us
2123 here. So we do have time, we would be happy to take the
2124 time to come back. I will also just point out that in
2125 addition to some of the statistics about specific crime
2126 and public safety, this neighborhood is rapidly
2127 changing, right?

2128

2129 And part of, crime statistics, I used to work for the
2130 Greenspoint District, if any of you know, Greens Point
2131 in Houston. Public safety was our number one priority.
2132 People called it "Guns Point". Used to just drive my
2133 boss nuts, right? And we did a lot to coordinate the
2134 efforts of law enforcement in that community to put a
2135 police substation in the mall. And so we brought down
2136 public safety problems. But crime statistics are very,

2137 very difficult. And as somebody mentioned at the
2138 beginning of this, they are subjective. Nobody can tell
2139 you with certainty that even River Oaks in Houston is
2140 not going to have some kind of crime increase over the
2141 next five years, right? However, everything is going
2142 the right direction here.

2143

2144 There's been a 264 percent income increase, increase in
2145 incomes in this neighborhood in the last 10 years, 264
2146 percent. That is massive. That's versus a 35 percent
2147 increase in income across Houston as a whole. So I rode
2148 my bike around this site, a little guy riding my bike
2149 around. I live in this neighborhood. Rode around Cuney
2150 Homes just Saturday with my wife.

2151

2152 There's townhomes going up every block. This
2153 neighborhood is rapidly changing. And that balancing
2154 act, Chairman Vasquez, that you talked about, I was a
2155 part of that when I was Housing Community Development
2156 Director.

2157

2158 You know, we have this balancing act. We want people to
2159 be in high-income or in high-opportunity neighborhoods,
2160 but we don't want to leave behind people who already

2161 live in a neighborhood that's struggling. That's why
2162 your own QAP has a clear exception that allows you to
2163 invest in an apartment complex that's already in a
2164 neighborhood that's got a high crime rate because we're
2165 going to improve the lives of the people living there.

2166

2167 The folks in Cuney Homes have been in substandard
2168 housing for 86 years, 86 years. And we have a chance to
2169 turn that around, but we can't do it if we can't provide
2170 replacement housing. So we have a chicken and an egg
2171 issue here. And I totally agree with your concerns
2172 about public safety. We, we're going to invest \$400
2173 million in this neighborhood in a way that is going to
2174 dramatically enhance public safety. So we're going to
2175 do it.

2176

2177 We don't have all the specifics for you today though.
2178 And if you can give us the opportunity to come back and
2179 to table this, and bring you more specifics, we will go
2180 to work and we'll come back and do that.

2181

2182 **Ajay Thomas (1:22:27):**

2183 Mr. Chairman, what I would suggest is I don't want to be
2184 known as the technical nerd here on the Board, but...

2185

2186 **Leo Vasquez III (1:22:33):**

2187 But you are.

2188

2189 (Overlapping conversation.)

2190

2191 **Ajay Thomas (1:22:37):**

2192 I would rather have Beau take that. We'll wait. I
2193 will, I do want to help you all. I mean, I think, I
2194 believe in the project. I know the area. I think, I
2195 think the Mayor is great in terms of trying to focus on
2196 safety even though we're the same. But I would say for
2197 this application, unless I'm wrong, and I'm sure Beau
2198 will jump in, I think clarity is going to be important
2199 with this, within the construct of the plan you put
2200 forth in the original application. I think for the
2201 staff to be able to take this forward, you're going to
2202 have to just provide clarity to the safety plan, right?
2203 So it's not new information that alters the application
2204 in any way...

2205

2206 **Neal Rackleff (1:23:20):**

2207 We can amplify and sharpen the focus. Is that cool,

2208 Beau?

2209

2210 **Ajay Thomas (1:23:21):**

2211 Sharpen the focus and I think go back to HP, the South

2212 Central Command and get like...

2213

2214 **Neal Rackleff (1:23:26):**

2215 Yes, sir.

2216

2217 **Ajay Thomas (1:23:27):**

2218 If you're working with community partners, with the

2219 constable and the HPD, what specific things are they

2220 doing? Are they, are they going to ramp up from two

2221 officers to five? Are we going to put are there, is

2222 there coordinated shifts? Like how are we protecting

2223 these seniors per se?

2224

2225 **Holland Harper (1:23:42):**

2226 Mr. Thomas.

2227

2228 **Neal Rackleff (1:23:44):**

2229 Yes.

2230

2231 **Holland Harper (1:23:47):**

2232 You guys need a coordinated security plan which has all

2233 players on board and they have buy in and contract
2234 together. That's what you need. And it includes
2235 everything from HP to sheriffs, to drug enforcement, to
2236 what, and to your local deals.

2237

2238 **Leo Vasquez III (1:24:02):**

2239 TSC, METRO.

2240

2241 **Holland Harper (1:24:03):**

2242 This is a, this is a big operations to clean up a
2243 section.

2244

2245 **Kenny Marchant (1:24:07):**

2246 Could they actually put, could they actually say, until
2247 crime rates come down to the acceptable standard, this
2248 project's going to have 24-hour security onsite, et
2249 cetera, et cetera? Are you looking for that kind of
2250 plan or?

2251

2252 **Holland Harper (1:24:23):**

2253 I'm looking for, I mean, if we were going to go clear
2254 buildings, if we were going to go take a city, if we
2255 were going to go make a neighborhood cleaner, we're
2256 going to have an operations order and then we're going

2257 to go after it.

2258

2259 **Neal Rackleff (1:24:32):**

2260 Yes, sir.

2261

2262 **Holland Harper (1:24:33):**

2263 We're going to have, we're going to have our crews and

2264 our team members on board. They're going to agree what

2265 they're going to do. Bring that to this board of what

2266 you're going to do. Have their buy in where it says,

2267 we're going to do the following things.

2268

2269 **Neal Rackleff (1:24:46):**

2270 We hear you. There is \$864,000 budgeted in the, in the

2271 \$50 million grant for public safety, for precisely those

2272 kinds of initiatives.

2273

2274 **Holland Harper (1:24:56):**

2275 Bring me a three- to five-year plan of how you're going

2276 to make this place better.

2277

2278 **Neal Rackleff (1:25:00):**

2279 Okay.

2280

2281

2282 **Beau Eccles (1:25:02):**

2283 What I'm hearing being said is that in looking for
2284 clarity, it seems there needs to be an administrative
2285 deficiency that's issued seeking clarification of the
2286 already submitted plan that would allow the Board to
2287 understand that this application expects to be at or
2288 below 18 per a thousand, in Part I violent crime by the
2289 time this place is in service.

2290

2291 **Neal Rackleff (1:25:33):**

2292 That is brilliant, Mr. Eccles. I've never been so happy
2293 to get an administrative deficiency because that will
2294 give us the procedural avenue to be able to bring you
2295 more information and provide exactly what you're asking
2296 for.

2297

2298 **Holland Harper (1:25:50):**

2299 Mr. Chairman, I think we should table this item for
2300 administrative deficiencies.

2301

2302 (Background conversation.)

2303

2304

2305 **Leo Vasquez III (1:26:02):**

2306 Okay. I agree, and I think you all would probably say

2307 yes, thank you. Okay.

2308

2309 **Neal Rackleff (1:26:09):**

2310 We will.

2311

2312 **Leo Vasquez III (1:26:13):**

2313 I hate to, I know some of you came to speak and I hate

2314 to kind of cut off the opportunity to speak. So if you

2315 really want to say something else, I mean, that's going

2316 to add to the conversation, but we still got a lot of

2317 stuff to do on the agenda. And I think you all know

2318 where, it's pretty clear where we're going. I also, I

2319 also want to thank, I mean, the community members out

2320 here and back. I mean, we appreciate you guys coming

2321 and taking the time to support improving your community,

2322 so may I applaud you for doing that?

2323

2324 (Applause.)

2325

2326 **Cindy Conroy (1:26:55):**

2327 Can I just say something?

2328

2329 **Leo Vasquez III (1:26:56):**

2330 Ms. Conroy.

2331

2332 **Cindy Conroy (1:26:57):**

2333 We really do want to help you. I really believe in
2334 projects like this that will just transform and change a
2335 community. And so please come back with the safety plan
2336 because it's really important and I know that you all
2337 are talking about it. This is just going to force you
2338 all to sit in a room and say, we got to do it. You
2339 don't have a three- or five-year runway on what we're
2340 going to do, or how we're going to find the money to do
2341 so it's just going to have to be something you all fast
2342 track.

2343

2344 **Neal Rackleff (1:27:22):**

2345 Thank you. We appreciate that.

2346

2347 **Leo Vasquez III (1:27:26):**

2348 I see one really eager look here. Are you good?

2349

2350 **Unidentified Speaker (1:27:28):**

2351 I'm great.

2352

2353 **Leo Vasquez III (1:27:29):**

2354 Okay. All right. Okay. All right. Okay. All right.

2355 Just wanted to be sure. Okay. So I guess this

2356 formalizes. I think we have a...

2357

2358 **Holland Harper (1:27:36):**

2359 I'll make a motion; we table this item for

2360 administrative deficiency and security.

2361

2362 **Cindy Conroy (1:27:41):**

2363 I second.

2364

2365 **Leo Vasquez III (1:27:43):**

2366 Is that? Okay. All right. So we have a motion made by

2367 Mr. Harper, seconded by Ms. Conroy, to table this for

2368 now until we go through the administrative deficiency

2369 process and get that, some detailed plans. I know you

2370 guys can put together. So any further discussion from

2371 the Board, all those in favor say aye.

2372

2373 **All (1:28:06):**

2374 Aye.

2375

2376

2377 **Leo Vasquez III (1:28:07):**

2378 Any opposed? Hearing none. Motion carries. Look
2379 forward to talking to you all here again real soon.
2380

2381 **Neal Rackleff (1:28:12):**

2382 We do. Thank you.
2383

2384 **Leo Vasquez III (1:28:23):**

2385 And that was better to do while we're fresh. Okay. So
2386 where are we? We're going back to order to item 15 of
2387 the agenda. Okay. So this is a report on the third-
2388 party request requests for administrative deficiency
2389 under 10 Tac Section 11.10 of the 2025 Qualified
2390 Allocation Plan. Mr. Campbell?
2391

2392 **Cody Campbell (1:29:04):**

2393 That is correct. We've got RFAD, something nice and
2394 noncontroversial. The next item on your agenda is a
2395 report of Request For Administrative Deficiency received
2396 by the Department in connection with the 2025
2397 Competitive Housing Tax Credit Round. The purpose of
2398 third-party requests for administrative deficiencies, or
2399 RFADs as they are commonly known, is to allow an
2400 unrelated party to bring new material information about

2401 an application to Staff's attention and to request that
2402 Staff consider whether that information should result in
2403 an administrative deficiency, or other action such as
2404 termination.

2405

2406 While a deficiency may be issued as the result of an
2407 RFAD, not all RFADs will result in action being taken.
2408 Submitting an RFAD is not an interactive or two-way
2409 process between the requester and staff, nor does it
2410 make the requester party to the application for which
2411 they are submitting the request.

2412

2413 The results of an RFAD may not be appealed by the
2414 requester. The RFAD process provides a tremendous
2415 amount of valuable information to Staff and just as
2416 importantly, the process provides a formal mechanism for
2417 participants in our programs and other concerned parties
2418 to present their concerns about applications to the
2419 Department. RFADs were due on April 15th, 18 were
2420 submitted by the State. These requests are included in
2421 your Board Book.

2422

2423 The requests we received this year are fairly typical
2424 and cover a variety of normal scoring and threshold

2425 issues. We moved the due date for RFADs back by about
2426 three weeks this year, which is why you are receiving
2427 this report in May and instead of June. We believe that
2428 this was a very successful change in our rules, as it
2429 allows us to work out any issues that result from these
2430 requests sooner.

2431

2432 Critically, I'd like to point out that nothing has
2433 actually happened yet. Any applicant that receives a
2434 scoring deduction, a tiebreaker reduction, or a
2435 termination as a result of these RFADs will receive
2436 formal notice of that determination and will have their
2437 normal appeal rights. We are optimistic that because of
2438 this earlier due date, these appeals can be resolved at
2439 the June meeting. The item in front of you today is a
2440 report rather than an action item.

2441

2442 The Board may accept the report but also may remand any
2443 specific issues in it back to Staff for further
2444 consideration. No points are being awarded or deducted,
2445 and no awards are being made by this specific item.
2446 Staff recommends that the Board accept this report.

2447

2448

2449 **Leo Vasquez III (1:31:29):**

2450 Okay. So again, there's, did you want to kind of give
2451 us some broad categories?

2452

2453 **Cody Campbell (1:31:35):**

2454 Sure. We got, of the ones that Staff has really taken a
2455 look at, a lot of them involve the tiebreakers there are
2456 disputes about, and just as a reminder, our tiebreaker
2457 looks at the proximity to community amenities such as
2458 elementary schools and libraries. There're disputes
2459 about whether a grocery store actually counts as a
2460 grocery store or rather the elementary school that was
2461 selected is correct. Truly, in terms of a group of
2462 RFADs that we've seen since I've been in this job, these
2463 are probably the most normal. It's just normal scoring
2464 stuff. We didn't accidentally break the QAP. That's
2465 always the scary part of RFADs, it's, that's when you
2466 might find out that you've done something horrible, and
2467 we made it another year, so.

2468

2469 **Leo Vasquez III (1:32:18):**

2470 Okay. Do we have any public comment? Please. Say
2471 hello. Sign in. Introduce yourself.

2472

2473 **Robbye Meyer (1:32:27):**

2474 Unfortunately. Yes. Chairman, Board, my name is Robbye
2475 Meyer. I'm with Arx Advantage. First of all, I'd like
2476 to say the RFAD process is my least favorite of anything
2477 in this application cycle but I'm here to speak on the
2478 RFADs that related to the proximity to jobs. The
2479 applications for this particular item, the applicants
2480 submitted incorrect data in their pre-applications and
2481 then they were allowed to resubmit a corrected report of
2482 the data generated after the required date. This is a
2483 fundamental principle and that's my whole point here.

2484

2485 While I agree with Staff's determination that the data
2486 itself needed to establish the eligibility for points
2487 did exist at the time of pre-application, the report
2488 itself did not. That distinction is what needs to be
2489 recognized in these RFADs. The rules are very specific.
2490 What an applicant needs to submit and by what date that
2491 report is to be generated.

2492

2493 If these are allowed to be, to proceed and I get the
2494 point, you can apply the same information as far as the
2495 data is concerned throughout the application. I'll give
2496 you another example. Underserved area. The data for

2497 underserved area exists. So if I turn in the wrong
2498 information for my underserved area then I should be
2499 able to correct it because the data exist.

2500

2501 But I don't think there's an applicant in this room that
2502 would agree that I could be able to change my
2503 underserved area information that I turned in in my
2504 application. That's all kind of wrong. So I just ask
2505 that you relook at this on the proximity to jobs because
2506 it's a fundamental principle that you're going to open
2507 up Pandora's box here, that you can apply the same
2508 principle here without, with, throughout the
2509 application.

2510

2511 So I'd just ask the Board to have them relook at this on
2512 the fundamental principle for this, for the proximity to
2513 jobs. Thank you.

2514

2515 **Leo Vasquez III (1:34:43):**

2516 Okay. Thank you, Robbye. Cody, do you have any
2517 statement on that or?

2518

2519 **Cody Campbell (1:34:49):**

2520 Sure. And this is, this very specific issue is also

2521 addressed on page 7 of the Board item. So there are
2522 certain scoring categories that award points based on
2523 objective facts and circumstances related to the
2524 development site itself.

2525

2526 And because of that we include in our definition of
2527 administrative deficiency, I'm not going to read the
2528 whole thing to you, but there is a caveat that if there
2529 is a scoring item that is predicated solely on third
2530 party data characteristics inherent to the proposed
2531 development site or that are otherwise not influenced by
2532 the actions of the applicant, that the applicant would
2533 be able to correct any documentation related to those
2534 issues so long as they can establish that the site
2535 qualified for those points at the time that the
2536 application was submitted.

2537

2538 To give you an example of why I think this is important
2539 to have in the QAP, if there is a scoring item for being
2540 across the street from a grocery store, and everybody
2541 knows that the site is across the street from the
2542 grocery store, but there was some kind of documentation
2543 error in the application about it being across the
2544 street from the... The documentation is not the

2545 important thing.

2546

2547 The important thing is the fact that it is across the
2548 street from the grocery store. And so we've included
2549 this caveat in here to avoid these kinds of arguments
2550 where we all fundamentally understand that the site
2551 qualifies for the points, but there was some kind of
2552 clerical error with the documentation.

2553

2554 And so for the people who submitted the wrong year of
2555 jobs information, that site qualified based on that job
2556 information at the time that the pre-application was
2557 submitted. So under this provision of the rule, Staff
2558 believes very confidently that this is something that is
2559 able to be corrected in the application.

2560

2561 **Leo Vasquez III (1:36:21):**

2562 Okay. So we're not, again, they're not changing their
2563 area. They just, if they cited the wrong, not the
2564 latest available data, for instance.

2565

2566 **Cody Campbell (1:36:32):**

2567 Correct.

2568

2569 **Leo Vasquez III (1:36:33):**

2570 But they did cite data.

2571

2572 **Cody Campbell (1:36:34):**

2573 Right.

2574

2575 **Leo Vasquez III (1:36:35):**

2576 I mean, they did provide some data, just...

2577

2578 **Cody Campbell (1:36:36):**

2579 Correct.

2580

2581 **Leo Vasquez III (1:36:37):**

2582 And we're basing off the actual most recent information

2583 so for...

2584

2585 **Cody Campbell (1:36:43):**

2586 There is a cutoff in the QAP, but it is based on the

2587 correct year of data. We've determined that. We

2588 haven't reviewed all the applications, but we did allow

2589 them to submit that correct year of data.

2590

2591 **Leo Vasquez III (1:36:57):**

2592 Okay. But if they didn't submit any data at the

2593 beginning, that's a different story.

2594

2595 **Cody Campbell (1:37:00):**

2596 There's a provision in the administrative deficiency

2597 that allows for the resolution of a minor quantity of

2598 missing documents. So if we looked and half the

2599 application was missing, that would be a problem. If

2600 that was the only thing that was missing, we'd probably

2601 get in touch with them and ask them to provide that

2602 documentation to us.

2603

2604 **Leo Vasquez III (1:37:15):**

2605 Okay. Yeah. So this sounds to me like it falls under

2606 our famous "no more gotchas"...

2607

2608 **Cody Campbell (1:37:25):**

2609 Correct.

2610

2611 **Leo Vasquez III (1:37:26):**

2612 Criteria. Okay. Do other board members have questions

2613 for Mr. Campbell? So next steps is what? Oh, okay.

2614 Bobby has a question.

2615

2616

2617 **Bobby Wilkinson (1:37:38):**

2618 Do we have a page limit on RFAD submissions?

2619

2620 **Cody Campbell (1:37:40):**

2621 We do not. No.

2622

2623 **Bobby Wilkinson (1:37:43):**

2624 Should we maybe put one in or?

2625

2626 **Cody Campbell (1:37:44):**

2627 They get kind of lengthy. This is...

2628

2629 **Leo Vasquez III (1:37:47):**

2630 I really enjoyed the 400 pictures of the grocery store.

2631

2632 **Cody Campbell (1:37:49):**

2633 This is our 18 RFADs for the year. I actually had to

2634 find a binder big enough in the office to bring them

2635 with me. They are quite lengthy. Normally what happens

2636 is the substantive part of the RFAD, just the letter

2637 itself is just a couple of pages. And then we get a lot

2638 of supporting documentation.

2639

2640

2641 **Bobby Wilkinson (1:38:03):**

2642 Presentation?

2643

2644 **Cody Campbell (1:38:04):**

2645 We could maybe look at moving towards just kind of

2646 submit the request and then if Staff needs additional

2647 information, we'll reach out to you.

2648

2649 **Bobby Wilkinson (1:38:11):**

2650 Sure. Just curious.

2651

2652 **Leo Vasquez III (1:38:14):**

2653 Okay. Thank you for bringing that up. Okay. So I'm

2654 sorry. Again, next, did you, we say next steps?

2655 What's, where do you go from here?

2656

2657 **Cody Campbell (1:38:22):**

2658 Sure. So starting tomorrow, we have identified some

2659 applications based on these requests that we do believe

2660 are eligible for a point reduction or a tiebreaker

2661 deduction. And so those notices will start going out

2662 tomorrow. The applicant will have their normal window

2663 of time to appeal, which is 7 days and then from there,

2664 Bobby has 14 days to respond to the appeal. And if

2665 they're satisfied with the response from the executive
2666 director, then that's the end of it.

2667

2668 If they're not satisfied, then it would come to the June
2669 board meeting. A real advantage, and I know that
2670 everybody hates RFADs, but a real advantage is that it
2671 gives Staff a really good idea of what we're going to be
2672 running into when we start reviewing those applications
2673 that are further down in the list.

2674

2675 And it's, I feel very optimistic about the fact that
2676 we're going to be able to bring these appeals to June
2677 because that means that there will be very few, knock on
2678 wood, lingering issues between June and the award
2679 meeting.

2680

2681 **Bobby Wilkinson (1:39:16):**

2682 So maybe no early July meeting?

2683

2684 **Cody Campbell (1:39:19):**

2685 I, let's take it day by day.

2686

2687 **Unidentified Speaker (1:39:23):**

2688 Bring them on, you know.

2689

2690 **Leo Vasquez III (1:39:26):**

2691 Okay. Thank you for that report.

2692

2693 **Cody Campbell (1:39:29):**

2694 Yeah.

2695

2696 **Leo Vasquez III (1:39:30):**

2697 Okay. Moving right along to item 16 of the agenda:

2698 Presentation, discussion, and possible election

2699 regarding the material amendment to the Housing Tax

2700 Credit Application for The Manchester, number 19471.

2701 Mr. Banuelos.

2702

2703 **Rosalio Banuelos (1:39:47):**

2704 Good morning. Rosalio Banuelos, Director of Asset

2705 Management. So the next three items are very similar,

2706 but I'll go through each one of them one by one. The

2707 Manchester, formerly known as Austin Manor Apartment

2708 Homes, was approved for a 4 percent housing tax credit

2709 award in 2019 for the new construction of 280 units in

2710 Austin. The development was originally underwritten and

2711 approved based on all 280 units restricted at 60 percent

2712 of area median income or AMI. Construction of the

2713 development is nearing completion. Based on the report,
2714 as of March 2025, the development was more than 90
2715 percent complete, and the owner has requested approval
2716 for a material amendment to the application to revise
2717 the set asides of 15 percent of the units to those
2718 earning up to 30 percent of area median income, which is
2719 required in order to qualify for an additional bond
2720 allocation that the owner is seeking.

2721

2722 The Department will not be the issuer of the bonds. The
2723 proposed amendment identifies 43 units, or 15.36 percent
2724 at 30 percent AMI and 237 units at 60 percent AMI. The
2725 development is re-underwritten based on the full set
2726 asides and revised financial information submitted.

2727

2728 The analysis indicates that the development remains
2729 feasible, but total development costs increased
2730 approximately \$24.4 million or 42.32 percent, with the
2731 most notable increases being in \$11.6 million in
2732 building costs, \$1.4 million for site work, an increase
2733 of \$1.8 million in contractor fees, an increase of \$1
2734 million in soft costs, \$5 million financing costs, and
2735 \$3.2 million in developer fees.

2736

2737 In addition of, in addition, as a result of changes in
2738 federal regulations, the development is expected to
2739 qualify for a 4 percent tax credit percentage for the
2740 credit calculation instead of the 3.35 used in that
2741 application. With these changes, the current
2742 underwriting analysis supports the recommended annual
2743 housing tax credit amount of \$3,785,248, which is an
2744 increase of \$1,544,114 or 68.9 percent from the original
2745 tax credit amount of \$2,241,134 in the determination of
2746 this.

2747

2748 If this whole amount of projected credits is justified
2749 following CPA review of total cost and Staff acceptance
2750 of the cost certification package, the tax credit
2751 requested will exceed the 20 percent increase threshold
2752 requiring board approval under the rules.

2753

2754 Staff recommends approval of the requested material
2755 amendment and further recommends that following Staff's
2756 review and approval of the cost certification, if the
2757 amount of tax credits determined to be necessary exceeds
2758 120 percent of the amount of tax credits reflected in
2759 the determination notice as forecasted in this
2760 amendment, that the Board approve such requests not to

2761 exceed 180 percent of the housing tax credit amount in
2762 the determination notice as part of this amendment,
2763 subject to the payment of the applicable fee under the
2764 rules. That concludes my comments for this item and I'm
2765 open for questions.

2766

2767 **Bobby Wilkinson (1:42:45):**

2768 So Rosalio, to summarize, old deal, almost finished,
2769 they're in danger of not meeting their 50 percent test
2770 on bonds. So to get more bonds they had to promise some
2771 deeper targeted units and it's a cost overrun greater
2772 than 20 percent which an old deal, right? And so
2773 they're approving two things, the change to the unit mix
2774 for some deeper targeting and the greater than 20
2775 percent cost increase?

2776

2777 **Rosalio Banuelos (1:43:09):**

2778 That is correct. We're putting a cap on the greater
2779 than 20 percent increase, so we're basically rounding up
2780 the credit request or what we're recommending right now
2781 to the nearest 10 percent.

2782

2783 **Bobby Wilkinson (1:43:17):**

2784 And not to exceed?

2785

2786 **Rosalio Banuelos (1:43:18):**

2787 Exactly.

2788

2789 **Bobby Wilkinson (1:43:19):**

2790 Okay.

2791

2792 **Rosalio Banuelos (1:43:20):**

2793 So if at cost, or they exceed that, then the deal would
2794 come back again for board approval.

2795

2796 **Bobby Wilkinson (1:43:25):**

2797 Okay.

2798

2799 **Leo Vasquez III (1:43:26):**

2800 And again, in the end we are getting more 30 percent AMI
2801 units.

2802

2803 **Rosalio Banuelos (1:43:33):**

2804 Deeper targeting.

2805

2806 **Leo Vasquez III (1:43:34):**

2807 Yeah. So I mean that, that's generally looked on
2808 positively by the Board, right?

2809

2810 **Rosalio Banuelos (1:43:39):**

2811 Yes.

2812

2813 **Leo Vasquez III (1:43:41):**

2814 Okay. So board members have further questions on this
2815 item? If not, I will entertain the motion on item 16 of
2816 the agenda.

2817

2818 **Holland Harper (1:43:58):**

2819 I move the Board approve the request of material
2820 amendments to The Manchester all as described,
2821 expressed, conditioned, and authorized in the Board
2822 action request, resolutions, and associated documents on
2823 this item.

2824

2825 **Anna Maria Farias (1:44:07):**

2826 Second.

2827

2828 **Leo Vasquez III (1:44:08):**

2829 Motion made by Mr. Harper, seconded by Ms. Farias. All
2830 those in favor say aye.

2831

2832

2833 **All (1:44:12):**

2834 Aye.

2835

2836 **Leo Vasquez III (1:44:13):**

2837 Any opposed? Hearing none. Motion carries. Item 17 of

2838 the agenda: Presentation, discussion, and possible

2839 action regarding the material amendment to the Housing

2840 Tax Credit Application for Lakeway Apartment Homes. Mr.

2841 Banuelos.

2842

2843 **Rosalio Banuelos (1:44:29):**

2844 This development was approved for a 4 percent housing

2845 tax credit award in 2019 for the construction of 180

2846 units in Austin. The development was underwritten and

2847 approved with all 180 units at 60 percent of area median

2848 income. Construction of the development is currently in

2849 progress.

2850

2851 As of March of 2025, it was more than 80 percent

2852 complete and the owner is requesting approval to revise

2853 the set asides of 15 percent of the units to those

2854 earning up to 30 percent of AMI, which again is required

2855 for the owner to qualify for supplemental bonds that the

2856 owner is seeking.

2857

2858 Again, the Department will not be the issuer of the
2859 bonds. And the proposed amendment identifies 27 units
2860 which is exactly 15 percent at 30 percent AMI and 153
2861 units at 60 percent AMI. The development is re-
2862 underwritten with the information submitted and it
2863 remains feasible but development cost increase
2864 approximately \$32.7 million or 107.46 percent.

2865

2866 The notable increases are \$16 million in building costs,
2867 \$1 million set work, \$2.4 million in contractor fees,
2868 \$3.5 million in soft costs, \$5.4 million financing
2869 costs, and \$4 million developer fee.

2870

2871 Again, this development is now expected to be eligible
2872 for the 4 percent fixed tax credit percentage as opposed
2873 to the 3.43 percent used at application upon issuance of
2874 the supplemental bond allocation. With these changes,
2875 the analysis supports a recommended annual housing tax
2876 credit amount of \$2,994,778, which is an increase of
2877 \$1,797,797 or 150.19 percent from the original credit
2878 amount of \$1,196,981 in the determination notice.

2879

2880 Again, if the full amount of projected credits is

2881 justified at cost certification, this will exceed the 20
2882 percent threshold that requires board approval. So
2883 anyway, it would have to come back to the Board.

2884

2885 Staff recommends approval for the requested material
2886 amendment and further recommends that following review
2887 and approval of the cost certification, if the amount of
2888 tax credit determined to be necessary exceeds 120
2889 percent of the tax credit amount reflected in the
2890 determination notice, that the Board approves such
2891 requests not to exceed 260 percent of the housing tax
2892 credit amount in the determination notice as part of the
2893 amendment subject to the payment of the applicable fee
2894 at cost certification.

2895

2896 **Leo Vasquez III (1:46:50):**

2897 You know, the last one in, and this one kind of
2898 concerned me that the increase in the tax credit amount
2899 is just so much, but albeit it's a 4 percent, so it kind
2900 of doesn't matter, but it does matter. Do you, see,
2901 it's just because it took so long for them to get it
2902 done.

2903

2904

2905 **Rosalio Banuelos (1:47:16):**

2906 A lot of it is that. I cannot tell you what the delays
2907 were caused by or everything for it, but a lot of it is
2908 increased financing cost and then higher construction
2909 costs and the like. So yes, it's just because it's
2910 taken a long time.

2911

2912 **Leo Vasquez III (1:47:34):**

2913 Yeah. And then our tax credits are increasing, but so
2914 are, they obviously had to put in a bunch more
2915 financing.

2916

2917 **Rosalio Banuelos (1:47:40):**

2918 There is more debt and there is more equity as a result
2919 of the credits, of course. So yes, they, the owner had
2920 to come up with additional financing.

2921

2922 **Bobby Wilkinson (1:47:49):**

2923 And they'll have to prove all this up in the cost cert
2924 process.

2925

2926 **Rosalio Banuelos (1:47:51):**

2927 Correct. But we're still not at cost cert, so not, cost
2928 certification, they'll have to true up all of these

2929 numbers.

2930

2931 **Leo Vasquez III (1:47:58):**

2932 Okay. Any questions for Mr. Banuelos on item 17?

2933

2934 **Kenny Marchant (1:48:01):**

2935 The developer was the same on 17 and 18?

2936

2937 **Rosalio Banuelos (1:48:05):**

2938 Yes.

2939

2940 **Kenny Marchant (1:48:06):**

2941 Separate locations with the same developer?

2942

2943 **Rosalio Banuelos (1:48:09):**

2944 Yes. And item, the 17, 18 and 16 are all the same

2945 developer.

2946

2947 **Holland Harper (1:48:17):**

2948 Let me guess, the developer and the contractor too?

2949

2950 **Rosalio Banuelos (1:48:19):**

2951 I'm sorry.

2952

2953 **Holland Harper (1:48:21):**
2954 The developer and the contractor also?
2955
2956 **Rosalio Banuelos (1:48:23):**
2957 I believe the contractor is related.
2958
2959 **Kenny Marchant (1:48:28):**
2960 Interesting trend.
2961
2962 **Bobby Wilkinson (1:48:29):**
2963 They're here.
2964
2965 **Holland Harper (1:48:34):**
2966 So is it, are you here? Is the, is the developer here?
2967 Oh, great. Good.
2968
2969 **Leo Vasquez III (1:48:43):**
2970 Please introduce. Sign in. Introduce yourself.
2971
2972 **Melissa Fisher (1:48:47):**
2973 Hi. Melissa Fisher with Rise.
2974
2975 **Holland Harper (1:48:52):**
2976 Ms. Fisher, the last time we had this conversation on

2977 your website it says, we're always on time and on
2978 budget.

2979

2980 **Melissa Fisher (1:48:57):**

2981 That is ideal. Yes, that is our objective, to be on
2982 time and on budget.

2983

2984 **Holland Harper (1:49:01):**

2985 These projects started in '19; is that correct?

2986

2987 **Melissa Fisher (1:49:03):**

2988 Yeah. I would love to go through the timeline with you
2989 for Lakeway if you'd like to. Just an overview.

2990 Lakeway is unique because we are dealing with five
2991 different groups.

2992

2993 We've got Lakeway, the City of Lakeway, we have Austin,
2994 which is also involved. We have Travis County and we
2995 have WCID, which is the utility the Water Board and then
2996 the Fire Marshal. And so between all five of these
2997 constituents, it's been an interesting journey.

2998

2999 We closed in 2019, and then in 2022, the Fire Marshal
3000 issued the site permits, and it took that long to get

3001 everyone on the same page. So then between 2022, 2024,
3002 they changed code, and they required that we redesign
3003 the development to meet the new code. That took, that
3004 took almost two years to get all of the engineering and
3005 architecture to and a lot of that was bringing the
3006 sprinklers and full insulation.

3007

3008 And it was, it was a dramatic change, which was fine.
3009 We did it. We absorbed that cost. And then In June of
3010 2024, we received our final permits and we were allowed
3011 to go to vertical. So 2024 from 2019. And since then,
3012 we've been going full speed, and we'll be finished by
3013 October.

3014

3015 **Holland Harper (1:50:44):**

3016 Okay. I mean...

3017

3018 **Melissa Fisher (1:50:47):**

3019 It, it's a good story. I mean, it's not, so but that's
3020 what we've dealt with in Lakeway.

3021

3022 **Holland Harper (1:50:55):**

3023 All right. We'll see your cost analysis. How about
3024 that?

3025

3026 **Melissa Fisher (1:50:57):**

3027 Yes, absolutely. And all of this is again...

3028

3029 **Holland Harper (1:51:00):**

3030 Please be thorough, how about that?

3031

3032 **Melissa Fisher (1:51:01):**

3033 I'm sorry?

3034

3035 **Holland Harper (1:51:02):**

3036 Please be thorough in your cost analysis.

3037

3038 **Melissa Fisher (1:51:03):**

3039 Oh, absolutely. Novogradac is working on it already.

3040

3041 **Leo Vasquez III (1:51:07):**

3042 Okay. So there's light at the end of the tunnel.

3043

3044 **Melissa Fisher (1:51:09):**

3045 There is.

3046

3047 **Leo Vasquez III (1:51:11):**

3048 Any other board members have questions for Ms. Fisher?

3049

3050 **Kenny Marchant (1:51:18):**

3051 I just have a general question, not of her, but of
3052 staff. Is this, do we have many more like this that are
3053 in the pipeline, or is this like the end of a long
3054 story?

3055

3056 **Rosalio Banuelos (1:51:33):**

3057 I'm aware of one other development that we're working on
3058 that has similar situation, so that would be coming in,
3059 hopefully the coming months.

3060

3061 **Kenny Marchant (1:51:42):**

3062 Okay. And, okay. Thank you.

3063

3064 **Leo Vasquez III (1:51:50):**

3065 Okay. So we're still on 17, right? Okay. Does anyone
3066 want to make a motion on 17?

3067

3068 **Anna Maria Farias (1:51:57):**

3069 Mr. Chairman, I move the Board approve the requested
3070 material amendments for Lakeway Apartments Home, all as
3071 described, expressly conditioned, and authorized in the
3072 Board action request, resolution, and associated

3073 documents on this item.

3074

3075 **Leo Vasquez III (1:52:14):**

3076 Motion made by Ms. Farias. Is there a second?

3077

3078 **Ajay Thomas (1:52:17):**

3079 Second.

3080

3081 **Leo Vasquez III (1:52:19):**

3082 Seconded by Mr. Thomas. All those in favor say aye.

3083

3084 **All (1:52:22):**

3085 Aye.

3086

3087 **Leo Vasquez III (1:52:25):**

3088 Any opposed?

3089

3090 **Holland Harper (1:52:27):**

3091 Nay.

3092

3093 **Leo Vasquez III (1:52:29):**

3094 Okay. Is that one nay?

3095

3096

3097 **Kenny Marchant (1:52:32):**

3098 Two nays. Sorry, I didn't speak loud enough. Nay.

3099

3100 **Leo Vasquez III (1:52:35):**

3101 Okay. How did Ms. Conroy vote?

3102

3103 **Cindy Conroy (1:52:38):**

3104 I said aye.

3105

3106 **Leo Vasquez III (1:52:39):**

3107 Okay. All right. So four to two. The ayes have it.

3108 That's noting that Mr. Harper and Mr. Marchant voted

3109 against, but motion carries. Okay. Similarly, moving

3110 on to 18: Presentation, discussion, and possible action

3111 regarding a material amendment to the Housing Tax Credit

3112 Application and Land Use Restriction Agreement for Lake

3113 View Pointe Senior Living. Mr. Banuelos.

3114

3115 **Rosalio Banuelos (1:53:07):**

3116 This development was approved for a 4 percent housing

3117 tax credit award in 2017 for the new construction of 272

3118 units of elderly housing in Rowlett, Dallas County. The

3119 development was originally underwritten and approved

3120 based on all 272 units restricted at 60 percent AMI.

3121

3122 Construction of the development was completed in late
3123 2024 and the owner has now requested approval for a
3124 material amendment to the application and the Land Use
3125 Restriction Agreement to revise the set-asides of 15
3126 percent of the units to those earning up to 30 percent
3127 AMI.

3128

3129 The owner is in the process of obtaining an additional
3130 bond allocation for this development which is requiring
3131 15 percent of the units be targeted to those earning up
3132 to 30 percent of area median income. The proposed
3133 amendment identifies 41 units or 15.07 percent at 30
3134 percent AMI and 231 units at 60 percent AMI.

3135

3136 The development was re-underwritten based on the
3137 proposed set-asides and the revised financial
3138 information submitted, and the analysis indicates that
3139 the development is feasible, but total development cost
3140 increased approximately \$22.8 million or 56.83 percent,
3141 building costs increased approximately \$14.4 million,
3142 financing costs increased \$7.5 million, and developer
3143 fee increased approximately \$2.4 million.

3144

3145 In addition, the development will be eligible or is
3146 expected to be eligible for the 4 percent fixed tax
3147 credit percentage upon issuance of the supplemental bond
3148 allocation. With these changes, the current analysis
3149 supports a recommended annual housing tax credit amount
3150 of \$2,878,163, which is an increase of \$1,393,913 or
3151 93.91 percent from the original credit amount of
3152 \$1,484,250 reflected in the determination notice.

3153

3154 If the full amount of projected credits is justified at
3155 cost certification, the credit amount will exceed the 20
3156 percent threshold requiring board approval under the
3157 rules. So Staff recommends approval of the requested
3158 material amendment and further recommends that following
3159 Staff review and approval of the cost certification, if
3160 the amount of tax credits determined to be necessary
3161 exceeds 120 percent of the amount of credit reflected in
3162 the determination notice, that the Board approve such
3163 request not to exceed 200 percent of the housing tax
3164 credit amount in the determination notice as part of
3165 this amendment, subject to the payment of the applicable
3166 fee under the rules.

3167

3168

3169 **Leo Vasquez III (1:55:21):**

3170 I mean, this one, there's more 30 percent units than
3171 originally proposed.

3172

3173 **Rosalio Banuelos (1:55:26):**

3174 Yes. Previously there were no 30 percent units so
3175 they're adding 15 percent of the units approximately at
3176 30 percent.

3177

3178 **Leo Vasquez III (1:55:34):**

3179 Okay. Now I think the rest are 60 percent?

3180

3181 **Rosalio Banuelos (1:55:36):**

3182 Yes.

3183

3184 **Leo Vasquez III (1:55:37):**

3185 Okay. So it's, it is truly unaffordable.

3186

3187 **Rosalio Banuelos (1:55:40):**

3188 Yes.

3189

3190 **Leo Vasquez III (1:55:41):**

3191 Do any board members have questions on this item?

3192 Hearing none, I'll entertain a motion on item 18 of the

3193 agenda.

3194

3195 **Ajay Thomas (1:55:56):**

3196 Mr. Chairman, I move the Board approve the requested

3197 material amendments for Lakeview Pointe Senior Living,

3198 all as described, expressly conditioned, and authorized

3199 in the Board action requests, resolutions, and

3200 associated documents on this item.

3201

3202 **Anna Maria Farias (1:56:06):**

3203 Second.

3204

3205 **Leo Vasquez III (1:56:07):**

3206 Motion made by Mr. Thomas, seconded by Ms. Farias. All

3207 those in favor say aye.

3208

3209 **All (1:56:12):**

3210 Aye.

3211

3212 **Leo Vasquez III (1:56:14):**

3213 Any opposed?

3214

3215 **Holland Harper (1:56:15):**

3216 Nay.

3217

3218 **Kenny Marchant (1:56:17):**

3219 I'm aye.

3220

3221 **Leo Vasquez III (1:56:18):**

3222 You're aye? Okay. All right. So let the record

3223 reflect, Mr. Harper voted no. Motion carries. Thank

3224 you, Rosalio. Okay. Shifting gears a bit. Item 19 on

3225 the agenda: Presentation, discussion and possible action

3226 on the draft 2025-2029 State of Texas Consolidated Plan.

3227 You are not Ms. Yevich.

3228

3229 **Jeremy Stremmler (1:56:44):**

3230 I'm not. Hello, Chairman, members. My name is Jeremy

3231 Stremmler. I'm the manager of the Housing Resource

3232 Center. Item 19 is presentation, discussion, and

3233 possible action on the draft 2025-2029 State of Texas

3234 Consolidated Plan. The Consolidated Plan is a document

3235 that will govern the funds received by the State of

3236 Texas from HUD for five programs: The Community

3237 Development Block Grant Program administered by the

3238 Texas Department of Agriculture; the Housing

3239 Opportunities for Persons with AIDS Program,

3240 administered by the Texas Department of State Health

3241 Services; the Home Investment Partnerships Program,
3242 Emergency Solutions Grants Program and National Housing
3243 Trust Fund administered by TDHCA.

3244

3245 Creation of a consolidated plan occurs once every five
3246 years. It consists of four major chapters: The Needs
3247 Assessment Chapter, the Market Analysis Chapter, the
3248 Strategic Plan Chapter, and the One Year Action Plan
3249 Chapter.

3250

3251 The following chapters build on each other. The Needs
3252 Assessment and Market Analysis chapters define the
3253 relative housing and community development needs and
3254 resources in the State of Texas. These data driven
3255 chapters inform the Strategic Plan, which shows how each
3256 program will address its priority needs over five years.
3257 The One Year Action Plan sets yearly targets and metrics
3258 on the goals outlined in the Strategic Plan.

3259

3260 Public input has been gathered since November of 2024 on
3261 the creation of the draft plan through interagency
3262 meetings, listservs, and roundtables with stakeholders.
3263 An official 30-day public comment period on the Draft
3264 Plan will be open from Monday, May 19, 2025, through

3265 Tuesday, June 17, 2025, with four public hearings being
3266 held in San Antonio on May 22nd, virtually via webinar
3267 on May 29th, in Austin on June 3rd, and in Dallas on
3268 June 10th.

3269

3270 Times and locations of these hearings can be found in
3271 the Board materials, in both the BAR and the CON Plan
3272 document in the Board Book and will be announced via
3273 Listserv and the *Texas Register*. The following sections
3274 of the 2025-2029 State of Texas Consolidated Plan have
3275 been removed in accordance with the US Department of
3276 Housing and Urban Development, April 2, 2025,
3277 affirmatively furthering Fair Housing Interim Final Rule
3278 repealing 24 CFR Section 91.305B2.

3279

3280 Those chapters, those sections are NA 15, NA 20, NA 25,
3281 and NA 30. Please note, the draft 2025-2029
3282 Consolidated Plan in the form presented today is being
3283 released for public comment prior to HUD's release of
3284 actual annual allocation amounts. Therefore, the draft
3285 plan reflects estimated allocation amounts.

3286

3287 The continuing resolution passed by Congress on March
3288 15, 2025, appropriated fiscal year '25 funding to HUD is

3289 expected to release the final allocation amounts within
3290 60 to 90 days of that time, which would be around June
3291 15, 2025. Once HUD releases official annual allocation
3292 amounts and prior to submission to HUD, proposed program
3293 activities' budgets will be increased or decreased from
3294 the estimated funding levels to match the actual
3295 allocation amounts, and proposed program goals will be
3296 adjusted proportionally or as otherwise described in the
3297 respective One Year Action Plan.

3298

3299 Once public comment and allocation amounts are
3300 incorporated, the final document will be presented to
3301 the Board. The final plan is due to HUD by July 18,
3302 2025, which is 45 days before the start of our program
3303 year.

3304

3305 Pending it, this will happen pending any delays in
3306 receiving allocation amounts from HUD. With that, I
3307 recommend approval of the draft 2025-2029 State of Texas
3308 Consolidated Plan and I'm available for any questions
3309 you might have.

3310

3311 **Leo Vasquez III (1:59:56):**

3312 Okay. So everything is still hinging upon what the

3313 ultimate funding is going to be.

3314

3315 **Jeremy Stremmler (2:00:02):**

3316 Right. And like I said, the continuing resolution
3317 passed in March provided funds for fiscal year 2025 for
3318 HUD. So we do not expect them to be drastically
3319 different from the previous year since it was continuing
3320 resolution but the next budget that Congress passes will
3321 be for funds that we will then administer the following
3322 year.

3323

3324 Our HUD program year and our state fiscal year are not
3325 exactly the same. So we're going into our state fiscal
3326 year 2026 but this will be our HUD program year fiscal
3327 year 2025. So just the way that it worked out how our
3328 program year was previously, we changed it to be more in
3329 line with the state fiscal year, which causes that
3330 difference in year. So we won't have, the new money
3331 that Congress passes in their new budget will be for
3332 next year in the One Year Action Plan.

3333

3334 **Leo Vasquez III (2:01:02):**

3335 So this, even though we do it every five years, it, for
3336 the out years, it's still totally up in the air when we

3337 find out what actually gets funded.

3338

3339 **Jeremy Stremmler (2:01:14):**

3340 Correct. Correct. The real purpose of the five-year

3341 plan is to, those first two chapters I mentioned, the

3342 needs assessment and market analysis. It's our

3343 opportunity to take a look at data about housing needs

3344 across the state and then take that information and

3345 determine if the program activities we're putting forth

3346 around the state are still what's needed, or if we need

3347 to adjust or adjust funding levels allocated to those

3348 programs over the course of that five-year period.

3349

3350 **Leo Vasquez III (2:01:44):**

3351 Okay. Do any other board members have questions on the

3352 CON PLAN? Is this a report? No, this is an approval.

3353

3354 **Jeremy Stremmler (2:01:55):**

3355 No.

3356

3357 **Leo Vasquez III (2:01:56):**

3358 Okay. So I'll entertain a motion on item 19 of the

3359 agenda.

3360

3361

3362 **Cindy Conroy (2:02:03):**

3363 I move the Board approve the draft 2025-2029 State of
3364 Texas consolidated plan for release for public comment,
3365 as, all as authorized, conditioned, and described in the
3366 Board action request, resolutions, and associated
3367 documents on this item.

3368

3369 **Holland Harper (2:02:20):**

3370 Second.

3371

3372 **Leo Vasquez III (2:02:22):**

3373 Motion made by Ms. Conroy, seconded by Mr. Harper. All
3374 those in favor say aye.

3375

3376 **All (2:02:23):**

3377 Aye.

3378

3379 **Leo Vasquez III (2:02:25):**

3380 Any opposed? Hearing none, motion carries.

3381

3382 **Jeremy Stremmler (2:02:26):**

3383 Thank you.

3384

3385

3386 **Leo Vasquez III (2:02:27):**

3387 Thank you, sir. Item 20 of the agenda: Presentation,
3388 discussion, and possible action on the proposed
3389 amendments to 10 TAC Chapter 10, Subchapter E post award
3390 and asset management requirements, section 10.406,
3391 ownership transfers, and directing their publication for
3392 public comment in the *Texas Register*. Mr. Banuelos,
3393

3394 **Rosalio Banuelos (2:02:50):**

3395 Rosalio Banuelos, Director of Asset Management. So as
3396 some of you may recall, at the prior board meeting,
3397 there was an item approved related to the adoption of
3398 amendments to sections of 10 TAC, Chapter 10, Subchapter
3399 E, post award and asset management requirements, or the
3400 asset management rules.

3401

3402 However, in the discussion for that item, Staff was
3403 asked to make additional changes, and the purpose of the
3404 item today is to address the requested change. Section
3405 10.406 related to ownership transfers is being amended
3406 to remove language to clarify that letters from the
3407 mayor or county judge will not be acceptable
3408 documentation of local support for ownership transfers

3409 that involve the addition of a public facility
3410 corporation, housing finance corporation, or a public
3411 housing authority prior to the issuance of 8609s that
3412 will result in a 100 percent property tax exemption that
3413 was not previously reflected in the application.

3414

3415 These changes will result in requiring a resolution of
3416 support from the municipality or if the development is
3417 not within a municipality or its ETJ, a resolution of
3418 support from the commissioner's court.

3419

3420 Upon board approval, the proposed amendments to the
3421 rules will be posted to the Department's website and
3422 published in the *Texas Register*. Public comment will be
3423 accepted from May 23, 2025 through June 23, 2025. The
3424 proposed amendments to the asset management rules after
3425 consideration of public comment are anticipated to be
3426 brought before the Board in July 2025 for final approval
3427 and subsequently published in the *Texas Register* for
3428 adoption. That concludes my comments and I'm available
3429 for questions.

3430

3431 **Leo Vasquez III (2:04:19):**

3432 Okay. So this one we've seen, we've seen before.

3433

3434 **Rosalio Banuelos (2:04:25):**

3435 Was here last month. We had a discussion. We couldn't
3436 make these changes because it was too late in the
3437 process. That other version was going to be posted for
3438 adoption. So we're coming back and making the changes
3439 that were requested at the April board meeting. And I
3440 think this was for Mr. Marchant that, asking to add
3441 in...

3442

3443 **Kenny Marchant (2:04:45):**

3444 I appreciate it.

3445

3446 **Leo Vasquez III (2:04:46):**

3447 So it's the council or the commissioner's court as a
3448 whole needs to approve. It can't just be a rogue city
3449 manager or something like that.

3450

3451 **Rosalio Banuelos (2:04:57):**

3452 Correct.

3453

3454 **Leo Vasquez III (2:04:58):**

3455 Mr. Marchant, you happy with that?

3456

3457

3458 **Kenny Marchant (2:05:00):**

3459 I am about to make a motion.

3460

3461 **Leo Vasquez III (2:05:03):**

3462 Okay. Any other comments or questions? If not, we'll
3463 recognize Mr. Marchant for a motion.

3464

3465 **Kenny Marchant (2:05:10):**

3466 I move the Board approve the proposed amendment to 10
3467 TAC Section 10.406 of TDHCA's rules regarding ownership
3468 transfers for publication in the *Texas Register* for
3469 public comment, all as described, conditioned, and
3470 authorized in the Board action request, resolution, and
3471 associated documents on this item.

3472

3473 **Holland Harper (2:05:36):**

3474 Second.

3475

3476 **Cindy Conroy (2:05:37):**

3477 I second. I second.

3478

3479 **Kenny Marchant (2:05:38):**

3480 And thank you to the Staff for...

3481

3482 **Leo Vasquez III (2:05:42):**

3483 Motion made by Mr. Marchant, seconded by Ms. Conroy.

3484 All those in favor say aye.

3485

3486 **All (2:05:44):**

3487 Aye.

3488

3489 **Leo Vasquez III (2:05:45):**

3490 Any opposed? Hearing none, motion carries. Item 21 of

3491 the agenda: Presentation, discussion, and possible

3492 action on a request for return and reallocation of tax

3493 credits under 10 TAC section 11.65, related to credit

3494 returns resulting from force majeure events for New Hope

3495 Housing Wheatley. I thought we weren't doing force

3496 majeures anymore.

3497

3498 **Cody Campbell (2:06:11):**

3499 We're doing a whole lot less of them. So there is some

3500 positive trajectory there. This one is a little bit

3501 unusual. As Mr. Vasquez just said, this is a force

3502 majeure request for New Hope Housing Wheatley. This is

3503 a 2024 tax credit award, which means its current

3504 deadline to place in service is December 31, 2026. It's

3505 proposing 103 units in Houston. The application
3506 originally included \$8 million in grant funding from the
3507 EPA as part of the capital stack. Since the development
3508 was awarded, that funding has been frozen, which has
3509 left the development with a financial hole that they are
3510 trying to fill.

3511

3512 In their request, they cite that there's ongoing
3513 litigation concerning the CPA funding. It might be
3514 unfrozen at some point. If that doesn't happen, the
3515 City of Houston should be releasing some soft funds
3516 later this year that they might be able to apply for.
3517 What's odd about this one is that I do think it's
3518 probably a little premature.

3519

3520 We got this request and I actually contacted the
3521 applicant to see if they could maybe hold off on
3522 submitting this for a couple of months until there's
3523 just a little bit more surety with what's going to
3524 happen with this \$8 million hole in the project.

3525

3526 And my impression from that phone call is that the
3527 syndicator is really pushing for this request to come to
3528 the Board as early as possible. I believe the

3529 syndicator is here so they might be able to explain the
3530 urgency on that. Staff is recommending approval,
3531 understanding of course, that there is still a large
3532 unknown in this project and that is where this \$8
3533 million is going to come from, so certainly keep that in
3534 mind when you're considering whether to approve it or
3535 not.

3536

3537 I'm happy to answer any questions that you may have,
3538 although I believe that a lot of your questions might be
3539 directed towards the applicant and the syndicator in
3540 this case.

3541

3542 **Leo Vasquez III (2:08:00):**

3543 So this, again reading it seems extremely premature to
3544 be asking for this.

3545

3546 **Cody Campbell (2:08:06):**

3547 Correct.

3548

3549 **Leo Vasquez III (2:08:09):**

3550 And well, I guess we'll let the applicant kind of
3551 explain why we're looking at this now...

3552

3553

3554 **Cody Campbell (2:08:15):**

3555 Sure.

3556

3557 **Leo Vasquez III (2:08:17):**

3558 And not going to be looking at it yet another time...

3559

3560 **Cody Campbell (2:08:21):**

3561 Sure.

3562

3563 **Leo Vasquez III (2:08:22):**

3564 Later on.

3565

3566 **Cody Campbell (2:08:24):**

3567 Sure.

3568

3569 **Leo Vasquez III (2:08:26):**

3570 Anyhow. Ms. Horak-Brown, please sign in and introduce

3571 yourself.

3572

3573 **Joy Horak-Brown (2:08:31):**

3574 Well, thank you so very much for hearing my plea today.

3575 I'm Joy Horak-Brown. I'm the President and CEO of New

3576 Hope Housing in Houston, Texas. We, by the first

3577 quarter of next year, will have 15 operating properties,
3578 14 of them you have assisted us with. So thank you in
3579 advance.

3580

3581 And more than 50 percent of the 2,000 apartment homes
3582 we're on the cusp of having to offer to the community
3583 are offered to the formerly unhoused. The development
3584 we're speaking to you about today is New Hope Housing
3585 Wheatley, which is in Acres Homes in Houston, Texas, a
3586 rapidly gentrifying neighborhood that heretofore has
3587 wanted nothing to do with apartment homes until they
3588 were really are being overrun with \$300,000-plus
3589 townhouses.

3590

3591 So not only does the neighborhood want us to build this
3592 building, they want us to build some more. This
3593 particular development is 103 apartment homes and 20
3594 percent of the apartment homes are set aside for women
3595 fleeing domestic violence. In Harris County, 70 percent
3596 of the law enforcement calls are for domestic violence.
3597 So we're leaning in in Wheatley to this particular
3598 problem in the city.

3599

3600 The reason we're here today, and what you may feel is a

3601 bit premature and asking, hoping that you will not table
3602 us, is that we're looking for some insurance, some
3603 assurance to our investor, who actually National Equity
3604 Fund. Jason Aldridge is here to speak to you today. We
3605 have worked with National Equity Fund since 2008 and we
3606 are seeking to hold our price and hold on to our
3607 investors while one of two things happens, either these
3608 funds unfreeze, which is possible, or while we seek
3609 other funding from the City of Houston, other
3610 governmental entities, and from private philanthropy.

3611

3612 We have a track record of making our developments
3613 happen. If this were not to happen, it would be the
3614 only time New Hope Housing has had anything fall through
3615 the crack, assurance as we go to new governmental
3616 investors and private philanthropy that we have enough
3617 time to deliver. Having that assurance now would be
3618 very helpful to us. And that's why I'm here today.
3619 Also with me is our attorney, Scott Marks, with Duane
3620 Morris. We've worked with Scott since 2008. And Ron
3621 Lastimososa, Vice President of Real Estate Development,
3622 and Mike Nichols may have walked back into the room.

3623

3624

3625 **Leo Vasquez III (2:11:24):**

3626 Yeah. Snuck in.

3627

3628 **Joy Horak-Brown (2:11:26):**

3629 Mike, we just, yesterday or the day before, passed City
3630 Council. The City has loaned us more than \$2 million at
3631 0 percent interest. And we have bought this land. Now
3632 we have a year with the City and after a year, if this
3633 isn't, if this isn't put together, then we're going to
3634 have to pay the City their \$2 million back.

3635

3636 We have also expended from New Hope's coffers \$1.1
3637 million in addition to the land because we were six
3638 weeks from groundbreaking when this happened. Six
3639 weeks. We have permitted drawings. We're ready to go.
3640 What we need you to do today, please, is to give us a
3641 thumbs up so that all of these timelines line up and we
3642 can deliver on our promises to the neighborhood and to
3643 you.

3644

3645 **Leo Vasquez III (2:12:23):**

3646 Okay. Thank you. Any board members have questions for
3647 Ms. Horak-Brown? I assume that Jason's going to be
3648 explaining why we're doing this now and not later.

3649

3650

3651 **Joy Horak-Brown (2:12:36):**

3652 Yes.

3653

3654 **Anna Maria Farias (2:12:38):**

3655 I have a comment.

3656

3657 **Joy Horak-Brown (2:12:39):**

3658 Yes.

3659

3660 **Anna Maria Farias (2:12:40):**

3661 You and I have spoken before.

3662

3663 **Joy Horak-Brown (2:12:41):**

3664 Yes.

3665

3666 **Anna Maria Farias (2:12:42):**

3667 As far as I'm concerned, any shelter for women's

3668 shelter, and when I was running a housing authority,

3669 they asked me to be in the Board of Directors of the

3670 women's shelter, obviously for one reason and one reason

3671 only.

3672

3673 **Joy Horak-Brown (2:12:53):**

3674 Yes.

3675

3676 **Anna Maria Farias (2:12:56):**

3677 I had housing and some of them were running away from

3678 the most horrendous things...

3679

3680 **Joy Horak-Brown (2:13:00):**

3681 Yes.

3682

3683 **Anna Maria Farias (2:13:02):**

3684 Especially with their children, who oftentimes, are the

3685 subject of sexual abuse.

3686

3687 **Joy Horak-Brown (2:13:08):**

3688 Yes.

3689

3690 **Anna Maria Farias (2:13:09):**

3691 So I, for one, want to commend you for everything.

3692

3693 **Joy Horak-Brown (2:13:11):**

3694 Thank you.

3695

3696

3697 **Anna Maria Farias (2:13:15):**

3698 And the other thing, that this is probably not the right
3699 time, but I just read that an American has been selected
3700 as the next Pope.

3701

3702 **Leo Vasquez III (2:13:24):**

3703 And what was his name?

3704

3705 **Anna Maria Farias (2:13:25):**

3706 They haven't announced it yet.

3707

3708 **Leo Vasquez III (2:13:27):**

3709 Yes, they have.

3710

3711 **Anna Maria Farias (2:13:28):**

3712 Come on, give it to them.

3713

3714 **Leo Vasquez III (2:13:29):**

3715 The new Pope is Leo XIV. All right.

3716

3717 **Joy Horak-Brown (2:13:36):**

3718 I don't know about that.

3719

3720

3721 **Anna Maria Farias (2:13:37):**

3722 So you know you have been blessed

3723

3724 **Leo Vasquez III (2:13:39):**

3725 So we're in good shape

3726

3727 **Joy Horak-Brown (2:13:40):**

3728 I hardly know what to say. I know I have...

3729

3730 (Overlapping conversation.)

3731

3732 **Unidentified Speaker (2:13:44):**

3733 Robert Prevost.

3734

3735 **Leo Vasquez III (2:13:45):**

3736 From Chicago? So what, is he an American?

3737

3738 **Anna Maria Farias (2:13:48):**

3739 Yes.

3740

3741 **Unidentified Speaker (2:13:49):**

3742 American Pope, for the first time.

3743

3744

3745 **Anna Maria Farias (2:13:51):**

3746 American Pope, the first one ever.

3747

3748 **Leo Vasquez III (2:13:53):**

3749 Wow. Good name. There's New Hope for women.

3750

3751 **Anna Maria Farias (2:13:55):**

3752 New Hope. New Hope, American Pope, woman's shelter.

3753 You can't go wrong. Okay?

3754

3755 **Leo Vasquez III (2:14:02):**

3756 And tagging on to what Ms. Farias was saying. I mean,

3757 it's great, the...

3758

3759 **Anna Maria Farias (2:14:04):**

3760 Yes, absolutely.

3761

3762 **Leo Vasquez III (2:14:07):**

3763 Relationship and kind of not really official joint

3764 venture, but you have with the Houston Area Women's

3765 Center, fantastic.

3766

3767 **Joy Horak-Brown (2:14:13):**

3768 It is wonderful. And by the way, I don't know any of

3769 you in Houston have seen their new building. We acted
3770 as their developer, which is a emergency shelter and
3771 it's also transitional housing. And so these units at
3772 Wheatley are part of that feeder system, part of a
3773 larger picture in the city of Houston.

3774

3775 **Anna Maria Farias (2:14:38):**

3776 Absolutely.

3777

3778 **Leo Vasquez III (2:14:39):**

3779 Okay.

3780

3781 **Kenny Marchant (2:14:41):**

3782 Mr. Chairman, if I could just get an explanation of
3783 exactly what we're doing. Yeah.

3784

3785 **Leo Vasquez III (2:14:48):**

3786 That's...

3787

3788 **Kenny Marchant (2:14:49):**

3789 I'm for it, but I just want to know what I'm for.

3790

3791 **Leo Vasquez III (2:14:52):**

3792 I see. Yeah. Well and I'm still trying to understand

3793 why we're doing this now versus another time. But let's
3794 please, Jason, introduce yourself.

3795

3796 **Jason Aldridge (2:15:01):**

3797 Good morning. Jason Aldridge with National Equity Fund.
3798 We're a large national syndicator and very active in
3799 Texas. As Joy's mentioned, we've done 14 deals with New
3800 Hope. They've been great partners with us. We're very
3801 excited about this Wheatley project and we have been
3802 very fortunate to secure a CRA repeat investor to
3803 purchase the tax credits in this deal.

3804

3805 This is an investor that is one, worked with us in New
3806 Hope before and is very mission driven, and they're also
3807 going to be the lender in this project. Right now it's
3808 a difficult time to secure good quality tax credit
3809 pricing for large projects for these banks and just the
3810 uncertainty in general.

3811

3812 So what we're asking for today is this place in service
3813 extension which allows New Hope to go find alternative
3814 sources to either plug this gap or these funds to be
3815 unfrozen, and keeps our investor committed and keeps
3816 their funds earmarked for this project along with our

3817 tax credit pricing. And it's going to be critical for
3818 New Hope and their team, as they're going to find soft
3819 funds to say, hey, we've got our equity and debt in
3820 place. We're just looking to fill this gap right here
3821 to make the project viable.

3822

3823 **Holland Harper (2:16:18):**

3824 So do you have an offer, I mean, would that, if we
3825 extend your time frame, will they lock their credits to
3826 you? Will they commit those credits to you?

3827

3828 **Jason Aldridge (2:16:25):**

3829 Yeah, they're committed. We've been in constant contact
3830 with them on the updated timeline what the alternative
3831 sources of funding may be. We've worked with those
3832 alternative sources before, so they're very supportive,
3833 but it's very critical that we've got a timeline that
3834 makes sense for what we're trying to do now.

3835

3836 **Holland Harper (2:16:40):**

3837 And have you all negotiated it right at this point?

3838

3839 **Jason Aldridge (2:16:42):**

3840 We have, yes.

3841

3842 **Holland Harper (2:16:43):**

3843 And so they're going to give you you get extended. You
3844 get a term sheet that they'll honor; is that, is that
3845 correct?

3846

3847 **Jason Aldridge (2:16:47):**

3848 Correct. That's correct. Yeah. And we've confirmed
3849 that with them.

3850

3851 **Leo Vasquez III (2:16:54):**

3852 And this approval will give everyone the comfort to...
3853

3854 **Jason Aldridge (2:16:57):**

3855 It allows us to hold their commitment, without them
3856 wanting to seek another project that's on a timeline
3857 that they know is viable.

3858

3859 **Leo Vasquez III (2:17:08):**

3860 Okay. Any other questions on this? I guess we're ready
3861 for a motion.

3862

3863 **Anna Maria Farias (2:17:15):**

3864 Mr. Chairman.

3865

3866 **Leo Vasquez III (2:17:16):**

3867 Yes, Ms. Farias.

3868

3869 **Anna Maria Farias (2:17:17):**

3870 I move the Board approve the requested treatment under

3871 an application of the force majeure rule to New Hope

3872 Housing Wheatley, all as described, conditioned, and

3873 authorized in the Board action request, resolution, and

3874 associated documents on this item.

3875

3876 **Leo Vasquez III (2:17:36):**

3877 Thank you. Motion made by Ms. Farias.

3878

3879 **Cindy Conroy (2:17:39):**

3880 I'll second.

3881

3882 **Leo Vasquez III (2:17:40):**

3883 Seconded by Ms. Conroy. All those in favor say aye.

3884

3885 **All (2:17:42):**

3886 Aye.

3887

3888

3889 **Leo Vasquez III (2:17:44):**

3890 Any opposed? Hearing none, motion carries.

3891

3892 **Joy Horak-Brown (2:17:46):**

3893 Thank you.

3894

3895 **Leo Vasquez III (2:17:48):**

3896 I only voted positive because Ron was here. Okay. Item

3897 22, we're almost done. Presentation, discussion and

3898 possible action on a request for return and reallocation

3899 of tax credits under 10 TAC section 11.65 related to

3900 credit returns resulting from force majeure events for

3901 Town East Trails.

3902

3903 **Cody Campbell (2:18:13):**

3904 Thank you, Mr. Vasquez. This one is about as normal as

3905 a request like this gets. The development in question

3906 is a 2023 award that proposes 76 units in Mesquite. In

3907 2024 the Board approved a force majeure request but only

3908 gave them an additional six months. It wasn't the

3909 entire full year that they would have been eligible for

3910 federally. Shortly after that extension, the lender

3911 discovered a residential restriction from TCEQ, the

3912 Texas Commission on Environmental Quality, due to the

3913 former location of a dry cleaner that was nearby to the
3914 site. The owner conducted extensive soil and
3915 groundwater testing, which was satisfactory to TCEQ to
3916 remove that residential restriction. But this process
3917 took about six months.

3918

3919 The site is now permit-ready and is able to close in
3920 June or early July and commence construction shortly
3921 thereafter. They've laid this all out very neatly in
3922 the timeline. And I don't normally reference the
3923 timelines in these presentations, but it's striking to
3924 me how quickly the developer moved when you look at the
3925 timeline.

3926

3927 So September 5th, they got their last force majeure
3928 approval. The only one that's been done for it so far.
3929 September 11th, they discovered the residential issue.
3930 By September 16th, they were already doing their
3931 testing. And then the request itself came in within
3932 days of getting that cleared I don't know, short of the
3933 just not running into this issue, I don't know how they
3934 possibly could have moved faster on this.

3935

3936 Again, Staff recommends approval. This would give them

3937 an additional six months, and the developer is
3938 comfortable that they can complete within that time.
3939 And it is a normal construction timeline based on when
3940 they anticipate starting construction. So we're pretty
3941 confident on this one.

3942

3943 **Leo Vasquez III (2:20:01):**

3944 Okay. So this came in after when we gave the six
3945 months?

3946

3947 **Cody Campbell (2:20:08):**

3948 Yes, sir.

3949

3950 **Leo Vasquez III (2:20:09):**

3951 This just unexpected and...

3952

3953 **Cody Campbell (2:20:11):**

3954 Correct.

3955

3956 **Leo Vasquez III (2:20:14):**

3957 Any board members have questions on this item? So I'll
3958 entertain a motion for staff's recommendation.

3959

3960

3961 **Holland Harper (2:20:21):**

3962 I move the Board approve the requested treatment of the
3963 application of force majeure rule for the Town East
3964 Trails with a 10 percent test deadline of December 31st
3965 of 2025 and a place in service deadline of December 31,
3966 2026, all as described, conditioned, and authorized in
3967 the Board action request, resolution, and associate
3968 documents on this item.

3969

3970 **Anna Maria Farias (2:20:40):**

3971 Second.

3972

3973 **Leo Vasquez III (2:20:41):**

3974 Motion made by Mr. Harper, seconded by Ms. Farias. All
3975 those in favor say aye.

3976

3977 **All (2:20:46):**

3978 Aye.

3979

3980 **Leo Vasquez III (2:20:47):**

3981 Any opposed? Hearing none, motion carries. The final
3982 posted item on the agenda. Presentation, discussion,
3983 and possible action on a request for an extension of the
3984 previously approved deadline to place in service for

3985 Commons at St. Anthony's. Cody, why are we hearing
3986 this again?

3987

3988 **Cody Campbell (2:21:07):**

3989 Sure. So this is in your board as an extension of the
3990 previously approved deadline. Because the Board, the
3991 last time it issued a force majeure approval for this
3992 development only gave the developer six months, which is
3993 far below what would have been allowed federally. And
3994 so they're coming in and asking for an additional six
3995 months that is still within that allowable federal
3996 window.

3997

3998 And so we're just calling this an extension of the
3999 previously approved place in service deadline. This
4000 development is a 2020 award that proposes the
4001 rehabilitation of a hospital in Amarillo. The original
4002 place in service deadline was December 31, 2022, so
4003 they've missed that a bit.

4004

4005 They have received three force majeure extensions so
4006 far, due to extensive construction delays, the current
4007 deadline is June 30th of 2025, and they now need an
4008 additional six months due to additional delays relating

4009 to delayed delivery of electrical equipment, theft on
4010 the site, labor shortages, the things that you've heard
4011 the last three times that this item has been in front of
4012 you. I am, I'm sort of out of things to say about this
4013 development.

4014

4015 It's just the same that you've heard the last few times
4016 that we've been up here. But regardless, Staff is
4017 recommending approval of this item simply in the public
4018 interest. At this point, many units of government have
4019 invested money into this deal. TDHCA has tax credits in
4020 it. We have state housing tax credits in it. We made a
4021 loan of \$2 million to it. The County has made money,
4022 given money to it. I believe the city has given money
4023 to it, and it is very close to the finish line.

4024

4025 We believe that it is better for this deal to continue
4026 in place in service and actually provide the housing.
4027 If the development fails its place in service deadline,
4028 it is difficult to imagine a scenario in which the
4029 development doesn't go into foreclosure which would
4030 remove it from the program entirely. It's the best I
4031 got.

4032

4033 **Holland Harper (2:22:56):**

4034 General contractor has been replaced since the last time
4035 this items were before...

4036

4037 **Cody Campbell (2:22:58):**

4038 That is correct. Yeah. Yeah. I mean, truly the
4039 construction timeline on it has been uniquely
4040 challenging. You know, I don't think that the developer
4041 is representing anything in bad faith about what they've
4042 experienced. But this is definitely the longest that a
4043 development has gone in memory.

4044

4045 **Holland Harper (2:23:17):**

4046 Mr. Chairman, can I help in this one? I'm going to be,
4047 Mr. Hance, can you come to this podium? I had a job one
4048 time that I couldn't get out of and my arm was in the
4049 meat grinder for a long time, and that feels like you're
4050 in this position. And I had to earn my way out of it
4051 and it was awful. I couldn't chew my arm off. I just
4052 had to earn my way out.

4053

4054 I hope this gets better for you. I do appreciate your
4055 very diligent bar, Gantt chart in the back. I would, I
4056 will support this for you but I would like you to come

4057 back in about a quarter and update your Gantt chart. I
4058 don't think that's an unreasonable expectation.

4059

4060 **Kent Hance (2:24:06):**

4061 I will definitely do that. Thank you very much.

4062

4063 **Leo Vasquez III (2:24:11):**

4064 Mr. Hance, again, sign in and...

4065

4066 **Kent Hance (2:24:12):**

4067 My name is Kent Hance, and it's not like I hadn't been
4068 here before on this project. Good to see you all again.

4069 Yeah. This has been a, it's an M and M problem, mold

4070 and manpower. Amazon came into Amarillo and built a

4071 million square foot building and Buc-ees at the same

4072 time came in and built the largest service station

4073 they've got in America. And we were in trying to

4074 compete for subcontractors and we had to replace many

4075 subcontractors simply because they just left. And so we

4076 had a lot of problems. And I'm committed to this.

4077 We've, I'm on the notes, I'm paying interest of \$163,000
4078 a month.

4079

4080 So if anyone wants to get this thing finished, it's me.

4081 And we brought in new people, we had there, we had
4082 electrical gear that was not going to be delivered until
4083 December. We need some extension on that. Didn't show
4084 up till March. The biggest problem, the reason I'll
4085 never do another historic rehab again is that they have
4086 you build it in standards of today, but they need to
4087 look like yesterday.

4088

4089 And when you get a bunch of windows and they don't pass
4090 the look test, but they you have to start all over. And
4091 we just had a lot of things like that come up. That
4092 property was abandoned in 1991. And the City has been
4093 trying to find someone that would help them with this
4094 project.

4095

4096 The Economic Development Corporation of Amarillo been
4097 looking for someone dumb enough to help them with this
4098 project and I showed up. It has been a nightmare. And
4099 your hand in a meat grinder. That's a good explanation
4100 how, I'll remember that. We're going to get it
4101 finished. It's going to be a beautiful property. But
4102 the County, they, they're supporting us. They sent a
4103 letter on this, the city. This is, no one had built
4104 anything in the north downtown area of Amarillo until we

4105 started this project.

4106

4107 And we've had to do things like the masonry people, they
4108 wanted to get paid once a week and so we had to change
4109 on that. We had to pay the drywallers once every two
4110 weeks. Usually, it's monthly deal. And so we've had
4111 all kinds of things come up. And I apologize, I've done
4112 over 25 projects.

4113

4114 I've never had one like this, but this is going to be a
4115 huge loss to me but it's going to look good and it's
4116 going to be a good project. I promise you that. City
4117 of Amarillo is excited about it. And the mayor and
4118 county judge offered to come down and testify, and that
4119 we're trying to hold our costs down. And we had the
4120 support from the state representative, state senator as
4121 well.

4122

4123 **Leo Vasquez III (2:27:22):**

4124 Do you have a forecast completion date?

4125

4126 **Kent Hance (2:27:26):**

4127 Had one of the individual, I've got three people on top
4128 of it. One of them said Labor Day and one of them says

4129 September. One of them says October.

4130

4131 **Leo Vasquez III (2:27:37):**

4132 Okay. So...

4133

4134 **Kent Hance (2:27:38):**

4135 And that's the reason we asked to December...

4136

4137 **Leo Vasquez III (2:27:43):**

4138 That's what I'm saying. So December should be...

4139

4140 **Kent Hance (2:27:44):**

4141 Should be plenty. Should be plenty. And we're working
4142 it hard and paying some overtime and doing everything
4143 possible to move it. I brought in a guy to be in charge
4144 of it named Wallace Whitworth. And he's done nothing,
4145 since he's 18 years old, but multifamily. And he had
4146 built five projects for me before. And he wasn't low
4147 bid. He didn't get this, and I wish he had gotten it.

4148

4149 **Leo Vasquez III (2:28:17):**

4150 Okay. Any other board members have questions for Mr.

4151 Hance? I think we want to just introduce, just note

4152 that there were some letters from public officials. Mr.

4153 Lyttle, just tell us who sent the letters of support
4154 without having to read the letters.

4155

4156 **Michael Lyttle (2:28:36):**

4157 Certainly. We received letters of support from State
4158 Senator Kevin Sparks, State Representative Caroline
4159 Fairly, State Representative John Smithee, from the
4160 Mayor of Amarillo, whose name I can't read...

4161

4162 **Kent Hance (2:28:52):**

4163 Cole Stanley.

4164

4165 **Michael Lyttle (2:28:54):**

4166 Cole Stanley. Thank you, sir. And then from Potter
4167 County Judge Nancy Tanner, a letter of support.

4168

4169 **Leo Vasquez III (2:29:04):**

4170 Okay. Nothing from Danny Mittnacht?

4171

4172 **Michael Lyttle (2:29:06):**

4173 Pardon?

4174

4175 **Leo Vasquez III (2:29:08):**

4176 Nothing. Okay. Mr. Marchant, would you like to make a

4177 motion?

4178

4179 **Kenny Marchant (2:29:17):**

4180 Yes, sir. I move the Board, I move the Board approve

4181 the requested extension of the previous board-imposed

4182 deadline for the Commons of St. Anthony's to place in

4183 service by December 31, 2025, which is still within the

4184 federal place in service deadline following the '24,

4185 2024, force majeure return and re-issuance of the

4186 credits for this development, all as described,

4187 conditioned, and authorized in the Board action request,

4188 resolution, and associated documents on this item.

4189

4190 **Ajay Thomas (2:29:55):**

4191 Second.

4192

4193 **Leo Vasquez III (2:29:58):**

4194 Motion made by Mr. Marchant. Seconded by Mr. Thomas.

4195 All those in favor say aye.

4196

4197 **All (2:30:05):**

4198 Aye.

4199

4200

4201 **Leo Vasquez III (2:30:07):**

4202 Any opposed? Hearing none, motion carries.

4203

4204 **Kent Hance (2:30:10):**

4205 Thank you very much.

4206

4207 **Leo Vasquez III (2:30:11):**

4208 Go forth and sin no more.

4209

4210 **Anna Maria Farias (2:30:12):**

4211 Mr. Chairman, the new Pope is Pope Leo XIV.

4212

4213 **Leo Vasquez III (2:30:16):**

4214 Yes.

4215

4216 **Anna Maria Farias (2:30:18):**

4217 But you're still just the chairman, you're not the pope.

4218

4219 **Leo Vasquez III (2:30:23):**

4220 I'm actually Leo III, so. All right. The Board has

4221 addressed the posted agenda items. Now is the time of

4222 the meeting when members of the public can raise issues

4223 with the Board on matters of relevance to the

4224 Department's business or make requests that the Board

4225 place specific items on future agendas for
4226 consideration.

4227

4228 Is there anyone would, who would like to make public
4229 comment? Come on up. Introduce yourself. Sign in
4230 please.

4231

4232 **Jake Mooney (2:30:51):**

4233 My name is Jake Mooney. I'm a developer, I have done 40
4234 developments 15 in Texas. And I'll be brief because I
4235 know this has gone long, but I'd like to, I guess, Staff
4236 and the Board to consider, two weeks ago at the
4237 roundtable for the QAP, I guess it's my understanding
4238 about 25 percent of the developments that were awarded
4239 last July did not meet the readiness to proceed
4240 criteria. And that there were only two developments
4241 that had actually closed from that funding cycle.

4242

4243 Both of those developments were my developments because
4244 I consistently do what I say I'm going to do even if I
4245 have to, markets change, interest rates change, credit,
4246 pricing change, all artificially reduce my development
4247 fee to close, and do what I say I'm going to do in these
4248 applications.

4249

4250 And I'd like the Board to consider maybe providing
4251 additional points for those people that do what they say
4252 they're going to do and don't have to come back before
4253 the Board to ask for extensions, ask for additional
4254 credits and do those things that take board's time and
4255 the state's money.

4256

4257 So I'm going to be really brief, but that's, that's my,
4258 I don't want to penalize anybody because these
4259 developments are very tricky. You run into things that
4260 you couldn't expect sometimes. So I don't want to say,
4261 hey, let's make somebody sit out, they didn't do what
4262 they said they were going to do or, or take points away
4263 from people because you're going to run into things in
4264 these developments that you could never anticipate. But
4265 I do think it'd be nice to keep the train moving keep
4266 affordable housing going, keep putting units in the
4267 ground and bringing them up, and rewarding those people
4268 that do consistently. So just a thought, and I'll sit
4269 down.

4270

4271 **Leo Vasquez III (2:32:44):**

4272 Thank you and thank you for showing it can be done. I

4273 don't know if that's a QAP item there.

4274

4275 **Beau Eccles (2:32:53):**

4276 It will be.

4277

4278 **Leo Vasquez III (2:32:55):**

4279 Yeah. Okay. Any other comments, questions? Very good.

4280 The next meeting scheduled of the governing board is at

4281 10:00 a.m. on Thursday, June 12th, right here in the

4282 same building. And there will be a Audit and Finance

4283 Committee meeting before that at 9:30. You all are

4284 welcome to come and attend. So with that, hearing no

4285 other information or no other business, we are

4286 adjourning at 12:38.

4287

4288