



TDHCA Governing Board Meeting Transcript*

***10:00 a.m.
July 24, 2025***

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

125 E. 11th Street, Austin, TX 78701

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BOARD MEMBERS:

LEO VASQUEZ III, CHAIR

KENNY MARCHANT, VICE CHAIR

ANNA MARIA FARIAS

AJAY THOMAS

HOLLAND HARPER

CINDY CONROY

SPEAKERS:

Bobby Wilkinson

Rosy Falcon

Connor Jones

Scott Fletcher

Josh Goldberger

Mary-Margaret Lemons

Lou Bernardi

Donna Rickenbacker

Cody Campbell

Beau Eccles

Nathan Kelley

1 **Leo Vasquez III (0:00:01):**

2 Good morning. It is 10:01 a.m. I am calling to order
3 the meeting of the Governing Board of the Texas
4 Department of Housing and Community Affairs, and we are
5 on July 24, 2025.

6

7 Start out, I need to note that this is the first time
8 this specially made gavel presented by Congressman
9 Marchant has been used and is made out of wood from a
10 fallen branch from the US Capitol building. So, thank
11 you, Mr. Marchant. Wasn't that great? And speaking of
12 Mr. Marchant, let's start the roll.

13

14 **Kenny Marchant (0:00:44):**

15 I am here.

16

17 **Leo Vasquez III (0:00:45):**

18 Ms. Farias.

19

20 **Anna Maria Farias (0:00:45):**

21 Here.

22

23 **Leo Vasquez III (0:00:46):**

24 Mr. Thomas.

25

26 **Ajay Thomas (0:00:47):**

27 Here, Mr. Chairman.

28

29 **Leo Vasquez III (0:00:48):**

30 Mr. Harper.

31

32 **Holland Harper (0:00:49):**

33 Here.

34

35 **Leo Vasquez III (0:00:49):**

36 Ms. Conroy.

37

38 **Cindy Conroy (0:00:50):**

39 Here.

40

41 **Leo Vasquez III (0:00:50):**

42 And myself, we are all present for this great meeting.

43 Bobby, let's start with the pledges.

44

45 **Bobby Wilkinson (0:01:00):**

46 I pledge allegiance to the flag of the United States of

47 America and to the republic for which it stands, one

48 nation under God, indivisible, with liberty and justice

49 for all. Honor the Texas flag. I pledge allegiance to
50 thee, Texas, one state under God, one and indivisible.
51

52 **Leo Vasquez III (0:01:29):**

53 Why do we have such good attendance today? Can't figure
54 that out. So, I'll start out with the consent agenda.
55 Are there any items on the consent agenda which a board
56 member or member of the public wish to move to action?
57 Seeing none, hearing none, I'll entertain a motion on
58 the consent agenda.

59

60 **Anna Maria Farias (0:01:53):**

61 Mr. Chairman, I move the Board approve items one through
62 six as described and presented in the respective board
63 action requests and reports.

64

65 **Leo Vasquez III (0:02:04):**

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

68

69 **Holland Harper (0:02:07):**

70 Second.

71

72

73 **Leo Vasquez III (0:02:08):**

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

75

76 **All Board Members (0:02:12):**

77 Aye.

78

79 **Leo Vasquez III (0:02:13):**

80 Any opposed? Hearing none, motion carries. Moving

81 right along. Mr. Wilkinson, the ED report.

82

83 **Bobby Wilkinson (0:02:24):**

84 Good morning, Chairman, Board. I have a few items today

85 involving Department's work in assisting the Texas

86 communities impacted by the flooding earlier this month

87 and our interaction with the legislature during the

88 ongoing special session on the same topic.

89

90 Our single-family and homeless programs area has

91 submitted a request under HUD's relatively new

92 streamlined waiver process for the flooding. Last

93 summer, HUD launched this new process for subrecipients,

94 like TDHCA, to request additional flexibility on

95 existing grants after a disaster is declared. It allows

96 us to request waivers to unlock and accelerate the use

97 of our funding for disaster response and recovery. We
98 are in contact with the administrators, community action
99 agencies that serve the affected counties. While
100 waiting for waivers to be reviewed by HUD, our
101 administrators may begin identifying and accepting
102 applications for a tenant-based rental assistance from
103 displaced households. Concho Valley Community Action
104 has submitted an amendment request for the disaster set-
105 aside and has identified multiple families currently
106 being housed in hotels that would be eligible to apply.

107

108 Rental assistance could be provided to both displaced
109 renters and homeowners whose homes are uninhabitable, so
110 long as they are income eligible. On a related note, we
111 will be meeting tomorrow with State Representative Terry
112 Wilson about TDHCA's role in disaster recovery. We will
113 share with him the work that we and our subs do for
114 those impacted by the flooding. Representative Wilson
115 is on the House Select Committee on Disaster
116 Preparedness and Flooding. His committee is working on
117 the Governor's call for the legislature to review and
118 improve the state's natural disaster preparation and
119 recovery.

120

121 We are a small player in disaster recovery and obviously
122 not first responders, but we do have some flexible
123 funding and we fit in in a certain way that really
124 helps, especially for low-income individuals.

125

126 Moving on to our legal division. Legal currently has
127 six RFQs for outside counsel contracts with the response
128 due date of August 11th. So, any lawyers in the
129 audience or your friends that are lawyers, take a look.
130 The areas where TDHCA is seeking to enter into a two-
131 year contract with outside counsel are single and
132 multifamily bond counsel, single and multifamily bond
133 tax counsel, bond securities disclosure counsel,
134 multifamily document preparation counsel, single family
135 document preparation counsel, and low-income housing tax
136 credit counsel. Details are posted on the TDHCA website
137 as current solicitations on the purchasing page under
138 contracting opportunities. You can find out more at
139 www.tdhca.texas.gov/purchasing. The selections will be
140 made by staff this August and this board will address
141 and have an opportunity to approve the selections at our
142 next meeting on September 4th.

143

144 Jeanna Adams reports that her Real Estate Analysis

145 division underwrote all 68 9-percent apps in time for
146 today's meeting. So, kudos to Jeanna, REA manager,
147 Bobby Castillo, and the REA team for their hard work in
148 meeting this goal again this year. Even though half
149 their team was riddled with COVID last week, they
150 covered for each other and got it done. Here, we had a
151 wave of COVID, that I forgot still existed, go through
152 the third floor. I escaped alive but others got hit.

153

154 Also, the TAAHP conference was great this week. I know
155 a few members had a chance to attend a few panels. We
156 had a lot of staff participate on panels. I did one,
157 Cody did one. Wendy, much more than that. So, this is
158 a part of our public-private partnership on building
159 housing for Texas. So, with that I'll wrap up and happy
160 to answer any questions.

161

162 **Leo Vasquez III (0:06:10):**

163 Great. Any board members have questions for Mr.
164 Wilkinson? Again, please keep us apprised of any
165 disaster relief, flood relief programs that we can do.

166

167 **Bobby Wilkinson (0:06:21):**

168 Will do.

169

170 **Leo Vasquez III (0:06:22):**

171 Okay. Moving on to item eight of the agenda.

172 Presentation, discussion, and possible action on the

173 state fiscal year 2026 homeless housing and services

174 program awards. Ms. Falcon.

175

176 **Rosy Falcon (0:06:36):**

177 Good morning, Chairman Vasquez and Board members. Rosy

178 Falcon, the manager of homeless programs. I'm

179 presenting the recommended awards for state fiscal year

180 2026 Homeless Housing and Services Program, or HHSP,

181 under both the general and the youth set-aside. HHSP is

182 a state funded program designed to support homelessness

183 prevention and homeless services in Texas with cities

184 with population of 285,500 or more. Each year, funds

185 are allocated to eligible municipalities to implement a

186 wide range of activities that assist individuals and

187 families experiencing or at risk of homelessness.

188

189 This program operates under two separate set-asides.

190 The General HHSP set-aside is the larger portion of the

191 two and supports homelessness prevention and responsive

192 services. The youth set-aside is capped so it's

193 smaller, but it is designated specifically to serve
194 unaccompanied homeless youth and young adults under the
195 age of 25. For the 2026 program year, the Texas
196 Legislature, through House Bill 1 has appropriated
197 \$6,299,984 in general revenue funding for HHSP.

198

199 Within this funding, Rider 16 sets aside \$1.5 million
200 for services targeting unaccompanied homeless youth and
201 homeless young adults 24 years of age and younger. The
202 youth set-aside is a fixed amount based on statute, so
203 that won't change regardless of the total appropriation.
204 The general set-aside amount is calculated by
205 subtracting both the youth set-aside and the \$72,000
206 retained by the Department for administrative purposes,
207 resulting in \$4,727,984 available for general HHSP
208 awards.

209

210 Funding is distributed to the nine eligible cities using
211 an allocation formula that is codified in our
212 administrative code. And eligible cities are notified
213 of their allocation amounts and asked to submit an
214 abbreviated application which includes their budget plan
215 and other administrative requirements required to make
216 an award. Eligible cities can elect to either directly

217 administer HHSP or they can choose a nonprofit to act on
218 their behalf, so TDHCA would contract directly with
219 these nonprofits.

220

221 For fiscal year 2026, the City of San Antonio has
222 designated Haven for Hope of Bexar County as their
223 administrator for the general set-aside funding. All
224 other participating cities have elected to administer
225 their funds directly. The City of Corpus Christi had
226 not yet submitted its application or supporting
227 documentation in time for staff to complete a previous
228 participation review, an evaluation prior to this
229 meeting, as such, we're not presenting a recommendation
230 at this time.

231

232 Since then, we have received the necessary documents for
233 the City of Corpus Christi, so we are in the process of
234 reviewing and anticipate we should bring a
235 recommendation during the September board meeting. All
236 other eight eligible cities have now completed their
237 applications and have undergone the Department's
238 previous participation, review, and approval process.
239 The recommended awards for both the general and the
240 youth set-aside are listed in the attachment A of this

241 board item. And with that I'm happy to entertain any
242 questions.

243

244 **Leo Vasquez III (0:10:05):**

245 Okay. Great. Thank you, Rosy. So, it's over \$6
246 million total.

247

248 **Rosy Falcon (0:10:10):**

249 Total. Yes.

250

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

252 That we have allocated. Okay. That's great. And then
253 is there, I have to scroll through this tiny print. Are
254 we reserving a portion of that amount for Corpus
255 Christi?

256

257 **Rosy Falcon (0:10:25):**

258 Correct. Right. So, each year we run a new allocation
259 formula for both the youth and general set-aside and
260 each city depending on their demographics. So, we use
261 the most current point in time count, number of
262 homelessness, number of homeless youth, number of
263 criminal incidents, things like that, to determine how
264 much each municipality will get. And so right now the

265 table on attachment A does not show the full amount that
266 was on my report, because we are reserving both the
267 youth and the general set-aside for City of Corpus
268 Christi.

269

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

271 Okay. And you said this is based on the point in time
272 count?

273

274 **Rosy Falcon (0:11:04):**

275 Yes. Among other things.

276

277 **Leo Vasquez III (0:11:07):**

278 Is that the largest factor, or?

279

280 **Rosy Falcon (0:11:11):**

281 Yes. So, we do have a set of points that we allocate.
282 So, another quite large factor is we deduct for the
283 areas that already receive HUD directly. So that way we
284 could provide our funding to areas that are not already
285 receiving that. So, in addition to figuring out what
286 the need is of the population, which is what the point
287 in time will let us know, we already adjust for existing
288 ESG funding in those areas.

289

290 **Leo Vasquez III (0:11:41):**

291 Again, all this is great. But I'm just trying to
292 capture the thought that, so if a local jurisdiction
293 undercounts their point in time homeless count, they're
294 going to get less funds to help solve their problems.

295

296 **Rosy Falcon (0:12:01):**

297 Yes. That's an accurate interpretation. So, the point
298 in time count happens and we are dealing with 2024, so
299 this allocation is based on the numbers that were
300 gathered by the at the time 11 CoCs in January of 2024.
301 We will see the most current, which would be the 2025,
302 potentially this December to January. So, you are
303 correct.

304

305 If they are not able to find the individuals, because
306 this count takes into account both sheltered and
307 unsheltered. So, it's whoever is residing in a shelter,
308 in an area not meant for human habitation would be one
309 count. And then they actually go out and look for
310 individuals where typically you would find persons
311 experiencing homelessness. So that count is the best
312 data that we could get. But it could miss individuals

313 since it happens in one night in January.

314

315

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

317 Right. Okay. Great. Thank you. Do any other board

318 members have questions for Ms. Falcon or any members of

319 the public care to comment? Hearing none, I will

320 entertain a motion on item eight of the agenda.

321

322 **Holland Harper (0:13:08):**

323 I move the Board approve and authorize executive

324 director and his designees to effectuate the HHSP awards

325 as described, conditioned, and authorized in the Board

326 action request, resolution, and associated documents in

327 this item.

328

329 **Anna Maria Farias (0:13:20):**

330 Second.

331

332 **Leo Vasquez III (0:13:20):**

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

334 those in favor say aye.

335

336

337 **All Board Members (0:13:24) :**

338 Aye.

339

340 **Leo Vasquez III (0:13:25) :**

341 Any opposed? Hearing none, motion carries.

342

343 **Rosy Falcon (0:13:27) :**

344 Thank you.

345

346 **Leo Vasquez III (0:13:27) :**

347 Thanks. Item nine. Presentation, discussion, and

348 possible action on approval of a loan for Stella Haven

349 Development. You're not Mr. Campbell.

350

351 **Connor Jones (0:13:41) :**

352 I am not, unfortunately. You're stuck with me. Sorry.

353 Connor Jones, manager of the Multifamily Direct Loan

354 Program. As mentioned, this item concerns a recommended

355 loan of NHTF funds in the amount of \$4.8 million for

356 Stella Haven, a multi-family housing development located

357 in Denton, Texas. Stella Haven was also a recipient of

358 a \$2 million tax credit award in the 2024 round. This

359 development proposes the new construction of 88 units

360 that will serve a general population, with unit sizes

361 including one, two, and, three bedrooms, with rent and
362 income levels from 30 to 80 percent of the area median
363 income.

364

365 Out of the total 88 units, 21 will be NHTF units. And
366 since this transaction was last underwritten,
367 development costs have increased by about \$932,000,
368 bringing the total development cost to \$29.9 million.
369 The interest on the permanent loan has actually
370 decreased from 7 to 6.75 percent, and equity pricing has
371 surprisingly remained at 91 cents. And I believe the
372 applicant is here if you all have questions about how
373 that was achieved, because that is an unusually high
374 number for right now, but a good one to see.

375

376 Also, I think it's important to note that at the initial
377 tax credit application, the transaction included nine 30
378 percent units. And now because of this NHTF loan, there
379 is an additional, or included 12, I believe, and there's
380 an additional nine now because of this NHTF loan. The
381 NHTF units are that 30 percent AMI unit, so it's a deep
382 affordability. They can sometimes be pretty tricky to
383 get into a deal. So anytime one of these NHTF loans
384 pulls through and a transaction can move forward, it's

385 always a really good thing for the development and for
386 that community.

387

388 The loan will have a 15-and-a-half-year term with a 40-
389 year amortization period and will be in second lien
390 position. The loan will carry a 2 percent interest rate
391 with an annual debt payment of \$174,428 and is fully
392 amortizing and repayable. Staff recommends approval of
393 the loan and I'm happy to take any questions.

394

395 **Leo Vasquez III (0:15:51):**

396 Thanks, Connor. A couple things that, different ways
397 that we're looking at it from the Board's perspective.
398 So, we're getting nine more 30 percent units arguably
399 for \$4.3 million.

400

401 **Connor Jones (0:16:08):**

402 Well, and there's 21 total NHTF units in the
403 transaction. That's the additional from what it
404 initially had. So that loan is still bringing in a
405 number of units. That's the amount that we're...

406

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

408 But without the loan, we were at 21 units, now we're at

409 30. Is that...

410

411 **Connor Jones (0:16:27):**

412 There was...

413

414 **Leo Vasquez III (0:16:28):**

415 We get nine more for the loan.

416

417 **Connor Jones (0:16:30):**

418 Yes.

419

420 **Leo Vasquez III (0:16:32):**

421 Okay. It's just that on its own doesn't seem like a

422 really big ROI for...

423

424 **Connor Jones (0:16:40):**

425 Sure.

426

427 **Leo Vasquez III (0:16:40):**

428 For us, us making a loan.

429

430 **Bobby Wilkinson (0:16:43):**

431 Right. It is a loan, not a grant which can be retained.

432

433

434 **Leo Vasquez III (0:16:45):**

435 It's a loan, not a grant. Yes.

436

437 **Bobby Wilkinson (0:16:47):**

438 And 30 percent AMI units, they just break even or lose
439 money.

440

441 **Leo Vasquez III (0:16:48):**

442 Are tough. Yeah. I had really good train of thought
443 that you just broke. Does anyone else have questions
444 for Mr. Jones? Okay. The drop from interest rate from
445 7 to 6.75. Are you factoring in the savings by adding
446 this loan at 2 percent? Is there any other savings
447 that's been, what did this, what does this loan replace?
448 Is it just additional cost?

449

450 **Connor Jones (0:17:32):**

451 There was a portion of the earlier financing that this
452 loan is replacing. So, for most of the loans under this
453 2025-1 NOFA, the applicants were able to remove a
454 portion of their higher interest permanent debt and
455 bring in the NHTF to substitute that.

456

457

458 **Leo Vasquez III (0:17:48):**

459 Okay. So, the 7 dropping on 6.75, it's even better than
460 that when you factor in this...

461

462 **Connor Jones (0:17:57):**

463 Yes.

464

465 **Leo Vasquez III (0:17:57):**

466 This note. Okay. Anyone have questions? Mr. Marchant.

467

468 **Kenny Marchant (0:18:05):**

469 So, helping me to understand, we have this pot of money
470 that we get specifically to make these kind of loans
471 from the federal government, that if we did not make
472 that loan, that money goes back or it's held over.

473

474 **Connor Jones (0:18:28):**

475 If it's not all committed by a certain time frame, it
476 will be recaptured by HUD. Yes.

477

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

479 Okay. And what is your universe of how many loans vie
480 for this money?

481

482 **Connor Jones (0:18:46):**

483 So generally the, when we put out an, our last couple of
484 NOFAs have all been pretty far oversubscribed, meaning
485 we're getting more requests than we actually have funds
486 in the NOFA. So generally we will put out a NOFA to
487 contain a certain amount of money to meet that
488 commitment deadline or if we have an excess, like we had
489 a couple years ago, put out however much we need to get
490 out.

491

492 It's kind of a NOFA-by-NOFA measurement of what we're
493 seeing with previously awarded deals in the Department
494 or just market conditions. So we can tailor the amount
495 in the NOFA depending on one of those commitment
496 deadlines or what we're seeing the need is. And we'll
497 generally target that amount with that information, if
498 that answers your question.

499

500 **Kenny Marchant (0:19:25):**

501 But your goal is to use the money up before you lose it.

502

503 **Connor Jones (0:19:30):**

504 Essentially. Yes.

505

506 **Kenny Marchant (0:19:31):**

507 Or to give it out to the most, the person that can
508 produce the more additional units.

509

510 **Connor Jones (0:19:43):**

511 So for MFDL, there's no strict how many units do we get
512 out of the loan requirement. We will generally, within
513 that NOFA, put in a number of requirements or
514 prohibitions. And then those kinds of deals will then
515 come in under. For instance, the 2025-1 NOFA was new
516 construction for last year's tax credit awardees that
517 had gaps. So we can kind of tailor-make the NOFA for
518 certain kinds of projects where we're seeing the need
519 for additional gap financing.

520

521 **Kenny Marchant (0:20:12):**

522 And do you basically proactive seek that developer out
523 and say, hey, this deal looks like it's, could use some
524 of this money up?

525

526 **Connor Jones (0:20:26):**

527 No. Generally what we'll do is just kind of take the
528 industry's temperature on what's needed. And then when

529 a NOFA is released, we send out listservs and notify the
530 public and then generally the industry applies for it
531 under that. We don't solicit to individual deals. I'm
532 not looking through our log, going, oh, that'd be a good
533 one for this and trying to pull them in. Or at least I
534 haven't, I don't know if that's...

535

536 **Bobby Wilkinson (0:20:48):**

537 I think that was done in the past.

538

539 **Connor Jones (0:20:50):**

540 Yeah.

541

542 **Bobby Wilkinson (0:20:51):**

543 Sometimes when banking interest rates were much lower,
544 it was a harder sell for our stuff and so...

545

546 **Connor Jones (0:20:56):**

547 Yeah. Generally with the 2 percent rate that we have on
548 these, that gets requested pretty heavily.

549

550 **Bobby Wilkinson (0:21:02):**

551 Right.

552

553

554 **Beau Eccles (0:21:02):**

555 Or when they're coming up on the deadline.

556

557 **Bobby Wilkinson (0:21:03):**

558 Yeah. Yeah. If we had someone return before a deadline

559 and there was just enough time to find somebody, that

560 might be done. But in general it's just a NOFA to the

561 public. They apply, he scores them.

562

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

564 And so if you have two competing groups for the same

565 money, how do you make your decision on which group gets

566 the money?

567

568 **Connor Jones (0:21:28):**

569 So, the NOFAs contain application acceptance windows

570 where basically we say if you're this kind of

571 transaction and our loans in first lien, then you'll be

572 in consideration first. And then they're assigned an

573 application acceptance date. So on a NOFA you could

574 have anywhere from one to however many application

575 acceptance dates you want.

576

577 And then the NOFA also further defines that priority of
578 who gets picked up first to be reviewed. And we just
579 slot in that information as we get the application. And
580 then we go until the NOFA is out of money and anybody
581 behind that is just in line. If someone drops out or if
582 a project doesn't work, and then if we do have a
583 withdrawal or a deal who can't pencil out, then we go
584 down and see which next available project can take the
585 funds.

586

587 **Kenny Marchant (0:22:19):**

588 Okay. Thank you.

589

590 **Leo Vasquez III (0:22:22):**

591 Great. Any other questions for Mr. Jones? Does anyone
592 care to make a, I think this is safe. Anyone care to
593 make a motion on the item nine of the agenda?

594

595 **Ajay Thomas (0:22:37):**

596 Mr. Chairman, I move the Board approve the requested
597 loan of the National Housing Trust Funds to Stella
598 Haven, all as described and conditioned in the Board
599 action request, resolution, and associated documents in
600 this item.

601

602 **Cindy Conroy (0:22:50) :**

603 I'll second.

604

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

606 Thank you. Motion made by Mr. Thomas. Seconded by Ms.

607 Conroy. All those in favor say aye.

608

609 **All Board Members (0:22:56) :**

610 Aye.

611

612 **Leo Vasquez III (0:22:57) :**

613 Any opposed? Hearing none, motion carries.

614

615 **Connor Jones (0:22:59) :**

616 Thank you.

617

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

619 Thanks, Connor.

620

621 Item 10 of the agenda. Presentation and discussion

622 regarding the pending issuance of Texas Department of

623 Housing and Community Affairs residential mortgage

624 revenue bonds series 2025 D. Mr. Fletcher.

625

626 **Scott Fletcher (0:23:16):**

627 Good morning, Chairman, Board, Bobby, and Beau. Scott
628 Fletcher, director of bond finance for TDHCA. This
629 report is to notify the Board that the Department will
630 be issuing RMRB 25 D in the amount of \$250 million.
631 This deal will be 100 percent tax exempt to ensure
632 lowest possible rates, mortgage loan rates, for our
633 borrowers. With this issuance, the Department would
634 have utilized \$675 million of the \$1.1 billion of
635 issuance authority granted by the Board with the
636 resolution 25-004. The Department was last in the
637 market with RMRB 25 BC on May 6th of '25 with \$250
638 million.

639

640 A blended taxable and tax-exempt deal which settled on
641 June 10th. Those funds are now fully reserved. Demand
642 for bond funded mortgage loans has strengthened
643 recently, and market conditions are such that we can
644 issue bonds and fund mortgage loans between 37.5 to 50
645 basis points lower than mortgage rates that are
646 available under our TBA program. Targeted area loans
647 will be offered one quarter of a point below our non-
648 targeted area. The 25 D bonds will be issued in a

649 maximum PAR amount of \$250 million, with total proceeds
650 not to exceed \$265 million.

651

652 \$33,695,000 of this deal will utilize recycled volume
653 cap recycled from repayments received from May through
654 August 2025. August 1, 2025, I apologize. Bond
655 proceeds will be used to finance mortgage loans, down
656 payment assistance, and pay a portion of the closing
657 cost, portion of the issuance cost for the bonds. 25 D
658 bonds will be traditional RMBs with PAR serial and term
659 bonds, and a premium PAC bond. The mortgage loans will
660 be 30-year fixed rate FHA, VA, and USDA loans pooled
661 into Ginnie Mae, mortgage-backed securities.

662

663 Our loans will offer three to four points of down
664 payment assistance as well as our zero percent
665 unassisted DPA loans. The issuance of \$250 million will
666 provide \$250 million in PAR amount of mortgage loans to
667 be originated. The associated down payment assistance,
668 lender comp, and servicing fees for the second lien
669 loans are expected to be approximately \$11 million.
670 Jefferies (phonetic, 25:37) will be the back running
671 senior manager. We've already begun taking reservations
672 for these loans.

673

674 The POS is scheduled to be released on August 6th, and
675 we expect to price the bonds on August 13th. Bonds will
676 close on September 17th. The Department contribution is
677 expected to be under \$4 million, about \$3.9 million.
678 That concludes my report, and I will welcome any
679 questions.

680

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

682 So to reiterate, one of the things you said, \$33 million
683 of the \$250 million is recycled bond cap?

684

685 **Scott Fletcher (0:26:09):**

686 Correct.

687

688 **Leo Vasquez III (0:26:10):**

689 No. That's fantastic. If we could add 10 to 15 percent
690 every time, that's...

691

692 **Scott Fletcher (0:26:19):**

693 And yeah. That's the goal. And this should grow over
694 time as we continue to have bond issuance and repayments
695 that are eligible to be recycled, in accordance with the
696 IRS code and how we do that. But as we continue our

697 recycling program, we'll have more and more recyclable
698 volume caps. So that'll continue to grow over time.
699 We'll get about \$100 million this year, I think, in
700 recycled volume cap. And that'll grow depending on how
701 frequently we issue, but it'll grow steadily over time.
702

703 **Leo Vasquez III (0:26:48):**

704 Yeah. No. That's fantastic. Do any board members have
705 questions? Mr. Marchant?
706

707 **Kenny Marchant (0:26:57):**

708 Scott, what happens if tomorrow the Federal Reserve
709 lowers rates a half point?
710

711 **Scott Fletcher (0:27:05):**

712 So what would happen is we have some loans already
713 reserved. Those loans are locked. We'll have some
714 fallout on those loans. But we would issue, we would
715 then issue in that lower rate market. We would then
716 have a lower rate. We'd be able to, and we're capped by
717 how much we can offer the, or how much we can make, what
718 margin we can make on the mortgage loans. So we just
719 adjust those loan rates down as well.
720

721 **Kenny Marchant (0:27:27):**

722 And so those that have loans in progress will withdraw
723 from those applications or will those applications be
724 modified?

725

726 **Scott Fletcher (0:27:36):**

727 So if you have a bond loan reservation with us and you
728 pull that, you're basically prohibited from coming back
729 for 60 days. That's really the only way that we can
730 keep people from picking us off. If every time rates go
731 down, I'm going to pull my old valve and put a new one
732 in. So we do that 60-day window to prevent that from
733 happening. And so yeah, some of those will fall out and
734 they may go seek financing elsewhere.

735

736 So we do have to manage the mortgage loan, the pipeline,
737 and the fallout based on what interest rates are doing.
738 As rates are rising, we expect that fallout number to be
739 lower. As rates are falling, we expect that number to
740 probably be higher. And so we manage that in part of
741 the overall process and our overall, our continuous
742 lending program. We're just kind of constantly
743 monitoring where we are.

744

745 **Kenny Marchant (0:28:24):**

746 And those funds become those recycled funds he's talking
747 about.

748

749 **Scott Fletcher (0:28:31):**

750 No. The recycled volume cap comes from old or previous
751 deals that we've done previously. And as those Ginnie
752 Mae loans pay off, those proceeds would go to pay off
753 bonds. But what we basically do is refund those bonds.
754 We funnel those dollars, keep them borrowed, and that
755 ends up being recycled volume cap. And then when we
756 issue, we use the proceeds from that to pay off the
757 previous loan and we have the cash then from that
758 payment to make additional loans.

759

760 **Kenny Marchant (0:29:00):**

761 Got you.

762

763 **Scott Fletcher (0:29:01):**

764 So it's kind of, it's all related. But those are two
765 disconnected, those pieces are not necessarily
766 connected.

767

768

769 **Bobby Wilkinson (0:29:06):**

770 I think we could use a graphic...

771

772 **Scott Fletcher (0:29:08):**

773 Yeah. I can do that.

774

775 **Bobby Wilkinson (0:29:09):**

776 Just on recycling. I always have a hard time...

777

778 **Scott Fletcher (0:29:11):**

779 Every time I talk about volume cap and recycling people

780 want graphic.

781

782 **Bobby Wilkinson (0:29:12):**

783 Yeah. And so we use a line of credit with the Federal

784 Home Loan Bank of Dallas for that one?

785

786 **Scott Fletcher (0:29:16):**

787 We do. We do. And they are, actually just met with

788 them yesterday. We've negotiated that to be a 10-basis

789 point differential. So basically, we buy a CD with

790 those proceeds and then we borrow against that cash

791 amount of the recycling. We use that cash that we

792 borrowed from them to pay off the bondholders from the

793 previous deal. Now we still have that borrowing. We
794 still owe someone that money. Now we owe the Federal
795 Home Loan Bank that money. And then when the bond
796 proceeds come in, when we issue debt, we've only used
797 \$230 million of volume cap, but we issue, we got \$250
798 million that we can use to make loans. We use 20 of it
799 to pay off that loan to the Federal Home Loan Bank and
800 use the cash to make additional loans.

801

802 **Kenny Marchant (0:30:02):**

803 Thanks.

804

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

806 Any other questions for Mr. Fletcher? Seeing none, I
807 will entertain a motion on item 10 of the agenda.

808

809 **Ajay Thomas (0:30:14):**

810 I think this is a report item.

811

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

813 Is it report?

814

815 **Scott Fletcher (0:30:16):**

816 Just a report item.

817

818 **Leo Vasquez III (0:30:16):**

819 Then I don't need a motion.

820

821 **Scott Fletcher (0:30:19):**

822 Appreciate it. Thank you.

823

824 **Leo Vasquez III (0:30:21):**

825 Okay. All right. Thanks, Scott.

826

827 **Ajay Thomas (0:30:23):**

828 If we approved anything.

829

830 **Leo Vasquez III (0:30:25):**

831 Okay. All right. Okay. Item 11. Presentation,

832 discussion, and possible action on staff-initiated

833 waiver of 10 TAC Section 13.11(c)(14), is that an I or

834 L?

835

836 **Connor Jones (0:30:39):**

837 I.

838

839 **Leo Vasquez III (0:30:39):**

840 I, for developments that received funding from the

841 Department's 2020 National Housing Trust Fund grants.

842 Mr. Connor. Mr. Jones.

843

844 **Connor Jones (0:30:50) :**

845 Connor Jones, manager, Multifamily Direct Loan Program.

846 As mentioned, this item concerns a waiver of 10 TAC

847 13.11 (c) (14) (I) for Balcones Terrace. Balcones Terrace

848 was awarded \$6 million in NHTF funds under the 2021 NOFA

849 and is currently working on their final draw. The

850 aforementioned rule states that a federally required

851 NHTF cost certification, separate from the tax credit

852 cost certification, be completed prior to the issuance

853 of the final NHTF draw. This certification must

854 demonstrate that "all costs of a project are necessary

855 and reasonable."

856

857 Staff has been working with the borrower, CPA, who has

858 stated that the current version of the certification is

859 unsignable due to conflicting professional accounting

860 standards. To no one's surprise here, I'm not a CPA.

861 But essentially the issue is that the certification, as

862 it currently reads per the CPA, is requiring them to

863 analyze every cost within the project and they take a

864 sliver of it. And so we're working on getting that

865 language correct in the certification currently. Both
866 the CPA and staff have been working diligently to reach
867 a solution on this, which I imagine to be soon.

868

869 Also Department's internal CPAs have confirmed the
870 reasonableness of these concerns. Staff brings this
871 request to the Board today so that staff may proceed
872 with the issuance of this project's final draw, which is
873 currently under review. It's important to note the
874 funds in this transaction are subject to a federal
875 expenditure deadline of August 12, 2025. And secondly,
876 the certification is required federally to be completed
877 within 120 days of the issuance of that final draw.

878

879 So us issuing it now doesn't put us outside of any
880 federal rule or guideline or get us in hot water. To
881 avoid potential delays and to go ahead and fund the
882 project while we continue to work on this certification,
883 I recommend approval of the waiver. And I'm happy to
884 take any questions you may have.

885

886 **Leo Vasquez III (0:32:49):**

887 Anyone have questions for Mr. Jones? So let's say we
888 approve this, and they make the final draw before August

889 12th and something falls apart with the inspection, bad
890 things happen after that point.

891

892 **Connor Jones (0:33:19) :**

893 Sure.

894

895 **Leo Vasquez III (0:33:22) :**

896 What is the Department's exposure? Because we're kind
897 of unsecured at that point. We're just trusting it's
898 going to get finalized, right?

899

900 **Connor Jones (0:33:31) :**

901 Yeah. The final draw process has a number of
902 requirements that also have occurred. This is just one
903 sliver of a certification that we need as a portion of
904 that final draw. So the rest of the process, to my
905 knowledge, is in good standing and the project is in
906 good health. It's just simply the certification. We do
907 have remedies, and Megan Sylvester can probably speak
908 more in depth to that if needed. But we do have ways
909 within the rule should we get into a pickle with an
910 inspection not being or providing us information that's
911 not good on the transaction or what have you.

912

913 But this is a pretty small portion of that process and
914 doesn't give me a ton of heartburn. It's just something
915 more administratively we kind of need to get on the same
916 page with. And it's also a little bit of a newer
917 requirement. The NHTF cost cert is a slightly newer
918 item as that program's a little bit younger than some of
919 the others.

920

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

922 Okay. As long as you all are on top of it and
923 comfortable. We'll call Megan if anything blows up.

924

925 **Connor Jones (0:34:33):**

926 Sounds good. I do that a lot.

927

928 **Leo Vasquez III (0:34:36):**

929 Okay. If there any other -- no other questions. I'll
930 entertain a motion. This one needs a motion, right?

931 Okay. The motion on item 11 of the agenda.

932

933 **Holland Harper (0:34:47):**

934 I move the Board approve the requested waiver of 10 TAC
935 Section 13.11(c)(14) for Balcones Terrace, to allow for
936 the final disbursement of the NHTF funds prior to the

937 receipt of the CPA cost certification, provided that the
938 certification is submitted within the 120 days following
939 the final disbursement, all as described, further
940 conditioned, and authorized in the Board action request
941 resolution in this item.

942

943 **Anna Maria Farias (0:35:09):**

944 Second.

945

946 **Leo Vasquez III (0:35:10):**

947 Great. Thank you. Motion made by Mr. Harper. Seconded
948 by Ms. Farias. All those in favor say aye.

949

950 **All Board Members (0:35:15):**

951 Aye.

952

953 **Leo Vasquez III (0:35:16):**

954 Any opposed? Hearing none, motion carries.

955

956 **Connor Jones (0:35:19):**

957 Thank you very much.

958

959 **Leo Vasquez III (0:35:19):**

960 Thanks, Connor. Item 12. Presentation, discussion, and

961 possible action on a request for return and reallocation
962 of tax credits under 10 TAC Section 11.6(5) related to
963 credit returns resulting from force majeure events for
964 FishPond at Walker. Mr. Goldberger.

965

966 **Josh Goldberger (0:35:40):**

967 Good morning, Chairman.

968

969 **Leo Vasquez III (0:35:40):**

970 Tell us about this.

971

972 **Josh Goldberger (0:35:42):**

973 Yes. We have already reached the force majeure section
974 of our agenda today. Josh Goldberger, 9 percent program
975 manager at TDHCA. Items 12 and 13 concern FishPond at
976 Victoria and FishPond at Walker. These requests are on
977 your agenda as separate items, but the circumstances
978 surrounding their delays are quite similar, so I'll be
979 grouping the discussion into this item just for
980 convenience. Both applications were awarded housing tax
981 credits in 2022. Both are elderly developments proposed
982 by the same applicant and are to be located in
983 Huntsville and Victoria respectively.

984

985 Both projects were approved for force majeure treatment
986 in '23 and '24, making the current placed in-service
987 deadline end of '26. Like many other deals awarded
988 during the same period, these projects experienced a
989 funding gap that had to be addressed with an additional
990 source. The developer applied for loans of home funds
991 for each of these projects under the Department's 2024-2
992 NOFA. Both applications were submitted in late April
993 2024 and the loans were subsequently approved by this
994 board in January and February of 2025.

995

996 The contracts for both developments were signed in mid-
997 March, and the developer is currently submitting due
998 diligence documentation for the closings, including
999 updated financial information for the project that were
1000 submitted to the Department earlier this week.

1001 Presuming that the development still meets underwriting
1002 standards using this new financial information, the
1003 Department will close the loan and construction will
1004 commence.

1005

1006 The projects each have a 15-month construction schedule
1007 and pending a timely loan closing completion placed in
1008 service is projected for December of 2026, that is the

1009 same month as the current deadline. This obviously
1010 leaves very little room for error, so the applicant has
1011 requested a six-month extension to June 30, 2027. The
1012 applicant emphasized in their request that they have
1013 spent about a million in pre-development for each of
1014 these projects up until this point. They have taken
1015 down the land for both and expect to be permit ready
1016 upon closing.

1017

1018 Staff recommends approval and representatives are
1019 present should you have any specific questions.

1020

1021 **Leo Vasquez III (0:37:57):**

1022 Okay. Thanks Josh. How many other programs or
1023 developers and developments do we have that were awarded
1024 tax credits in 2022, received a force majeure in 2023,
1025 2024 and now 2025?

1026

1027 **Josh Goldberger (0:38:24):**

1028 I'm not sure about the force majeure element of it, but
1029 in terms of 2022 deals that still haven't closed and
1030 started construction, there are some others. It's less
1031 than 10 but above 5.

1032

1033 **Leo Vasquez III (0:38:43):**

1034 So if we, the staff, look at previous participation
1035 evaluation, when they're looking at that for new
1036 projects or new developments that are being applied for,
1037 do we take into consideration how many force majeure a
1038 developer is enjoying extensions for at any given time?

1039

1040 **Josh Goldberger (0:39:12):**

1041 Not currently. I know this board has discussed a
1042 similar concept in the past. And when we present the
1043 QAP in September, we could certainly discuss
1044 incorporating that concept.

1045

1046 **Leo Vasquez III (0:39:25):**

1047 Having a development that for whatever crazy reason,
1048 truly uncontrollable act of God kind of thing, and you
1049 have a force majeure on a project, okay. It happens.
1050 But when you start having two or more force majeure for
1051 projects, perhaps that's not uncontrollable events,
1052 unforeseen events, but it's just the way you manage the
1053 project.

1054

1055 Should we not have that more of a consideration, and
1056 maybe this isn't just you, but you confer with all

1057 staff. Have that as more of a consideration for, hey,
1058 you've already got 2, 3, 4 force majeures active right
1059 now. Why don't you sit out a round before you apply for
1060 a new one?

1061

1062 **Josh Goldberger (0:40:16):**

1063 We're happy to take a look at incorporating that
1064 concept.

1065

1066 **Leo Vasquez III (0:40:19):**

1067 Yeah.

1068

1069 **Bobby Wilkinson (0:40:20):**

1070 I think, hopefully it'll be less of a problem in the
1071 future. This...

1072

1073 **Leo Vasquez III (0:40:23):**

1074 Yeah. I put it three years ago. Yeah.

1075

1076 **Bobby Wilkinson (0:40:24):**

1077 It's been a special time, right? 2022 is bad vintage.
1078 A lot of other folks came in and cut units, even
1079 affordable units. And these deals are still giving us
1080 what they promised us in 2022. So that's a

1081 consideration.

1082

1083 **Leo Vasquez III (0:40:41):**

1084 Yes. It's a consideration. Anyone else have questions
1085 for Mr...

1086

1087 **Kenny Marchant (0:40:45):**

1088 Yeah. Could you prepare that language as it might
1089 appear in a qualification round?

1090

1091 **Josh Goldberger (0:49:57):**

1092 Absolutely. It'll be in the staff draft.

1093

1094 **Kenny Marchant (0:41:00):**

1095 Don't put in there that the word "fishpond" means
1096 anything separate. Although it is very interesting that
1097 almost ever since I've been on this board, the word
1098 "fishpond" has appeared in one place or another in every
1099 agenda. Thank you.

1100

1101 **Leo Vasquez III (0:41:20):**

1102 Yeah. Does feel like that, doesn't it? Anyone else
1103 have questions for Mr. Goldberger on, okay. Now this
1104 is, we're still officially on item 12.

1105

1106 **Josh Goldberger (0:41:33):**

1107 Yes.

1108

1109 **Leo Vasquez III (0:41:33):**

1110 FishPond at Walker. Does anyone care, and we're asking

1111 just simply at this point, asking for a six-month

1112 extension.

1113

1114 **Josh Goldberger (0:41:43):**

1115 That's correct.

1116

1117 **Leo Vasquez III (0:41:44):**

1118 Six months more extension. Okay. Does anyone care to

1119 make a motion on item 12 of the agenda?

1120

1121 **Anna Maria Farias (0:41:56):**

1122 All right. Mr. Chairman, I move the Board approve the

1123 requested treatment under an application of the force

1124 majeure rule to FishPond at Walker with a new placed in-

1125 service deadline of June 30, 2027, all as described,

1126 conditioned, and authorized in the Board action request,

1127 resolution, and associated documents on this item.

1128

1129 **Leo Vasquez III (0:42:24) :**

1130 Motion made by Ms. Farias to approve staff's

1131 recommendation. Is there a second?

1132

1133 **Holland Harper (0:42:30) :**

1134 Second.

1135

1136 **Leo Vasquez III (0:42:31) :**

1137 Seconded by Mr. Harper. All those in favor say aye.

1138

1139 **All Board Members (0:42:35) :**

1140 Aye.

1141

1142 **Leo Vasquez III (0:42:36) :**

1143 Any opposed? Hearing none, motion carries. Item 13 of

1144 the agenda. Same thing?

1145

1146 **Josh Goldberger (0:42:46) :**

1147 Yes. This is the second development that we were

1148 discussing earlier.

1149

1150 **Leo Vasquez III (0:42:48) :**

1151 But force majeure events for FishPond at Victoria. Mr.

1152 Goldberger, be concise.

1153

1154 **Josh Goldberger (0:42:56):**

1155 Yes. Same circumstances effectively as the prior
1156 development. Same timeline with the loan, same
1157 applicant, same target population. This one is just in
1158 Victoria instead of Huntsville.

1159

1160 **Leo Vasquez III (0:43:12):**

1161 So we can't necessarily look to the local jurisdiction
1162 for being the cause of this.

1163

1164 **Josh Goldberger (0:43:21):**

1165 I suppose these are in two separate jurisdictions, sir.

1166

1167 **Leo Vasquez III (0:43:24):**

1168 All right. Any other questions on item 13 of the
1169 agenda? Would anyone care to make a motion?

1170

1171 **Holland Harper (0:43:36):**

1172 I move the Board approve the correct requested treatment
1173 under the application of force majeure rule for FishPond
1174 at Victoria with a new placed in-service deadline of
1175 June 30, 2027, all as described, conditioned, and
1176 authorized in the Board action request, resolution, and

1177 associated documents in this item.

1178

1179 **Anna Maria Farias (0:43:49):**

1180 Second.

1181

1182 **Leo Vasquez III (0:43:50):**

1183 Motion made by Mr. Harper. Seconded by Ms. Farias. All

1184 those in favor say aye.

1185

1186 **All Board Members (0:43:54):**

1187 Aye.

1188

1189 **Leo Vasquez III (0:43:55):**

1190 Any opposed? Hearing none, motion carries. Still here.

1191 Item 14. Presentation, discussion, and possible action

1192 on a request for return and reallocation of tax credits

1193 under 10 TAC Section 11.6(5), related to credit returns

1194 resulting from force Majeure events for, Mr. Wilkinson,

1195 I had debates on this. Is it Babers Manor, Babers...

1196

1197 **Bobby Wilkinson (0:44:21):**

1198 I like Baber's Manor.

1199

1200

1201 **Leo Vasquez III (0:44:24):**
1202 Manor or Babers Manor. Or some combination thereof.
1203
1204 **Josh Goldberger (0:44:28):**
1205 I'll be going with Babers in the speaking notes, but the
1206 applicant could correct.
1207
1208 **Leo Vasquez III (0:44:31):**
1209 But Manor or Manor?
1210
1211 **Josh Goldberger (0:44:33):**
1212 Probably Manor.
1213
1214 **Leo Vasquez III (0:44:34):**
1215 Okay. All right.
1216
1217 **Josh Goldberger (0:44:35):**
1218 We'll go with Babers Manor.
1219
1220 **Leo Vasquez III (0:44:36):**
1221 Yes. Okay. Please continue. Tell us about this one.
1222
1223 **Josh Goldberger (0:44:40):**
1224 Item 14 concerns Babers Manor, an 80-unit mixed income

1225 development to be located in Fort Worth. The project is
1226 part of the Stop Six Choice Neighborhood Initiative and
1227 represents the third of a six-phase housing plan with
1228 federal funding that will create 924 new units in this
1229 community. This particular project was awarded housing
1230 tax grants in 2023, making the current deadline to
1231 placed in service December 31, 2025. The project is
1232 currently under construction, having closed back in
1233 August of '24.

1234

1235 The original construction schedule allowed for
1236 completion by the current placed in-service deadline,
1237 but in the interim the project has experienced some
1238 material delays. These largely stem from supply chain
1239 difficulties that have prevented obtaining some critical
1240 items in a timely manner. The developer specifically
1241 cites extended timelines for small capacity split HVAC
1242 systems and granite countertops.

1243

1244 In addition to just the lead time that was caused by
1245 these extended deliveries, the applicant also explains
1246 that additional time was lost due to extensive
1247 negotiations with subcontractors resulting from that
1248 uncertainty in supply chains. Despite these delays, the

1249 general contractor has been actively working to engage
1250 additional crews and make up some lost time. Because of
1251 that effort, the applicant is optimistic that completion
1252 can occur as early as February of '26, which is only two
1253 months after the current original placed in-service
1254 deadline.

1255

1256 The team however, remains concerned that unforeseen
1257 issues, specifically around those delayed late HVAC
1258 systems, could potentially set this back. So an
1259 abundance of caution, the applicant has requested a one-
1260 year extension of the placed in-service deadline to
1261 December of 2026. Staff recommends approval and
1262 representatives of the development are present should
1263 you have any specific questions.

1264

1265 **Leo Vasquez III (0:46:33):**

1266 Mr. Harper, do you buy that?

1267

1268 **Holland Harper (0:46:37):**

1269 I think that's pretty ... so let me get this straight.

1270 They need two more months in the current schedule, but

1271 they want another year; is that correct?

1272

1273 **Josh Goldberger (0:46:45):**

1274 That is my understanding is that they are optimistic
1275 that they can complete by February of 2026, but they
1276 have requested an additional year should any additional
1277 unforeseen circumstances occur.

1278

1279 **Holland Harper (0:46:55):**

1280 And staff didn't think six months would be a better
1281 number?

1282

1283 **Josh Goldberger (0:46:59):**

1284 We just simply presented the request as we received it,
1285 but perhaps the applicant...

1286

1287 **Holland Harper (0:47:02):**

1288 Thank you.

1289

1290 **Josh Goldberger (0:47:03):**

1291 Can discuss if six months could be appropriate in the
1292 situation.

1293

1294 **Holland Harper (0:47:07):**

1295 All right. So will the applicant please come up?

1296

1297 **Leo Vasquez III (0:47:12):**

1298 Okay.

1299

1300 **Holland Harper (0:47:13):**

1301 Oh man.

1302

1303 **Leo Vasquez III (0:47:14):**

1304 As this goes, even though Mr. Eccles isn't here, even if

1305 you're on an empty street at night in a stoplight, you

1306 should still stop.

1307

1308 **Ajay Thomas (0:47:22):**

1309 Correct.

1310

1311 **Leo Vasquez III (0:47:22):**

1312 And follow the law.

1313

1314 **Ajay Thomas (0:47:25):**

1315 Mr. Chairman, I make a motion that we allow for public

1316 comment on this agenda item and any subsequent agenda

1317 item as necessary and appropriate.

1318

1319 **Anna Maria Farias (0:47:32):**

1320 Second.

1321

1322 **Leo Vasquez III (0:47:32):**

1323 Motion made by Mr. Thomas. Seconded by Ms. Farias to do
1324 public comment. All in favor say aye.

1325

1326 **All Board Members (0:47:37):**

1327 Aye.

1328

1329 **Leo Vasquez III (0:47:38):**

1330 No. Okay. All right. Okay. Yes. Approved. Do you
1331 have question for...

1332

1333 **Kenny Marchant (0:47:42):**

1334 As we talk about his item, is it five units?

1335

1336 **Mary-Margaret Lemons (0:47:46):**

1337 I'm sorry. What?

1338

1339 **Kenny Marchant (0:47:46):**

1340 I'm looking at my report. Is it five units?

1341

1342 **Mary-Margaret Lemons (0:47:50):**

1343 Five units.

1344

1345 **Leo Vasquez III (0:47:50):**

1346 No.

1347

1348 **Mary-Margaret Lemons (0:47:51):**

1349 No.

1350

1351 **Holland Harper (0:47:52):**

1352 80 units.

1353

1354 **Mary-Margaret Lemons (0:47:52):**

1355 80 units.

1356

1357 **Leo Vasquez III (0:47:53):**

1358 Yeah. Okay. Well, come up. And for everyone who wants

1359 to speak on the agenda item or if you're asked to speak,

1360 please give me a heads up by coming up to the front

1361 couple rows so I know you're, I'll slow things down or

1362 stop, identify yourself and what entity you are

1363 representing and please sign in at the front. We'll

1364 have a three-minute timer there in front for everyone.

1365 With that said, please introduce yourself.

1366

1367 **Mary-Margaret Lemons (0:48:21):**

1368 Good morning. Mary-Margaret Lemons. I'm with Fort

1369 Worth Housing Solutions. We're the owner and developer
1370 of this project in partnership with McCormack Baron
1371 Salazar. So as stated, this is the third phase in our
1372 choice neighborhood development. We appreciate your
1373 continued support of this effort. We're really excited,
1374 we're about to open Hughes House, you may remember that
1375 name, in about two weeks. And so you guys have been
1376 amazing partners to make sure that we're redeveloping
1377 this neighborhood as it deserves.

1378

1379 Babers Manor is 80 units. And unfortunately we've hit
1380 some delays on getting those mini-splits in. And as you
1381 guys know, we need to have those units conditioned
1382 before we can do the final finishes in those units.
1383 We'd be happy with a six-month extension. We do
1384 anticipate being done in April of 2026, but we'd like to
1385 have a little bit of a buffer. So if you're not willing
1386 to do the whole 12 months, six months is acceptable.

1387

1388 **Leo Vasquez III (0:49:14):**

1389 Okay. And just to clarify, so Fort Worth Housing
1390 Solutions is the...

1391

1392

1393 **Mary-Margaret Lemons (0:49:21):**

1394 Is the housing authority for the City of Fort Worth.

1395

1396 **Leo Vasquez III (0:49:23):**

1397 Okay. Great.

1398

1399 **Mary-Margaret Lemons (0:49:24):**

1400 Yes, sir.

1401

1402 **Leo Vasquez III (0:49:27):**

1403 Go ahead.

1404

1405 **Bobby Wilkinson (0:49:27):**

1406 Can you talk about the multiple phase project in kind of

1407 a general like what Stop Six was and what it's becoming

1408 now?

1409

1410 **Mary-Margaret Lemons (0:49:34):**

1411 Sure, absolutely. Stop Six was home to 300 public

1412 housing units built in 1954. In 2018, we did a needs

1413 assessment. It needed over \$41 million of capital

1414 improvements. Everyone knows HUD does not hand out

1415 capital fund like that. We applied for a Section 18

1416 demolition application with HUD which was readily

1417 approved. We were provided tenant protection vouchers
1418 and moved all of our families using those vouchers. And
1419 then in 2019 applied for a Choice Neighborhood
1420 Implementation Award.

1421

1422 About three weeks after the pandemic started in 2020, we
1423 were awarded \$35 million to start that revitalization
1424 project. We not just doubled the amount of units to
1425 bring back as required under the grant, but offered to
1426 triple them to make sure that we had truly mixed income
1427 communities. We have delivered on the first two phases.
1428 Cowan Place went into service November of 2024, and is
1429 fully occupied and serving our seniors 62 and older in
1430 the neighborhood.

1431

1432 Hughes House 1, will come go into service August 1st of
1433 this year, welcoming back families from the original
1434 public housing. So we're very excited to get them back
1435 in. That phase has commercial on the ground floor, so
1436 it's a mixed use as well as mixed income development.
1437 And we recently just opened a community center in
1438 partnership with CVS and Aetna. It's called a Workforce
1439 Innovation and Talent Center which offers free
1440 pharmaceutical tech training and other workforce

1441 development for the community.

1442

1443 And last week, we were able to host a vision clinic and
1444 do screenings for 458 people and hand out glasses on-
1445 site over three days. So this truly is changing the
1446 east side of Fort Worth, and we could not do it without
1447 the concerted effort of federal funding, state funding,
1448 local funding, and all of your support.

1449

1450 **Holland Harper (0:51:21):**

1451 So the question I have for you is you cited two things.
1452 One is your mini-splits, which we're buying mini-splits
1453 and that doesn't seem to be a long lead time item. But
1454 in your buyout log, you've cut your MSAIR HVAC contract
1455 from originally 874K to your buyout of 653K. And then
1456 the other one that's interesting here is in your Allied
1457 interiors and countertops, which you said you had
1458 granite and grant delays, his original contract was
1459 \$560,939, and now your buyout log says \$425,033.

1460

1461 And almost every single one of your buyouts except for
1462 Earthwork, you have been able to buy it out better than
1463 the original budget or at least your original scope.

1464 Can you talk about that for a second? Because it seems

1465 like you're winning in every one of your buyout logs,
1466 yet you're being delayed in your project.

1467

1468 **Mary-Margaret Lemons (0:52:16):**

1469 I'm going to ask Lou Bernardi, who's the head of the
1470 development team to answer that.

1471

1472 **Leo Vasquez III (0:52:19):**

1473 He's trying to jump out of his chair. Again, please
1474 sign in and introduce yourself.

1475

1476 **Lou Bernardi (0:52:32):**

1477 Hi, I'm Lou Bernardi with McCormack Baron Salazar.
1478 We're the developer partner with Fort Worth Housing
1479 Solutions on the Choice neighborhood implementation.
1480 The buyout log, I think, is something that has been
1481 jumping around a little bit in terms of the negotiations
1482 with the kind of contract that...

1483

1484 **Holland Harper (0:52:46):**

1485 You're winning and you've won every single one that you
1486 presented here except for Earthwork. And it's exactly
1487 the same as it was in the original.

1488

1489 **Lou Bernardi (0:52:52):**

1490 Well, the HVAC units are certainly delayed or there's a
1491 possible potential delay. Those are expected sometime
1492 in October. Our power to the property is not an issue.
1493 Our transformers are ready, will be ready when we need
1494 them. But we need those HVAC units available in order
1495 to be able to condition the building. There are
1496 multiple buildings. We can't install flooring and other
1497 kinds of finishes without that in place. The
1498 countertops, that's what we're under, that's what I have
1499 been told recently and why we have that delay as well,
1500 that item.

1501

1502 The good thing is that the contractor has moved pretty
1503 well in the last couple of months. Almost 40 percent
1504 complete as of the end of June. We expect another 10
1505 percent achievement of construction progress for the end
1506 of July. So we should be up to about 50 percent
1507 completion by the end of July. It's not like we're
1508 really holding anything back, wanting the contractor to
1509 slow down because of these things. We've got a lot of
1510 eyes on this project, on staff, from our staff, as well
1511 as consultants monitoring the project. So we're pushing
1512 the contractor and they're pushing themselves as hard

1513 as possible.

1514

1515 **Holland Harper (0:54:05):**

1516 Sounds like you'd use some of your buyout to accelerate
1517 schedule.

1518

1519 **Lou Bernardi (0:54:08):**

1520 Pardon?

1521

1522 **Holland Harper (0:54:09):**

1523 It looks like you use your buyout that you've made on
1524 most of this contract to accelerate schedule.

1525

1526 **Lou Bernardi (0:54:15):**

1527 Well, again, I think the buyout schedule is one that's
1528 still a little bit of flux. There are still some items
1529 that need to be bought out. And we'll just continue as
1530 hard as we can to push the contractor and subs as hard
1531 as we can. But I think six months, as Mary-Margaret
1532 indicated, could be sufficient as long as we get those
1533 HVAC units around October or so.

1534

1535 **Leo Vasquez III (0:54:40):**

1536 Okay. Could we clarify? I think I've heard two

1537 different expected completion dates. I've heard two
1538 months. So I've heard February, and I think someone
1539 just said April. What is the current...

1540

1541 **Lou Bernardi (0:54:51):**

1542 Well, the two months is a projection in terms of us
1543 being able to get HVAC units in place and delivered to
1544 the site. That was originally scheduled earlier in the
1545 project. Now October of this year, which is probably
1546 the main reason we need the extension. Probably one of
1547 the main reasons we need the extension. Even that said,
1548 the contractor has indicated to us that that may slip as
1549 well. So that's why we're indicating that we need more
1550 time, possibly, to get substantial completion for the
1551 project.

1552

1553 **Leo Vasquez III (0:55:31):**

1554 Okay. Any other questions for the development team or
1555 Mr. Goldberger? So the request right now is 12 months.

1556

1557 **Josh Goldberger (0:55:49):**

1558 That's correct.

1559

1560

1561 **Leo Vasquez III (0:55:50):**

1562 Full year. Might not need it, but it's there. Okay.

1563 If there are no other questions from the Board, does

1564 anyone care to make a motion on item 14?

1565

1566 **Cindy Conroy (0:56:11):**

1567 I move the Board approve the requested treatment under

1568 an application of the force majeure rule to Babers Manor

1569 with a new placed in-service deadline of, are we doing

1570 December or are we doing May? Because they said they

1571 would go at six months or they could do 12.

1572

1573 **Leo Vasquez III (0:56:28):**

1574 I don't want to see them again. Let's go with 12.

1575

1576 **Cindy Conroy (0:56:29):**

1577 Okay. We're going to December? I agree with that.

1578 December 31, 2026, all as described, conditioned, and

1579 authorized in the Board action request, resolution, and

1580 associated documents on this item.

1581

1582 **Anna Maria Farias (0:56:42):**

1583 Second.

1584

1585 **Leo Vasquez III (0:56:43):**

1586 Motion made by Ms. Conroy, seconded by Ms. Farias to
1587 approve the extension. All those in favor say aye.

1588

1589 **All Board Members (0:56:51):**

1590 Aye.

1591

1592 **Leo Vasquez III (0:56:52):**

1593 Any opposed? Hearing none, the motion carries.

1594

1595 **Josh Goldberger (0:56:56):**

1596 Thank you.

1597

1598 **Anna Maria Farias (0:56:57):**

1599 Mr. Chairman, may I make a comment? You said these
1600 projects were originally built in 1954.

1601

1602 **Mary-Margaret Lemons (0:57:04):**

1603 Yes, ma'am.

1604

1605 **Anna Maria Farias (0:57:05):**

1606 I just wanted to make the comment that the fact that you
1607 can refurbish everything. Because a lot of them, they
1608 just have to be demolished.

1609

1610 **Bobby Wilkinson (0:57:12):**

1611 No. They're demolishing the old building. It's all in
1612 new construction.

1613

1614 **Anna Maria Farias (0:57:14):**

1615 And bringing in the new stuff makes it nice. Okay.

1616 Let's see then.

1617

1618 **Leo Vasquez III (0:57:20):**

1619 Okay. Great. Thank you, all. Okay. Item 15 of the
1620 agenda. Presentation, discussion, and possible action
1621 on a return, or on a request for return and reallocation
1622 of tax credits under 10 TAC Section 11.6(5) related to
1623 credit returns resulting from force majeure events for
1624 New Faith Senior Village. Mr. Goldberger.

1625

1626 **Josh Goldberger (0:57:47):**

1627 Item 15 concerns New Faith Senior Village, a 128-unit
1628 mixed income development in Houston. The project was
1629 proposed by DWR Development in partnership with the New
1630 Faith Church of Houston. It will actually be located on
1631 a portion of the New Faith Church campus. The project
1632 was awarded housing tax credits in 2024 and currently

1633 must place into service by December of '26. The project
1634 has experienced material delays due to a funding gap
1635 that occurred after the applicant did not receive a
1636 contemplated \$3 million loan from the Federal Home Loan
1637 Bank.

1638

1639 Upon learning that this funding would not be received,
1640 the applicant applied for home funds from the City of
1641 Houston, which were awarded in November of '24. Receipt
1642 of these funds requires a Part 58 environmental
1643 clearance, which was not completed until April of '25.
1644 Because the land could not be acquired during the
1645 environmental clearance process, the applicant also
1646 failed the readiness to proceed deadline and the Board
1647 assessed a penalty related to that matter earlier this
1648 year.

1649

1650 Apart from funding related delays, the project also
1651 unfortunately stalled when the structural engineer hired
1652 by the applicant had to step away unexpectedly due to
1653 medical reasons. As a result, the firm responsible for
1654 all structural components actually abruptly shut down,
1655 leading to delays in responding to comments from the
1656 City of Houston and in addressing pricing questions from

1657 general contractors. The applicant has relayed in their
1658 request that all soft funding and environmental
1659 clearances are now in place and that permits are
1660 expected by mid-August.

1661

1662 Construction is scheduled to be completed in February of
1663 '27, two months beyond the current deadline. The
1664 applicant has requested a six-month extension to June
1665 30, 2027. Staff recommends approval and representatives
1666 of the development are present should you have any
1667 specific question.

1668

1669 **Leo Vasquez III (0:59:40):**

1670 Okay. So this current target is February of '27, target
1671 completion.

1672

1673 **Josh Goldberger (0:59:46):**

1674 Yes.

1675

1676 **Leo Vasquez III (0:59:47):**

1677 But we haven't started yet.

1678

1679 **Josh Goldberger (0:59:50):**

1680 No.

1681

1682 **Leo Vasquez III (0:59:53):**

1683 Maybe a representative of the developer should just give
1684 us a little bit more background on confidence, on timing
1685 and such. Ms. Rickenbacker.

1686

1687 **Donna Rickenbacker (1:00:06):**

1688 Donna Rickenbacker. I guess I'd better sign in. Donna
1689 Rickenbacker with DWR Development Group. They are the
1690 owner and the developer, co-developer actually of this
1691 project. This development was brought to me probably
1692 about three years ago by the council member and the
1693 church leaders to work with them on it. Kind of in
1694 terms of the deal ripening, if you will, it was a good
1695 application for '24. We're having similar issues that
1696 everybody else has already presented, so I'm not going
1697 to repeat it.

1698

1699 What's been somewhat unique to this development is
1700 recognition of the structural engineer. You can't make
1701 this stuff up. He did have stroke and we thought that
1702 his team could go ahead and continue on with what they
1703 had already designed for, and then they decided in May
1704 to go out of business. So we had to hire a new

1705 structural engineer. That triggered lots of delays. We
1706 had to completely redesign the structural portion of
1707 this development. That also impacted civil, MEP, and
1708 everything else and cost escalations as well associated
1709 with all of that.

1710

1711 So we're hoping and praying that we can get this all
1712 resolved and finalized, and hopefully have permits
1713 issued by the 1st, probably the end of August. We're in
1714 a good position to do that so that we can hopefully
1715 commence construction the first or the middle of
1716 September. And the GCs that are pricing this are
1717 looking for an 18-month construction period, and so
1718 we're going to miss the deadline for placed in service
1719 and that's the reason why we're here.

1720

1721 I feel confident that we can keep it going. Our debt
1722 and equity providers have stayed on target with us.
1723 They've been working hand in hand with us to get this
1724 project to cross the finish line. So has New Faith
1725 Church and the City of Houston. So appreciate y'all
1726 some consideration of this request.

1727

1728

1729 **Leo Vasquez III (1:02:27):**

1730 You had me totally on board until you started saying
1731 your strategy is hope and prayer.

1732

1733 **Donna Rickenbacker (1:02:33):**

1734 Well, you just never know nowadays. Every time you look
1735 up, costs are escalating. There's nobody standing in
1736 front of you...

1737

1738 **Leo Vasquez III (1:02:39):**

1739 Yeah. I guess it's true. You're right. Yeah.

1740

1741 **Donna Rickenbacker (1:02:40):**

1742 That wants this project to close more quickly than I do
1743 because every time you blink, costs are going up. So
1744 it's in developers' best interest to get these
1745 transactions closed as quickly as possible.

1746

1747 **Holland Harper (1:02:53):**

1748 Ms. Rickenbacker, your plans are finished, sealed.

1749

1750 **Donna Rickenbacker (1:02:56):**

1751 Our plans are almost finished. The city is looking at
1752 hopefully a final set without, I pray, again, sorry

1753 about that, no additional comments if you will, so that
1754 we can hopefully have a permit set of drawings by the
1755 middle of, to the end of August.

1756

1757 **Holland Harper (1:03:15):**

1758 So in your schedule you've got, you have a mobilization
1759 of September 1?

1760

1761 **Donna Rickenbacker (1:03:27):**

1762 Yes, sir.

1763

1764 **Holland Harper (1:03:27):**

1765 And you won't be finished with your drawings until
1766 August; is that correct?

1767

1768 **Donna Rickenbacker (1:03:31):**

1769 Yes, sir.

1770

1771 **Holland Harper (1:03:33):**

1772 Could be pretty exciting. All right.

1773

1774 **Donna Rickenbacker (1:03:36):**

1775 I'm sorry.

1776

1777 **Holland Harper (1:03:36):**

1778 That's going to be tight. But you've got 18 months, you
1779 should be able to get that done for this project. So I
1780 wish you the best.

1781

1782 **Leo Vasquez III (1:03:46):**

1783 Does anyone...

1784

1785 **Holland Harper (1:03:47):**

1786 I'll be happy to support this.

1787

1788 **Leo Vasquez III (1:03:51):**

1789 There's a six-month request at this point.

1790

1791 **Donna Rickenbacker (1:03:53):**

1792 You can give me 12 if you'd like. If you don't want to
1793 see me again, which hopefully you won't. I have no
1794 desire.

1795

1796 (Overlapping conversation) 1:03:59.

1797

1798 **Donna Rickenbacker (1:03:59):**

1799 I have no desire to be up here on something like this.

1800 You can give me 12 if you'd like.

1801

1802 **Leo Vasquez III (1:04:06):**

1803 Mr. Marchant, do you have a question?

1804

1805 **Kenny Marchant (1:04:07):**

1806 Yeah. I'm just reading the report that the staff

1807 prepares us every month for this. And who is Andre

1808 Lewis Sr.?

1809

1810 **Donna Rickenbacker (1:04:19):**

1811 Dr. Lewis is the church leader. He's the pastor over at

1812 New Faith Church.

1813

1814 **Kenny Marchant (1:04:24):**

1815 Okay. And Alyssa Carpenter.

1816

1817 **Donna Rickenbacker (1:04:27):**

1818 Alyssa Carpenter was the, is with Sarah Anderson's team.

1819 She's the consultant who helped us with our tax credit

1820 application.

1821

1822 **Kenny Marchant (1:04:36):**

1823 Okay. Not a principal.

1824

1825 **Donna Rickenbacker (1:04:39):**

1826 No.

1827

1828 **Leo Vasquez III (1:04:41):**

1829 And y'all own the property.

1830

1831 **Donna Rickenbacker (1:04:44):**

1832 Yes, sir.

1833

1834 **Leo Vasquez III (1:04:44):**

1835 Okay. All right.

1836

1837 **Kenny Marchant (1:04:46):**

1838 Y'all being?

1839

1840 **Leo Vasquez III (1:04:48):**

1841 Well, the development.

1842

1843 **Donna Rickenbacker (1:04:50):**

1844 The development, which is inclusive again of the New

1845 Faith Church. It's on the New Faith Church campus.

1846

1847 **Kenny Marchant (1:04:57):**

1848 Okay.

1849

1850 **Donna Rickenbacker (1:04:57):**

1851 And the New Faith Church is a part of our development

1852 team and part of the developer as well. Ownership and

1853 developer.

1854

1855 **Kenny Marchant (1:05:07):**

1856 But you appear before us in many...

1857

1858 **Donna Rickenbacker (1:05:15):**

1859 Is that me?

1860

1861 **Kenny Marchant (1:05:15):**

1862 Are you the developer sometimes and sometimes the

1863 applicant and sometimes the consultant and sometimes the

1864 builder and...

1865

1866 **Donna Rickenbacker (1:05:21):**

1867 I totally can back, No. I'm not a builder.

1868

1869 **Kenny Marchant (1:05:25):**

1870 Not a builder.

1871

1872

1873 **Donna Rickenbacker (1:05:26):**

1874 I'm the owner and developer of this project. I have a
1875 co-owner and developer as well. It's the New Faith
1876 Church.

1877

1878 **Kenny Marchant (1:05:36):**

1879 Okay. But on other projects that you appear before us,
1880 you appeared...

1881

1882 **Donna Rickenbacker (1:05:41):**

1883 I don't know which ones you're referring to.

1884

1885 **Leo Vasquez III (1:05:43):**

1886 In general, so.

1887

1888 **Bobby Wilkinson (1:05:43):**

1889 Just in general. Like sometimes you're a consultant...

1890

1891 **Donna Rickenbacker (1:05:45):**

1892 In general, I used to be a consultant. Now I'm
1893 exclusively owner developer of these projects that are
1894 presented.

1895

1896

1897 **Kenny Marchant (1:05:54):**

1898 Okay.

1899

1900 **Leo Vasquez III (1:05:57):**

1901 Does this one have an elementary school?

1902

1903 **Donna Rickenbacker (1:06:00):**

1904 No. But that's coming. And you better come to my grand

1905 opening one that's coming up. OST. Yes, sir. Yes,

1906 sir.

1907

1908 **Anna Maria Farias (1:06:10):**

1909 Okay. Mr. Chairman, I don't mind you praying. After

1910 all --

1911

1912 The title of the development is New Faith Senior

1913 Village.

1914

1915 **Donna Rickenbacker (1:06:19):**

1916 Yes.

1917

1918 **Anna Maria Farias (1:06:20):**

1919 I'm fine with it.

1920

1921 **Leo Vasquez III (1:06:20):**

1922 Yeah. There's no...

1923

1924 **Anna Maria Farias (1:06:21):**

1925 And I'm for it, so.

1926

1927 **Leo Vasquez III (1:06:22):**

1928 I'm sorry. I forgot. You're right. Does...

1929

1930 **Donna Rickenbacker (1:06:32):**

1931 If you want to give me some more time, I'll be happy to

1932 take it. I just didn't think you all were be receptive

1933 to somebody coming in front of you asking for a year.

1934 But anyway, we're trying our best to get it closed in

1935 all sincerity. And I've got debt and equity providers

1936 that have stayed on top of this. And the City of

1937 Houston, I just can't say enough about the great housing

1938 department we have with the city of Houston. They are

1939 just a phenomenal team over there. They also have

1940 reduced their staff as a result of the reduction that,

1941 you know what's going on over there, Chairman. So, they

1942 just do a great, great job.

1943

1944

1945 **Leo Vasquez III (1:07:12):**

1946 Yeah. Mr. Nichols doing a good job. Okay. I think
1947 we've got the picture here. I'll entertain a motion on
1948 item 15 of the agenda.

1949

1950 **Holland Harper (1:07:27):**

1951 I move the Board approve the request of treatment under
1952 the application of force majeure rule for the New Faith
1953 Senior Village with a new placed in-service deadline of
1954 June 30, 2027, all as described, conditioned, and
1955 authorized in the Board action request, resolution, and
1956 associated documents in this item.

1957

1958 **Anna Maria Farias (1:07:42):**

1959 Second.

1960

1961 **Leo Vasquez III (1:07:42):**

1962 Motion made by Mr. Harper. Seconded by Ms. Farias. All
1963 those in favor say aye.

1964

1965 **All Board Members (1:07:46):**

1966 Aye.

1967

1968

1969 **Leo Vasquez III (1:07:48):**

1970 Any opposed? Hearing none, motion carries.

1971

1972 **Josh Goldberger (1:07:50):**

1973 Thank you.

1974

1975 **Leo Vasquez III (1:07:52):**

1976 Thanks, Josh. Quit bringing these to us. Item 16.

1977 Presentation, discussion, and possible action

1978 authorizing the Executive Director to approve a National

1979 Housing Trust Fund, NOFA, for certain declared disaster

1980 counties subject to the approval of necessary waivers by

1981 HUD.

1982

1983 **Connor Jones (1:08:13):**

1984 Yes. Hello again.

1985

1986 **Leo Vasquez III (1:08:14):**

1987 Mr. Jones, you're still here.

1988

1989 **Connor Jones (1:08:15):**

1990 Connor Jones, manager of the Multifamily Direct Loan

1991 Program. This item concerns the commitment of the

1992 Department's 2023 NHTF grant. We've had a lot of NHTF

1993 talk today. Each year, TDHCA receives a grant of NHTF
1994 funds from HUD, each carrying a specific date by which
1995 the funds must be committed to eligible projects.
1996 Earlier this year, the 2025-1 NOFA was released
1997 containing the roughly \$20 million needed to make our
1998 commitment deadline of August 3, 2025.
1999
2000 An applicant recently withdrew an application leaving
2001 roughly \$5.9 million in NHTF that cannot be committed to
2002 a project by the aforementioned deadline with our
2003 standard processes. Staff has been exploring all
2004 options available to commit these funds so that they are
2005 not recaptured. While the deadline itself cannot be
2006 waived, staff has identified the potential for certain
2007 definitions related to the commitment of funding to a
2008 local project that may be waivable. This will allow
2009 staff to alternatively commit the remaining funds and
2010 meet our federal deadline.
2011
2012 With this, staff intends to request a waiver from HUD on
2013 a number of these definitions to allow the commitment of
2014 these funds for use in counties recently impacted by
2015 floods. Board approval is necessary for two reasons
2016 today. First, to demonstrate to HUD that the funds were

2017 committed by the Department should the waiver be
2018 granted. Should this item be approved, that that
2019 approval will demonstrate the said commitment. Second,
2020 to move as quickly as we can on these funds, staff is
2021 requesting the executive director be authorized to
2022 approve and release a NOFA for these funds.

2023

2024 This NOFA would be structured similarly to the 2025-1
2025 NOFA from which they originate. This includes the 2
2026 percent fully amortized product that you have seen over
2027 the course of this and similar NOFAs. Of course that is
2028 changeable should the Board like to have a different
2029 product in the NOFA. This is certainly quite a long
2030 shot and there's a small chance that we will get the
2031 approval from HUD to do this. But should we miss the
2032 commitment deadline, staff would like to know we
2033 explored every avenue possible.

2034

2035 These NHTF commitment deadlines are rather difficult to
2036 hit. We had a surge of this source as well kind of
2037 right around COVID for a little bit of force for the
2038 trees. In 2019 the NHTF grant to TDHCA was about 10
2039 million in 2020 and up to 15 and then in 2021 it jumped
2040 to 44. And in the couple years following that it was

2041 pretty high. So we've had a large amount of the source
2042 to have to get out the door very quickly and this again
2043 is the source that requires 30 percent AMI units. It's
2044 a tough source to get out. It's a great source because
2045 it provides deep affordability, but it's a tough one.

2046

2047 **Bobby Wilkinson (1:10:55):**

2048 And as background it's variable because it's not
2049 appropriated. It's based off of, what, refinance fees?

2050

2051 **Connor Jones (1:11:01):**

2052 Refinance for Freddie Mac and Ginnie Mae payments. So
2053 the amount can fluctuate outside of kind of the general
2054 course for some of the other sources. With that, I
2055 conclude my remarks and recommend approval of this item.
2056 I'm happy to take any questions you may have.

2057

2058 **Leo Vasquez III (1:11:19):**

2059 Well, I have to say that after all these years of
2060 looking at board agendas and action requests and such,
2061 it's rare that I light up when I realize what y'all are
2062 asking.

2063

2064

2065 **Connor Jones (1:11:37):**

2066 Thank you.

2067

2068 **Leo Vasquez III (1:11:35):**

2069 We said hope and prayer isn't a strategy, but this is a

2070 kind of, the Lord works in mysterious ways by

2071 potentially freeing up these funds that we can use for

2072 much needed...

2073

2074 **Connor Jones (1:11:50):**

2075 Yeah.

2076

2077 **Leo Vasquez III (1:11:51):**

2078 Which we can hopefully use for a much-needed purpose

2079 here.

2080

2081 **Connor Jones (1:11:55):**

2082 It is going to be a bit of a Hail Mary, but we're going

2083 to try everything we can.

2084

2085 **Bobby Wilkinson (1:11:59):**

2086 Yeah. We just have to craft it waiver wise and it would

2087 be a lot easier if we could just get the deadline

2088 waived, but...

2089

2090 **Connor Jones (1:12:06):**

2091 Yes. Which...

2092

2093 (Overlapping conversation) 1:12:08.

2094

2095

2096 **Bobby Wilkinson (1:12:09):**

2097 You don't have anything identified project wise. Of
2098 course.

2099

2100 **Connor Jones (1:12:11):**

2101 No.

2102

2103 **Bobby Wilkinson (1:12:11):**

2104 But we can't get this in front of high-level people at
2105 HUD.

2106

2107 **Leo Vasquez III (1:12:18):**

2108 I've voiced this to Mr. Wilkinson. Assuming we're about
2109 to approve this, let's put together the ask and publish
2110 it in a shareable letter that any board member has
2111 connections with people in the HUD organization or
2112 anyone sitting in this room who has some connections

2113 with people who might be able to help approve this or
2114 waive it.

2115

2116 **Bobby Wilkinson (1:12:51):**

2117 I got it.

2118

2119 **Leo Vasquez III (1:12:56):**

2120 Everyone needs to push on this together.

2121

2122 **Anna Maria Farias (1:12:58):**

2123 Mr. Chairman. We have it.

2124

2125 **Leo Vasquez III (1:13:00):**

2126 Okay. All right.

2127

2128 **Anna Maria Farias (1:13:01):**

2129 We have personal cell phone numbers.

2130

2131 **Leo Vasquez III (1:13:03):**

2132 That's what we need.

2133

2134 **Anna Maria Farias (1:13:03):**

2135 So we'll take from there.

2136

2137 **Leo Vasquez III (1:13:04):**

2138 That someone's called Scott. Do any board members have
2139 questions on this item for Mr. Goldberger? Mr. Jones?
2140 Sorry.

2141

2142 **Connor Jones (1:13:13):**

2143 I wish I had that hair. Sorry.

2144

2145 **Leo Vasquez III (1:13:15):**

2146 Yeah. I know. Me too. Yeah. Does anyone have any
2147 questions on this item for Mr. Jones? Would anyone care
2148 to make a motion on item 16 of the agenda?

2149

2150 **Holland Harper (1:13:30):**

2151 I move the Board approve subject to the necessary
2152 waivers being approved by HUD, the commitment of the
2153 NHTF funds to qualified rental projects and disaster
2154 declared county as described by FEMA 4879-DR. The Texas
2155 disaster declaration as of 7/18/2025, and that the
2156 executive director is authorized to prove a notice of
2157 funding availability for these funds as well as other
2158 discretionary funds as described, conditioned, and
2159 authorized in the Board action request, resolution, and
2160 associate documents in this item.

2161

2162 **Anna Maria Farias (1:14:00):**

2163 Second.

2164

2165 **Leo Vasquez III (1:14:01):**

2166 Motion made by Mr. Harper. Seconded by Ms. Farias. All
2167 those in favor say aye.

2168

2169 **All Board Members (1:14:05):**

2170 Aye.

2171

2172 **Leo Vasquez III (1:14:06):**

2173 Any opposed? Hearing none, motion carries.

2174

2175 **Connor Jones (1:14:09):**

2176 Thank you very much.

2177

2178 **Leo Vasquez III (1:14:10):**

2179 Thanks, Connor. Item 17 of the agenda. Oh, it's a long
2180 one. Presentation, discussion, and possible action
2181 confirming obligations for those properties recommended
2182 for an award of competitive low-income housing
2183 development tax credits that sought and were awarded one
2184 point for committing at least an additional 2 percent of

2185 the total units to persons referred from the continuum
2186 of care or local homeless service providers to be made
2187 available to those experiencing homelessness under 10
2188 TAC Section 11.9(c)(6) related to residents with special
2189 housing needs. Mr. Campbell.

2190

2191 **Cody Campbell (1:14:48):**

2192 Thank you, Mr. Vasquez.

2193

2194 **Leo Vasquez III (1:14:49):**

2195 Did you bring your Rubik's cube?

2196

2197 **Cody Campbell (1:14:52):**

2198 I did not. It's still at home on my bookshelf.

2199

2200 **Cody Campbell (1:14:54):**

2201 Okay. All right.

2202

2203 **Cody Campbell (1:14:57):**

2204 After we published the Board book, I realized that we

2205 probably ought to shorten this item title so that you

2206 don't have to read a whole paragraph next year. Cody

2207 Campbell, director of Multifamily Programs for the

2208 Department. This item is kind of a small item that we

2209 present to the Board every year as a warmup to the big
2210 one, which is why most of the people in this are in the
2211 room today. This item is a list of applications that
2212 are contemplated for an award of 2025 9 percent housing
2213 tax credits and that have also elected to claim a point
2214 for scoring purposes that is related to working with
2215 homeless services providers.

2216

2217 Under the scoring item, applications are eligible for
2218 this point if they agree to market 2 percent of the
2219 total units to the Continuum of Care Homeless Services
2220 Network. Tenants who are referred for this these
2221 services may not be denied tenancy for reasons of credit
2222 history or prior rental payment history. In addition to
2223 the marketing that is required, developments that accept
2224 this point must initially hold 2 percent of the units
2225 vacant for these referrals. Applications in urban
2226 regions are required to hold the units vacant for six
2227 months and rural applications are required to hold them
2228 for six.

2229

2230 It is important to note that the Board is not making any
2231 awards of tax credits with this item. The list is
2232 dynamic and should any applications be awarded from the

2233 waiting list that are not represented on this list, but
2234 that did select the continuum of care points, those
2235 applications will also be required to comply with this
2236 requirement. The list is a little bit shorter this year
2237 than what you've seen in previous years. Normally,
2238 functionally, all of the applications go for these
2239 points. There are two lists attached to this board
2240 item.

2241

2242 One is for the continuum of care applications, and the
2243 second is for applications that have agreed to
2244 participate in the Section 811 PRA Program. The Section
2245 811 program is a federal program that provides rental
2246 assistance to persons with disabilities. It's a very
2247 important program. It helps people who otherwise would
2248 not be able to secure housing due to having a
2249 disability. The Department only gets those grants every
2250 couple of years. It is, I'll readily admit, very
2251 difficult money for developers to work with and to
2252 manage if you're working on site.

2253

2254 And so to make sure that we get that money out the door
2255 whenever we have one of those grants, we place it in the
2256 QAP along with this other option for continuum of care

2257 points. And basically, we structure the QAP in such a
2258 way that you're required to take those 811 points unless
2259 you can't take those 811 for whatever reason due to the
2260 characteristics of the development, in which case we
2261 allow you to take the continuum of care points instead.
2262 And so there's two lists in your application. Both of
2263 those are serving persons who are very high needs.

2264

2265 One is persons who are experiencing homelessness. One
2266 is persons who have disabilities. We put this item out
2267 every year so that the continuum of care providers will
2268 understand what developments are coming down the
2269 pipeline that will have units reserved for them. And
2270 staff recommends that you approve the item.

2271

2272 **Leo Vasquez III (1:17:49):**

2273 Great. Thank you, Cody.

2274

2275 **Cody Campbell (1:17:49):**

2276 Sure thing.

2277

2278 **Leo Vasquez III (1:17:51):**

2279 I have some questions, but does any other board members
2280 have questions on this item? Let me ask again. The

2281 concept of this is noble. It's great that we're trying
2282 to get 2 percent of the total units reserved for these
2283 populations. Do we have any kind of follow-up reporting
2284 or history or some way to track how many of these units
2285 were actually filled with someone who was experiencing
2286 homelessness or was part of this continuum of care?
2287 Because they still have to have a voucher, they still
2288 have to approve even though they're reserved, so to
2289 speak, after 12 months, that then if they haven't been
2290 filled...

2291

2292 **Cody Campbell (1:18:47):**

2293 Correct. It can just be at least anyone that qualifies.

2294

2295 **Leo Vasquez III (1:18:49):**

2296 So are we, how can we tell if this noble gesture is
2297 actually taken advantage of by anyone who really needs
2298 it?

2299

2300 **Cody Campbell (1:18:58):**

2301 That's a great question. So we don't have data. Our
2302 compliance division does go out and when they do their
2303 monitoring reviews, they make sure that the requirement
2304 is being followed. We haven't compiled all the

2305 information to see how many of those units have been
2306 filled with referrals from continuum of care
2307 organizations. What I will tell you is that
2308 consistently I get two complaints about the scoring
2309 item. One is that developments in rural areas cannot, I
2310 can't say universally cannot, but broadly cannot get
2311 referrals from continuum of care providers.

2312

2313 So the six-month requirement means that they just have a
2314 unit sitting vacant for six months. That's the
2315 complaint that we get from the rural applicants. The
2316 urban applicants have a slightly different complaint
2317 which is that the 12-month requirement affects their
2318 ability to timely deliver credits to investors. And so
2319 generally once a development is ready for occupancy,
2320 there is an expectation that those units be filled
2321 within 12 months so that the credits can be delivered.

2322

2323 And if they have a unit that doesn't get a referral from
2324 a continuum of care organization, then that pushes them
2325 past that date by which they should have filled the
2326 unit. And so staff has heard that feedback. We're
2327 looking at ways that we might be able to adjust the
2328 scoring item to still meet the intention while

2329 addressing those concerns from the developers. I tell
2330 you that to sort of paint the picture that anecdotally,
2331 I'm under the impression that not all of these units get
2332 filled by referrals from continuum of care
2333 organizations.

2334

2335 **Leo Vasquez III (1:20:25):**

2336 I'm even curious how many, if any gets filled.

2337

2338 **Cody Campbell (1:20:28):**

2339 Sure.

2340

2341 **Bobby Wilkinson (1:20:30):**

2342 Definitely some, some of the urban areas it's like not a
2343 problem.

2344

2345 **Leo Vasquez III (1:20:34):**

2346 Yeah. Okay. Well, if we can get some sort of snapshot
2347 report or something that'd be interesting to see.

2348

2349 **Cody Campbell (1:20:40):**

2350 Sure. We can send out a survey.

2351

2352

2353 **Bobby Wilkinson (1:20:41):**

2354 Also just for the benefit of the Board, this was
2355 inserted by the Governor's Office a few cycles ago.

2356

2357 **Leo Vasquez III (1:20:45):**

2358 Yeah. But we also have that rule of jurisdictions
2359 reporting their designated homeless camp sites. Nothing
2360 came of that. Okay. I understand. Apples and oranges.
2361 Okay. If there are no further questions on item 17 of
2362 the agenda, I'll entertain a motion.

2363

2364 **Ajay Thomas (1:21:16):**

2365 Mr. Chairman, I move the Board approve the proposed list
2366 of applications to receive one point for committing to
2367 provide as a condition in their land use restriction
2368 agreement, an additional 2 percent of the total units to
2369 persons referred from the continuum of care or local
2370 homeless service providers to be made available for
2371 those experiencing homelessness, all as described,
2372 conditioned, and authorized in the Board action request,
2373 resolution, and associated documents on this item.

2374

2375 **Leo Vasquez III (1:21:42):**

2376 Okay. Thank you. Motion made by Mr. Thomas. Is there

2377 a second?

2378

2379 **Cindy Conroy (1:21:45):**

2380 Aye.

2381

2382 **Leo Vasquez III (1:21:46):**

2383 Seconded by Ms. Conroy. All those in favor say aye.

2384

2385 **All Board Members (1:21:49):**

2386 Aye.

2387

2388 **Leo Vasquez III (1:21:50):**

2389 Any opposed? Hearing none, motion carries. Okay. I

2390 understand item 18 is pulled from the agenda. So that

2391 brings us to a really good point where probably stop for

2392 lunch for like 45 minutes. Anyone need a bathroom break

2393 or not? Let's push through.

2394

2395 Item 19 of the agenda. Presentation, discussion, and

2396 possible action regarding awards to 2025 9 percent

2397 competitive housing tax credit applicants and approval

2398 of the waiting list for the 2025 competitive housing tax

2399 credit application round. Mr. Campbell, what's this

2400 about?

2401

2402 **Cody Campbell (1:22:34) :**

2403 Thank you, Mr. Vasquez. This is the big one for the 9
2404 percent program every year. This is the award of
2405 credits that we have to do every year statutorily by the
2406 end of July. 97 full applications were initially
2407 submitted, 87 of which are still active today. Of
2408 these, staff is recommending 63 for an award of funding
2409 today out of the 2025 ceiling. These awards total just
2410 under \$100 million, which has a 10-year value of close
2411 to a billion dollars. So we're talking about quite a
2412 bit of money.

2413

2414 The awards today represent financing for 4,413 low-
2415 income units, which is roughly the same number produced
2416 last year. About 1,350 of these are rehabilitation or
2417 reconstruction, and the remaining 3,050 are our new
2418 construction. The average total 10-year tax credit per
2419 door this year is about \$222,000, which is up slightly
2420 from last year, but still down from 2023's \$240,000. To
2421 help put that into perspective, the last year before the
2422 pandemic, I believe we were at about 185. So we're
2423 still decently above where we were pre-pandemic levels.
2424 But I'm not sure that we're ever going to see that

2425 pricing ever again. So 222 feels comfortable.

2426

2427 I'd like to give you a brief synopsis of where all these
2428 numbers come from, and how staff identifies which
2429 applications to recommend for an award. Each year, we
2430 start out with an initial credit ceiling amount that is
2431 calculated based on figures released by the IRS. This
2432 year that amount was about \$93 million. We also had
2433 \$1.2 million in unused credits from 2024, giving us an
2434 initial credit ceiling of about \$94 million. These
2435 funds are distributed throughout Texas following a
2436 number of requirements.

2437

2438 State statute requires that at least 15 percent of the
2439 credits go to developments that are considered to be at
2440 risk of losing affordability, and that 5 percent go to
2441 developments that also receive funding from USDA. This
2442 5 percent for USDA is included within the 15 percent for
2443 at-risk developments, so we're still just talking about
2444 15 percent rather than 20. Based on these requirements,
2445 staff sets aside those amounts for at risk and USDA
2446 applications. Staff then takes the remaining 85 percent
2447 of the initial ceiling and applies the regional
2448 allocation formula, or RAF, to it.

2449

2450 The RAF is a complex formula that takes into
2451 consideration a number of variables across the state sub
2452 regions, including things such as the number of
2453 overcrowded or cost burdened renters, the prevalence of
2454 substandard housing, and the number of units available
2455 for rent. The formula allocates funding throughout the
2456 state based on those variables. Regardless of the
2457 regional allocation formula, there is a minimum of
2458 \$750,000 that has to go to each sub region, which we see
2459 in about half of our rural sub regions.

2460

2461 The largest amounts that were available this year were
2462 unsurprisingly in Houston and Dallas, both of which
2463 received about \$17 million. Early in the round, staff
2464 identifies applications that appear to be the most
2465 competitive for credits. Applications are scored and
2466 underwritten and any appeals of those items are resolved
2467 through the executive director or the Board. Additional
2468 applications are identified for review as needed based
2469 on the outcome of those processes.

2470

2471 When it comes time to assemble the list of awards, staff
2472 first starts in the at-risk set-aside, and identifies

2473 USDA applications recommended for an award in order of
2474 competitiveness until the 5 percent is met. We then do
2475 the same thing with at-risk. From there we move on to
2476 the individual sub regions. Staff starts at the top of
2477 the list within each sub region and recommends for an
2478 award each application until there is insufficient
2479 funding left to fund the next application. We continue
2480 with this process until all of that first phase of
2481 awards are identified.

2482

2483 At this point we move on to what's called the rural
2484 collapse, where we identify the rural regions of the
2485 state that are the most underserved up until that point
2486 in the process, until we hit our statutorily required 20
2487 percent, because 20 percent of our credits each year
2488 have to go to rural applications. Once we've completed
2489 that process and gotten 20 percent to rural
2490 applications, we take any remaining credits and do
2491 what's called the statewide collapse, which is the exact
2492 same as the rural collapse, except it applies statewide.

2493

2494 We go throughout the state and see who's got gotten the
2495 least amount of money relative to how much they were
2496 initially allocated up until that point in time. And we

2497 award an application in each of those regions until we
2498 don't have enough money to make the final award. The
2499 item in front of you today recommends 63 applications
2500 for an award of housing tax credits. I have to say this
2501 is my fourth tax credit round and I'm very proud of how
2502 this one went. It was very smooth. There were no major
2503 issues.

2504

2505 I do anticipate that the Board is going to get public
2506 comments as is usual every year. We do have some folks
2507 that disagree with certain specific outcomes. And so
2508 I'm prepared to speak about any of those situations, at
2509 least the ones that I'm aware of. I do have one update
2510 that I need to read into the record. In region 12
2511 rural, the application for Big Spring lofts was
2512 withdrawn very recently and will be replaced by the, on
2513 the award list with the next application in line, which
2514 is called WAAFS at Birdwell.

2515

2516 Fortunately, both applications request the same amount
2517 of credits and provide the same number of units. So all
2518 the math that we've discussed today remains unchanged.
2519 Staff recommends approval of this item. And again, I
2520 couldn't be more proud of the staff and the industry and

2521 the work that we did this year. This was a fantastic
2522 round and I'm happy to answer any questions that you may
2523 have.

2524

2525 **Leo Vasquez III (1:28:00):**

2526 Great. Thank you, Cody. Mr. Eccles, you have
2527 something?

2528

2529 **Beau Eccles (1:28:04):**

2530 I was just going to ask that late substitution, is that
2531 reflected in what's in the Board materials or should
2532 that be considered in any board members book?

2533

2534 **Cody Campbell (1:28:12):**

2535 It should be considered in the resolution. I'm sorry
2536 that we didn't have a chance to speak about this. It's
2537 been a fairly recent change.

2538

2539 **Leo Vasquez III (1:28:20):**

2540 Okay. Are there any members of the public who wish to
2541 make comments at this time? Okay. Great. Seeing none,
2542 are there any board members who have questions for Mr.
2543 Campbell or comments? Mr. Marchant.

2544

2545 **Kenny Marchant (1:28:43):**

2546 If this is the appropriate time. If it's not, gavel me
2547 out and gavel me out of order.

2548

2549 **Leo Vasquez III (1:28:49):**

2550 I can do that.

2551

2552 **Cindy Conroy (1:28:50):**

2553 You have a gavel...

2554

2555 **Leo Vasquez III (1:28:51):**

2556 I got two. I can throw one and still have one in
2557 reserve.

2558

2559 **Kenny Marchant (1:28:54):**

2560 What has been the disposition of the last two items
2561 mentioned in our public comments last meeting?

2562

2563 **Cody Campbell (1:29:04):**

2564 That is a great question. So at the end, just as a
2565 refresher to the Board members, at the end of the
2566 meeting last week, two separate people spoke about
2567 issues that they had with the award list. Both involved
2568 appeals that had been granted at the executive director

2569 level. One person felt that an applicant had been
2570 awarded pre-application points that they should not
2571 have. Staff had initially taken those pre-application
2572 points away. That applicant appealed; the appeal was
2573 granted by the executive director.

2574

2575 And then the other involves the school district that was
2576 used for a tiebreaker on an application in San Antonio.
2577 Those were actually the two situations that I expected
2578 public comment on today. And based on the absence of
2579 it, one, I am going to buy a lottery ticket as soon as I
2580 leave here, and two, I suppose that they are satisfied
2581 or worn out.

2582

2583 **Kenny Marchant (1:30:09):**

2584 Okay. But any action taken, is that appealable as per
2585 those items?

2586

2587 **Cody Campbell (1:30:16):**

2588 So in both of those situations, staff took action. In
2589 one case, we reduced the applications pre-application
2590 points, and in the other, we reduced their tiebreaker.
2591 The applicants in both of those situations appealed.
2592 Those appeals went to the executive director who found

2593 those appeals compelling and therefore granted them, and
2594 so there's really not any formal process left. And
2595 Beau, correct me if I'm wrong, but.

2596

2597 **Kenny Marchant (1:30:43):**

2598 So we won't hear about any of that again, or from an
2599 appeals...

2600

2601 **Cody Campbell (1:30:48):**

2602 I'm not sure what the mechanism would be for that.

2603

2604 **Beau Eccles (1:30:52):**

2605 No. In short, statute's very clear that it's only the
2606 applicant who can appeal. It's not an affected party
2607 that can then say we handled the appeal wrong. That's
2608 not an appeal in and of itself to the Board.

2609

2610 **Kenny Marchant (1:31:09):**

2611 Okay. Thank you.

2612

2613 **Leo Vasquez III (1:31:13):**

2614 Anyone else have comments or questions? I'd like to
2615 make the comment to thank you, Cody, and your team and
2616 everyone for the effort that y'all put into this. And

2617 truly thank industry for helping us make this process so
2618 much smoother than, the way that it works now compared
2619 to when I first came on the Board in what, 2017? It
2620 feels like night and day. This is great that we have
2621 what, 63 developments and 4,000 what, how many units?

2622

2623 **Cody Campbell (1:31:54):**

2624 4,413. But I'm miscounting.

2625

2626 **Leo Vasquez III (1:31:56):**

2627 4,432?

2628

2629 **Cody Campbell (1:31:58):**

2630 13.

2631

2632 **Leo Vasquez III (1:32:00):**

2633 4,400 what, sir?

2634

2635 **Cody Campbell (1:32:02):**

2636 And 13.

2637

2638 **Leo Vasquez III (1:32:03):**

2639 13.

2640

2641 **Cody Campbell (1:32:03):**

2642 Yeah.

2643

2644 **Leo Vasquez III (1:32:05):**

2645 That's great. We're bumping up almost to a billion
2646 dollars in value. Theoretically, if there's like, isn't
2647 there like a national collapse or something that we
2648 still could get more funds.

2649

2650 **Cody Campbell (1:32:18):**

2651 Yes, sir. That typically comes in in October.

2652

2653 **Leo Vasquez III (1:32:21):**

2654 Yeah. So we could still, for this year, surpass that
2655 \$100 million a year. A billion. Next year with the
2656 increase from the one Big Beautiful Bill, I we are
2657 clearly going to jump over that, surpass that...

2658

2659 **Cody Campbell (1:32:36):**

2660 Yes, sir.

2661

2662 **Leo Vasquez III (1:32:36):**

2663 Billion value and hopefully we get this 4,400 number up
2664 to push towards 5,000. But again, it's without that

2665 hard work and without the cooperation and input and
2666 sharing of ideas from the QAP to just the general
2667 processes and everything, I still believe that Texas has
2668 one of the best tax credit programs in the country. So
2669 congratulations on everything that...

2670

2671 **Cody Campbell (1:33:08):**

2672 Thank you.

2673

2674 **Leo Vasquez III (1:33:09):**

2675 That you all have done and great leadership there,

2676 Bobby. Okay. Clap, everybody.

2677

2678 **Kenny Marchant (1:33:19):**

2679 I have a question before we get on to any more parades

2680 and all that kind of stuff. Cody, help me understand

2681 the concept of concentration where a group of developers

2682 or consultants tend to dominate applications. And don't

2683 we have rules about concentrations?

2684

2685 **Cody Campbell (1:33:49):**

2686 We do. So there is at the state level a law that limits

2687 the amount of credits that a single applicant can take

2688 in a round, which is 6 million. It used to be 3 million

2689 and it's now 6. That limit applies to a limited number
2690 of people on the application. So off the top of my
2691 head, it's the developer and the guarantor. And there's
2692 probably, I think one, it's basically the principles of
2693 the application. The QAP establishes that certain
2694 people are excluded from that calculation.

2695

2696 And so, for example, a consultation consultant on an
2697 application that takes a fee less than \$200,000 is not
2698 taken into consideration when calculating that cap. So
2699 theoretically, one consultant could be on every
2700 application if they wanted to be. They have to sleep at
2701 some point. I don't know how they would do it. But we
2702 do see the same players in a lot of our applications.
2703 There's a high level of expertise that's been developed
2704 over this program's history, and so it's become kind of
2705 an industry in and of itself. But for the players, the
2706 major players, in an application, they are limited to
2707 that \$6 million cap.

2708

2709 **Kenny Marchant (1:34:59):**

2710 How about the group that vacillates between consultancy
2711 and principalship?

2712

2713 **Cody Campbell (1:35:06):**

2714 So for them, if they are principal on an application,
2715 then it would count towards their \$2 million cap. If
2716 they were operating on another application as a
2717 consultant and their fee did not exceed the limit
2718 established by the QAP, then that application would not
2719 count towards their cap.

2720

2721 **Kenny Marchant (1:35:21):**

2722 Do you think that you, after four years of doing this,
2723 do you see any abuse of that that needs addressing?

2724

2725 **Cody Campbell (1:35:31):**

2726 Truthfully, I'm not sure that I do.

2727

2728 **Kenny Marchant (1:35:34):**

2729 Okay.

2730

2731 **Cody Campbell (1:35:34):**

2732 We did something very important a couple years ago,
2733 which is that previously there was an experience
2734 certificate that was required to be the principal on one
2735 of our applications. And it was very difficult to get
2736 that experience certificate. And so at the time,

2737 basically there was a very small group of people who
2738 were able to sponsor an application in the State of
2739 Texas. We removed that a couple of years ago.
2740 Obviously there were some concerns that if we completely
2741 open the floodgates, who's going to come in and start
2742 applying for our programs.

2743

2744 And I'm really happy to say that we have not seen a
2745 significant degradation in the quality of our
2746 applications since we've done that. But we have seen
2747 new players come in. So off the top of my head, I can
2748 think of two people in this application round who got
2749 their first 9 percent award in Texas. There may be
2750 others, but I can think of two off the top of my head.
2751 And so that has already started to kind of spread the
2752 love around, so to say. And we're hopeful that more
2753 people will come in. Texas is open for business. This
2754 is a competitive process; this is a competitive program
2755 and we want the best people to be developing this
2756 housing.

2757

2758 **Kenny Marchant (1:36:36):**

2759 So you don't see any need to make somebody pick the lane
2760 they want to be driving because just an overview of the

2761 current cases, we have some people that are
2762 participating over 20 percent of the units in one way or
2763 another.

2764

2765 **Cody Campbell (1:36:37):**

2766 Sure. Sure.

2767

2768 **Kenny Marchant (1:37:01):**

2769 And can they, if they fill a dual role of consultant and
2770 principal, which do you count?

2771

2772 **Cody Campbell (1:37:10):**

2773 So if they're on an application as both, we would
2774 certainly, if they were a principal and they met one of
2775 the categories that counts towards the \$6 million cap,
2776 we would absolutely count that towards the cap. That 6
2777 million.

2778

2779 **Kenny Marchant (1:37:26):**

2780 Okay. I suggest that it's not open wide enough yet.

2781

2782 **Cody Campbell (1:37:31):**

2783 Okay.

2784

2785 **Kenny Marchant (1:37:31):**

2786 And that there is a dominance, very prevalent dominance,
2787 in consultancy that bleeds over into ownership and that
2788 there are a lot of people that choose not to go that
2789 route and appear to be de facto excluded, because they
2790 don't know exactly how to do the application. And they
2791 don't need to exactly know how to put their group
2792 together. Thank you.

2793

2794 **Cody Campbell (1:38:06):**

2795 Sure thing.

2796

2797 **Leo Vasquez III (1:38:13):**

2798 Any other comments, questions? If not, Mr. Vice
2799 Chairman, would you care to make a motion on item 19 of
2800 the agenda?

2801

2802 **Kenny Marchant (1:38:25):**

2803 I absolutely would if that's where we're at.

2804

2805 **Leo Vasquez III (1:38:27):**

2806 That's where we're at.

2807

2808

2809 **Bobby Wilkinson (1:38:29):**

2810 And Cody, could you be ready to let them know the 12
2811 rural substitution, the name of it so the...

2812

2813 **Cody Campbell (1:38:34):**

2814 Sure. The 12 rural substitution is called Lofts at
2815 Birdwell.

2816

2817 **Kenny Marchant (1:38:42):**

2818 So if I make this motion, will it include that?

2819

2820 **Cody Campbell (1:38:45):**

2821 I believe that if you make the motion and say as orally
2822 modified by staff, that gets us where we need to be.

2823

2824 **Kenny Marchant (1:38:51):**

2825 I move the Board approve the list of recommended
2826 applications for final commitments of housing tax
2827 credits to the 2025 state competitive housing tax credit
2828 and the 2025 housing tax credits waiting list as stated
2829 in board action request and associated documents and
2830 reports on this item all expressly subject to the
2831 conditions as stated in the resolutions on this item and
2832 to include that project that has been mentioned in

2833 discussion.

2834

2835 **Anna Maria Farias (1:39:33):**

2836 Second.

2837

2838 **Leo Vasquez III (1:39:35):**

2839 Motion made by Vice Chairman Marchant. Seconded by

2840 member Farias. All those in favor say aye.

2841

2842 **All Board Members (1:39:42):**

2843 Aye.

2844

2845 **Leo Vasquez III (1:39:43):**

2846 Any opposed? Hearing none, motion carries.

2847

2848 **Cody Campbell (1:39:46):**

2849 Thank you.

2850

2851 **Leo Vasquez III (1:39:47):**

2852 Congratulations, everyone. So the Board has addressed

2853 the posted agenda items. Now is the time of the meeting

2854 when members of the public can raise issues with the

2855 Board on matters of relevance to the Department's

2856 business, or make requests that the Board place specific

2857 items on future agendas for consideration. Is there
2858 anyone who would like to provide public comment at this
2859 time? Mr. Kelley.

2860

2861 **Nathan Kelley (1:40:18):**

2862 And I won't keep us here too long. Chairman, thank you
2863 for the opportunity. No issues to raise. I am just
2864 super thankful of the public, I'm sorry.

2865

2866 **Bobby Wilkinson (1:40:26):**

2867 Name and organization.

2868

2869 **Leo Vasquez III (1:40:27):**

2870 Yeah.

2871

2872 **Nathan Kelley (1:40:27):**

2873 Nathan Kelley, Blazer Building here, representing the
2874 Texas Affiliation of Affordable Housing Providers.

2875

2876 **Bobby Wilkinson (1:40:33):**

2877 Immediate past president, now.

2878

2879 **Nathan Kelley (1:40:34):**

2880 Immediate past president of the Texas Affiliation of

2881 Affordable Housing Providers. The executive director,
2882 Mr. Wilkinson, mentioned this in his remarks. We have
2883 just completed our largest Texas housing conference,
2884 exceeding over 2,000 attendees. Many of your team were
2885 present. Ms. Farias, great to see you all three days.
2886 A lot of very good topics covered, including a standing
2887 room only recap of the 89th legislative session, that I
2888 hate to say Mr. Wilkinson was barred from the door
2889 because of fire marshal reasons, but makes for good
2890 stories. We can't tell you as an industry how grateful
2891 we are for this public-private partnership, for you
2892 lending your staff these last few days to be such a
2893 critical component of that conference. And so it's with
2894 my sincerity that I just want to say thank you very much
2895 for that effort.

2896

2897 **Leo Vasquez III (1:41:22):**

2898 Great. Thank you, Mr. Kelley. Anyone else? Any final
2899 comments for board members?

2900

2901 **Cindy Conroy (1:41:40):**

2902 Well, it's Homero's last day, we should make a...

2903

2904

2905 **Leo Vasquez III (1:41:42):**

2906 I guess, that's right. Should we mention it?

2907

2908 **Bobby Wilkinson (1:41:48):**

2909 If y'all want to just wave to Homer.

2910

2911 **Leo Vasquez III (1:41:52):**

2912 But we're going to miss you. Very good. The business

2913 of the Texas Department of Housing and Community

2914 Development...

2915

2916 **Ajay Thomas (1:42:13):**

2917 Community Affairs.

2918

2919 **Leo Vasquez III (1:42:14):**

2920 Community Affairs. Yeah. It sounded wrong. TDHCA

2921 Governing Board is concluded for today. The next

2922 scheduled meeting of the Governing Board is set for 10

2923 a.m., on Thursday, September 4, 2025, at a location

2924 still TBD, to be determined. So look for postings. And

2925 we look forward to seeing you on September 4th. With

2926 that, this meeting, it's 11:43 and this meeting is

2927 adjourned.

2928

* * * * *