



**TDHCA Governing Board
Rules Committee
Meeting Transcript***

***2:00 p.m.
June 3, 2026***

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

125 E. 11th Street, Austin, TX 78701

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BOARD MEMBERS: KENNY MARCHANT, CHAIR
 HOLLAND HARPER
 LEO VASQUEZ III

SPEAKERS:

Ajay Thomas
Cindy Conroy
Bobby Wilkinson
Megan Sylvester
Cody Campbell
Erin Hahn
Tanya Lavelle
Kathryn Saar
Audrey Martin
Timothy Smith
Tracey Fine
Alan Naul
Joshua Goldberger
Nancy Crowther
Alexis Sheehy
Anna Maria Farias
Cole Glosser
Darrell Jack
Sarah Anderson

Jeanna Adams

Justin Meyer

Abbey Benesh

1 **Kenny Marchant (0:00:04):**

2 Welcome, everybody. We're going to start the meeting,
3 the Rules meeting. I'll call the roll. I am present.
4 Leo Vasquez is en route. And Holland Harper.

5

6 **Holland Harper (0:00:16):**

7 Yes, sir. I am here.

8

9 **Kenny Marchant (0:00:17):**

10 And we're joined by Ms. Farias and I think Ajay.

11

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

13 Sir.

14

15 **Kenny Marchant (0:00:22):**

16 And I think Cindy is on her way. So the ground rules
17 today are kind of, we're basically ready to hear from
18 all of you. Cody will get up and kind of give you the
19 order we're going to go in.

20

21 Probably the only hard, fast rule we have is the Highway
22 Department wants us out by 4:45. So at 4:45 we'll
23 begin, we won't interrupt your sentence, but we'll begin

24 to try to clear out because we like to stay on the good
25 side of them so we can keep meeting this meeting.

26

27 So at this time, I should say there are two of the three
28 members present and one absent. And I don't think
29 there's any other official business I need to transact.

30

31 **Megan Sylvester (0:01:19):**

32 And that's okay because we were not voting so we don't
33 need a quorum.

34

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

36 We're not going to take any votes.

37

38 **Megan Sylvester (0:01:23):**

39 Yeah.

40

41 **Kenny Marchant (0:01:23):**

42 Do we have to have a motion to take...

43

44 **Megan Sylvester (0:01:26):**

45 Accept comment.

46

47 **Kenny Marchant (0:01:27):**

48 Okay.

49

50 **Holland Thomas (0:01:29):**

51 I'll make a motion that we open public comment limited

52 to the three minutes.

53

54 **Kenny Marchant (0:01:32):**

55 Is there a second?

56

57 **Ajay Thomas (0:01:33):**

58 Second.

59

60 **Kenny Marchant (0:01:34):**

61 There's a motion and second to open up for public

62 comment not to exceed three minutes unless it's

63 extenuating circumstances and you're asked to continue.

64 Okay. That motion passed and we will operate under

65 those rules.

66

67 This time I'm going to call on Cody to come forward and

68 kind of give us an outline of how we're going to

69 proceed.

70

71 **Cody Campbell (0:02:04):**

72 Thank you, Mr. Marchant. Can you hear me now? Thank
73 you, Mr. Marchant and...

74

75 **Kenny Marchant (0:02:06):**

76 Yeah. Are they witnesses, do they need to sign in?

77

78 **Megan Sylvester (0:02:10):**

79 They do need to sign in.

80

81 **Cody Campbell (0:02:11):**

82 We do have a sign-in sheet, yeah.

83

84 **Kenny Marchant (0:02:12):**

85 Okay. So please sign in. You can talk while you're
86 signing in if you like, but sign in, please, so we'll
87 know that you were in attendance.

88

89 **Cody Campbell (0:02:25):**

90 Great. Thank you very much. It's great to see
91 everybody as always. My name is Cody Campbell. I'm the

92 director of Multifamily Programs for TDHCA, and we are
93 here today to talk about the 2027 QAP.

94

95 The QAP is the Qualified Allocation Plan, which
96 establishes the threshold requirements and scoring
97 requirements used for the Department's programs. You
98 are all familiar with it, so let's just jump right in.

99

100 I understand that we have to be out of here at 4:45
101 today. From every discussion that I've had so far about
102 the QAP, I don't think that's going to be a problem.
103 It's pretty easy one this year, it seems like. Knock on
104 wood.

105

106 We held a roundtable discussion on May 20th to discuss
107 the QAP. And from that discussion, we've identified a
108 couple of topics that we would like to bring to the
109 Committee's attention for potential input to the
110 Department.

111

112 I have listed these in the board report in front of you
113 today. It is possible that some folks in attendance
114 will want to discuss additional topics beyond these, but

115 I would recommend that we take first these four topics
116 in order and then open it up to general discussion.

117

118 And I will jump right into the first of these, which
119 concerns undesirable site feed features. So the QAP
120 establishes certain undesirable site features that would
121 generally render a piece of real estate as ineligible
122 for our programs unless sufficient mitigation is
123 present.

124

125 These undesirable site features include things like
126 being in proximity to a landfill or a junkyard or heavy
127 industry. And one that the Board has heard a couple of
128 waiver requests about over the last couple of years
129 involves refineries.

130

131 Our rule as it stands right now requires that you be
132 located at least 2 miles from refineries. Some cities,
133 specifically Corpus Christi, present kind of a challenge
134 because much of the really good real estate in that city
135 is within 2 miles of a refinery.

136

137 We've done some research to try and find a better
138 standard that we can use than just a blanket 2 miles.
139 And it happens to be that HUD publishes much more
140 nuanced standards for siting than what we have.

141

142 And so I've looked at their minimum separation distance
143 tool that they've published on their website, and rather
144 than just have a blanket you have to be 2 miles away
145 from the site, it takes into consideration factors like
146 the size of the storage tanks that are present at the
147 facility, whether or not they can be buried or are
148 buried, the pressurization of those tanks, and some
149 other really important factors, and then it generates a
150 minimum distance that they would expect housing to be
151 from the feature that you're calculating the distance
152 from.

153

154 In general, I would expect that HUD's distances would be
155 less than 2 miles. 2 miles is, it's a pretty wide
156 radius around a refinery to knock out.

157

158 What staff is recommending, and we haven't heard from
159 anybody who disagrees with on this, but what staff would

160 recommend is that for undesirable site features for
161 which HUD has published a standard that must be
162 followed, that applicants, when demonstrating that
163 they've met sufficient mitigation, might be able to use
164 HUD standards to say the Department says 2 miles, HUD
165 says a mile-and-a-quarter, I'm a mile-and-a-half, and
166 they would then ask the board or staff to consider that
167 as acceptable mitigation.

168

169 That's our recommendation, is that we take into
170 consideration HUD's distances. I'm happy to answer any
171 questions that you have. This is not a very exciting
172 topic, I understand that, but it's...

173

174 **Holland Harper (0:05:42):**

175 Can you get a little more granular on what HUD's, and
176 their take? So let's say that it's Texas City and we've
177 got the refineries at the bottom of the, Let's say
178 Corpus Christi.

179

180 **Cody Campbell (0:05:51):**

181 Sure.

182

183 **Holland Harper (0:05:52):**

184 Pretty much everything that we looked at in Corpus

185 Christi, all our housing falls in 2 miles.

186

187 **Cody Campbell (0:05:57):**

188 Correct.

189

190 **Holland Harper (0:05:59):**

191 Those are some serious refineries. They're very good

192 at, that's their, what will the HUD system look like for

193 those after applying?

194

195 **Cody Campbell (0:06:06):**

196 That's a really great question. So as a good example of

197 this, you heard about one in Houston, I believe last

198 year, where our standard was 2 miles, the development

199 site was like 1.98 miles.

200

201 And as part of the information that they submitted to

202 staff, they went to HUD's calculator and figured out

203 what distance HUD would have required them to be, and I

204 believe in that case it was about a mile-and-a-quarter.

205

206 So in that case you're looking at about a 35 percent
207 reduction in the distance. But it's not a set distance,
208 it varies depending on the specific circumstances of...

209

210 **Holland Harper (0:06:37):**

211 How many barrels of processing or whatever it might be?

212

213 **Cody Campbell (0:06:41):**

214 From my memory of looking at the tool, that is not a
215 question. They look at the size of the storage tanks,
216 how pressurized they are, whether they're buried or not.
217 HUD standards provide some mitigation options that don't
218 exist in our current rules.

219

220 So one would be, if it would solve the problem to HUD's
221 satisfaction, you can have the tanks buried. Obviously
222 refinery is not going to bury their tanks for housing,
223 but if it's some other kind of explosive tank, that
224 might be an option.

225

226 They provide the option of installing man-made barriers
227 that could provide safety in the event of an explosion.

228 It's just a much more nuanced and I think better
229 standard than what we have in our QAP.

230

231 **Holland Harper (0:07:21):**

232 I would think that sounds really acceptable.

233

234 **Cody Campbell (0:07:24):**

235 Great.

236

237 **Kenny Marchant (0:07:26):**

238 Cody, how do you define, do you go to the fence that's
239 surrounding the refinery or you go to a building?

240

241 **Cody Campbell (0:07:37):**

242 That is an excellent question. We actually just had to
243 deal with this earlier this year. So for the
244 measurement, you would look at the closest boundary of
245 the parcel containing the housing to the closest
246 boundary of the parcel containing, in this case, a
247 refinery.

248

249 And when we looked at the site in Houston this year,
250 that was kind of a thing that we had to take into, or

251 I'm sorry, in Corpus this year, is we had to take into
252 consideration that the closest things to the housing, it
253 was not the refinery itself.

254

255 It was like the badging office for the people that work
256 there and things like that. The rule as it stands right
257 now does not take that into consideration. It's just
258 parcel to parcel.

259

260 HUD stand standards do look at the actual location of
261 the building. And in fact, one of their acceptable
262 mitigation options is to reconfigure the site to move
263 the buildings further so that the site obviously stays
264 in the same place, but the buildings move further away.
265 Our standards don't allow for that. HUD's would.

266

267 **Kenny Marchant (0:08:27):**

268 Okay. So a lot of times the appraisal district are the
269 ones that designate the tract.

270

271

272 **Cody Campbell (0:08:37):**

273 Correct.

274

275 **Kenny Marchant (0:08:39):**

276 And they're wildly inaccurate and they don't have
277 anything to do with logic a lot of times. So how do we
278 define tract?

279

280 **Cody Campbell (0:08:49):**

281 So we have relied on appraisal districts for the
282 definition of that parcel. When we get the application,
283 obviously there are legal descriptions. We look at the
284 site control documentation if we need to, which includes
285 that information.

286

287 I can't recall a situation that we've had where the
288 definition or the establishment of the parcel by the
289 appraisal district varied from the legal description in
290 such a way that it was consequential.

291

292 So I don't think that we've really had to explore the
293 consequences of maybe imprecision from appraisal
294 districts.

295

296

297 **Kenny Marchant (0:09:27):**

298 But if it were conflicting or confusing, you could get
299 them to provide you a boundary survey or something to
300 substitute it.

301

302 **Cody Campbell (0:09:40):**

303 Correct. Staff does have the opportunity to request
304 additional information through the administrative
305 deficiency process. And should we ever need to do that,
306 that could be something that we would consider.

307

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

309 Okay.

310

311 **Holland Harper (0:09:53):**

312 Mr. Campbell, in your changes, are you just doing this
313 for refinery, or are you doing this for all undesirable
314 features?

315

316 **Cody Campbell (0:09:58):**

317 We are doing it for anything for which HUD has a
318 standard that is published. And that generally is, I've

319 got the title in here, it's facilities that process
320 explosive or inflammatory chemicals.

321

322 So, for example, one of our undesirable site features is
323 close proximity to a junkyard. And I don't believe that
324 HUD has a standard for junkyard, so what we have in the
325 QAP would remain.

326

327 **Holland Harper (0:10:23):**

328 Okay.

329

330 **Cody Campbell (0:10:24):**

331 And in fact, actually, what we have in the QAP across
332 the board would remain. We would just be stating that
333 if HUD publishes a standard, when you're providing your
334 mitigation to the Department, if HUD has that lower
335 standard, we would be able to consider that when
336 determining mitigation.

337

338 **Holland Harper (0:10:39):**

339 Thank you.

340

341

342 **Cody Campbell (0:10:40):**

343 Great.

344

345 **Kenny Marchant (0:10:40):**

346 Is junkyard an actual term you use in...

347

348 **Cody Campbell (0:10:43):**

349 Yes. Yes, junkyard. And I actually think it might even
350 be defined in...

351

352 **Bobby Wilkinson (0:10:42):**

353 Yeah. We actually refer to, the statutory definition.

354

355 **Cody Campbell (0:10:51):**

356 And I'm trying to think.

357

358 **Bobby Wilkinson (0:10:52):**

359 And so it has to be an actual working junkyard, not just
360 a junky yard. Like a two median issue...

361

362 **Kenny Marchant (0:10:56):**

363 Yeah. Like the one they had with the fence along the...

364

365 **Bobby Wilkinson (0:10:59):**

366 Right.

367

368 **Kenny Marchant (0:11:00):**

369 Some of the state definition. Okay. Interesting.

370

371 **Cody Campbell (0:11:04):**

372 Yep. So I don't believe we're going to have any

373 comments on this. Sounds like we will.

374

375 **Kenny Marchant (0:11:08):**

376 Okay. We'll open it up for comment. If you come

377 forward, please.

378

379 **Erin Hahn (0:11:17):**

380 Hello. My name is Erin Hahn. I'm speaking on behalf of

381 Texas Housers. Texas Housers just wanted to acknowledge

382 the Agency's proposal to accept compliance with HUD

383 separation standards for those undesirable site features

384 where HUD has already adopted specific requirements.

385

386 We appreciate the agency's narrow approach here, but at

387 the same time, it remains critical that the QAP

388 continues to discourage the siting of affordable housing
389 near environmental hazards that can affect residents'
390 health and quality of life.

391

392 And so we look forward to reviewing the full proposal
393 and providing feedback to ensure the change remains
394 carefully targeted and doesn't weaken broader
395 protections for tenants.

396

397 **Kenny Marchant (0:11:57):**

398 Thank you.

399

400 **Erin Hahn (0:11:58):**

401 Thank you.

402

403 **Kenny Marchant (0:11:58):**

404 So your intention is not to, I'm sorry, not to broaden.

405 Your intention is to just more easily define what it is.

406

407 **Cody Campbell (0:12:09):**

408 More precisely define what would be acceptable

409 mitigation, including HUD's minimum acceptable distance

410 standards.

411

412 **Kenny Marchant (0:12:18):**

413 Okay. Thanks. Anyone else like to speak on that? Yes,
414 ma'am.

415

416 **Tanya Lavelle (0:12:34):**

417 Good afternoon. My name is Tanya Lavelle. I'm with
418 Disability Rights Texas. Thanks so much for allowing us
419 to come in today. And thanks to the staff for the
420 consistent partnership in this process.

421

422 Regarding undesirable site features, I'll be brief. The
423 proximity is what matters to people with disabilities.
424 If you're talking to somebody who's got a respiratory
425 issue, it doesn't matter how long ago the site was
426 there. It doesn't matter how well they've been doing.
427 It matters how close somebody is to that lot.

428

429 And when you're talking about a program as important as
430 LIHTC, which is where people with disabilities get the
431 majority of their housing, people who are low income,
432 the aim should be to keep people away from those sites
433 and not try and make it so that there is a possibility

434 they can be closer, which is what mitigation would allow
435 for. So, yeah, remember that part. Thanks.

436

437 **Kenny Marchant (0:13:24):**

438 So you're talking about when they look at a site that
439 they would look at possible mitigation, you just want to
440 make sure they don't approve any.

441

442 **Tanya Lavelle (0:13:39):**

443 Well, I understand that there's a mitigation process and
444 there's a reason for it. Without going too much into
445 the HUD codes and things like that. The idea of
446 mitigation is that there could be a possibility in which
447 you'd end up closer.

448

449 And I'm sure there are reasons why that could be okay
450 sometimes, but when you're talking about something like
451 this, when it has to do with people's health outcomes, I
452 think we generally would just make sure we would
453 encourage people to be extremely cautious when doing
454 anything that could potentially broaden the way that
455 which sites could be put next to undesirable features
456 that could impact people's health.

457

458 **Kenny Marchant (0:14:16):**

459 Okay. Thank you.

460

461 **Tanya Lavelle (0:14:17):**

462 Thanks.

463

464 **Kenny Marchant (0:14:23):**

465 You don't consider data centers.

466

467 **Cody Campbell (0:14:25):**

468 Data centers are not in the QAP currently. We have had

469 some requests from advocates in the industry to take

470 data centers into consideration in the QAP. We could

471 certainly consider adding them as an undesirable site

472 feature.

473

474 **Kenny Marchant (0:14:37):**

475 I think this time next year we should have some idea

476 about whether data center centers present any kind of...

477

478

479

480 **Cody Campbell (0:14:47):**

481 Sure. They're brand new. I don't know that there's any
482 conclusive evidence that data centers harm nearby
483 residents. And so, again, we've gotten requests, but I
484 don't think that we intend to insert anything into the
485 QAP at this point.

486

487 **Kenny Marchant (0:15:0w):**

488 Thank you.

489

490 **Cody Campbell (0:15:03):**

491 Of course. Okay. That one was easy. The next on the
492 list is very similar. It involves crime. And so the
493 QAP establishes, in addition to undesirable site
494 features, it also establishes neighborhood risk factors.
495 And those are characteristics of the neighborhood that
496 would generally indicate that they are undesirable for
497 housing.

498

499 One of those involves crime. And the definition of the
500 neighborhood risk factor as it relates to crime is a
501 census tract for which the part one violent crime rate,
502 which is the kind of highest tier crimes that you would

503 expect them to be, exceeds 18 per 1,000 persons

504 annually.

505

506 So if you're a new construction development and you're

507 looking at a site in such a census tract, you would not

508 be eligible unless you present sufficient mitigation to

509 the Board.

510

511 Over the last couple of years, the Board has granted a

512 couple of appeals related to this item. And the Board

513 has had a very high standard for applicants that come

514 in. There's been an expectation that there be a really

515 robust partnership with local police agencies. We've

516 seen license plate scanners. Hello.

517

518 **Kenny Marchant (0:16:11):**

519 Welcome, Mr. Chairman.

520

521 **Cody Campbell (0:16:11):**

522 Yes. Chairman Vasquez. We have seen license plate

523 scanners, robust partnerships with local police

524 agencies. We have seen people promise to do what's

525 called crime mitigation through environmental design,

526 which is where you build the buildings in such a way
527 that people can't lurk about, I suppose.

528

529 And so this, staff is kind of of two minds here. Every
530 time somebody comes with an appeal or a waiver request
531 related to crime, there is not necessarily a standard by
532 which we have to judge that request.

533

534 We can't tell you, oh, they've met this standard or they
535 haven't met that standard, because there, as it stands
536 right now, is nothing but the Board's own high
537 standards. And so it could be beneficial to in the QAP
538 write a list of what we expect to see when somebody's
539 trying to mitigate for crime.

540

541 The downside to that, and it is a pretty significant
542 downside, is that it is essentially creating a
543 permission structure where there currently is none. In
544 other words, somebody looking at a site with a violent
545 crime rate of 22 per 1,000 right now has no guarantee
546 that they're going to be able to get that deal done if
547 they spend money on it.

548

549 If we create a standard, they now have a much better
550 shot of doing that. And so there is some concern that
551 it might encourage development in higher crime
552 neighborhoods.

553

554 I'd also say that 18 per 1,000 is already a pretty high
555 standard. I live in a troubled neighborhood myself, and
556 the crime rate is only about 17-and-a-half per 1,000. I
557 was very surprised to find that out. And it really, I
558 think, gives me a new perspective on these neighborhoods
559 that have violent crime rates of 30 or 36 per 1,000.

560

561 So that's kind of the topic. I don't know that, again,
562 staff is of two minds on this. So we don't have a
563 specific recommendation for you today, but we are
564 certainly open to any input that you have.

565

566 **Kenny Marchant (0:17:56):**

567 So right now you can make an application regardless of
568 the number. You just have to say what the number is.

569

570

571

572 **Cody Campbell (0:18:04):**

573 No, sir. Well, yes. You can turn in the application,
574 but if the part one violent crime rate exceeds 18 per
575 1,000, then you have to provide sufficient mitigation.
576 There's a couple of ways to do that.

577

578 Someone could go directly to the police department and
579 get the beat data and demonstrate to us that in reality,
580 the crime rate is actually below 18 per 1,000. And when
581 they do that, we consider that to be acceptable.

582

583 The other option is what has come in front of the Board
584 a couple of times over the last few years, which is
585 where they bring the police chief and local
586 representatives and they make the case for how they're
587 really going to work to mitigate crime with the
588 development.

589

590 And the Board has accepted a few of those in the past,
591 again, with a very high standard. But those are your
592 only two options if you exceed 18 per 1,000 for a new
593 construction development.

594

595 **Kenny Marchant (0:18:54):**

596 Anybody have any questions on this subject?

597

598 **Holland Harper (0:18:56):**

599 We'll hear from the congregation here.

600

601 **Kenny Marchant (0:19:00):**

602 Okay. Well, have you ever considered making a point

603 deduction if it exceeded 18?

604

605 **Cody Campbell (0:19:15):**

606 So currently it is a threshold issue. So if you exceed
607 that, you're just ineligible unless you're determined to
608 be eligible. We could look at doing that. The downside
609 to that that I see is that we are relying on third-party
610 data for doing this. It comes from NeighborhoodScout.

611

612 Crime data is famously imprecise. You would expect that
613 there's a great database of it somewhere, but it just
614 doesn't exist. And so scoring based on third-party
615 data, I can't think of anything else in the QAP that
616 works that way, although I don't want to say that

617 without thinking about it. It is an idea we could
618 explore.

619

620 **Kenny Marchant (0:19:49):**

621 Okay. Anybody want to speak on that today?

622

623 **Erin Hahn (0:19:56):**

624 Do I sign in?

625

626 **Cody Campbell (0:19:57):**

627 Yes. Oh, not every time, just once.

628

629 **Erin Hahn (0:20:00):**

630 Okay. Erin Hahn with Texas Housers. We hear concerns
631 about neighborhood safety frequently from both current
632 residents and households seeking housing. We would be
633 concerned if changes to the section ultimately created
634 incentives for developments to concentrate in higher
635 crime areas.

636

637 As we have suggested previously, we encourage TDHCA to
638 gather direct resident input through a survey process.
639 Specifically, residents could help inform what types of

640 crime mitigation measures they believe are meaningful
641 and what standards would be appropriate.

642

643 Resident perspectives would provide valuable guidance as
644 the Agency evaluates potential changes in this area.

645 Thank you.

646

647 **Kenny Marchant (0:20:36):**

648 Yep. Ma'am, could you just kind of explain what you
649 just said without reading it? You just don't want any
650 changes made to the existing policy, or just be careful
651 if you do make any changes, or?

652

653 **Erin Hahn (0:20:52):**

654 We would be very concerned if any change to this policy
655 increases the ability for developments to be located in
656 higher crime areas.

657

658 **Kenny Marchant (0:21:00):**

659 Okay.

660

661

662

663 **Erin Hahn (0:21:01):**

664 And we generally suggest resident surveys as providing
665 valuable input both in the neighborhood risk factor and
666 crime section and resident supportive services, and
667 really in any change to the QAP.

668

669 **Kenny Marchant (0:21:16):**

670 Okay. Thank you.

671

672 **Cody Campbell (0:21:21):**

673 So obviously, I'm completely aligned with Ms. Hahn on
674 this. Yes, sir.

675

676 **Holland Harper (0:21:26):**

677 I think we just leave it the way it is.

678

679 **Cody Campbell (0:21:28):**

680 Okay. Excellent.

681

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

683 Anybody else? No. I say we take it down to 10. No.

684

685

686 **Cody Campbell (0:21:38):**

687 From 18 to 10.

688

689 **Kenny Marchant (0:21:39):**

690 Sure.

691

692 **Bobby Wilkinson (0:21:39):**

693 So historically, folks have been successful coming to
694 the Board with bringing in a police chief and talking
695 about strike forces or whatever else.

696

697 And so the idea was, well, we would at least have some
698 more concrete, like cameras with certain storage times
699 and design features and whatnot, and so we'd have the
700 best type of mitigation.

701

702 We could probably just provide y'all with that kind of
703 stuff on an ad hoc basis and keep it the way it is with
704 the waiver. Yeah. We don't know what we've not seen
705 because of the 18 per 1,000. So maybe that deterred
706 quite a few applications and only the brave few have
707 come before you.

708

709 **Cody Campbell (0:22:21):**

710 Yeah. I agree.

711

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

713 Well, we had a couple of waiver requests this year,

714 didn't we?

715

716 **Bobby Wilkinson (0:22:27):**

717 Yes. We had a couple this year. In fact you've seen

718 them over the last few years every now and then.

719

720 **Kenny Marchant (0:22:34):**

721 As I remember, both those were senior expansions of

722 senior...

723

724 **Holland Harper (0:22:40):**

725 Some of them were housing programs that were there.

726

727 **Kenny Marchant (0:22:43):**

728 And they were expanding them or (indiscernible).

729

730

731

732 **Holland Harper (0:22:44):**

733 And they were adding to them, and especially Houston
734 specifically. And then there was ones that had, it was
735 bad on one side of the street but good on the other side
736 of the street, and they're trying to get that.

737

738 But I think as we've seen that if you come with a
739 serious plan and you're going to put time and money and
740 energy into it, I think this Board's been relatively
741 lenient.

742

743 And I don't think anybody wants to own developments in
744 dangerous neighborhoods. It's bad for residents. It's
745 not good for taxpayer money.

746

747 **Cody Campbell (0:23:14):**

748 Great.

749

750 **Kathryn Saar (0:23:18):**

751 Kathryn Saar with Ulysses Development Group. I was
752 going to say exactly that. The market largely already
753 solves for this because as a developer, I don't want to
754 own properties in really bad parts of town.

755

756 So really what we're talking about mostly is
757 rehabilitation developments that can't be moved. And
758 that's a special set of circumstances, and that's where
759 when they come to you with mitigation, you guys can
760 determine whether or not it rises to the level of your
761 comfort level.

762

763 **Holland Harper (0:23:54):**

764 And just for applicants, if you remember last year, I
765 was pretty hard because somebody came like, we're just
766 going to try harder. And I'm like, that is not a plan.
767 Come back and try that again.

768

769 **Kathryn Saar (0:24:01):**

770 It's not a plan.

771

772 **Kenny Marchant (0:24:04):**

773 Okay. Thank you.

774

775 **Cody Campbell (0:24:20):**

776 All righty. I believe this next topic is probably going
777 to be the liveliest one of the things that I've got on

778 your list, and that concerns the tiebreaker for the 9
779 percent program. Yes.

780

781 As you're all aware, the main tiebreaker for this
782 program awards priority based on proximity to local
783 amenities, including grocery stores, libraries, parks,
784 and the closest school of attendance.

785

786 There's several compelling reasons for us to make at
787 least some edits to this tiebreaker this year. One, our
788 definition of grocery store and our definition of park
789 have proven troublesome.

790

791 And so we are hoping that we can tighten those
792 definitions up just a little bit. Specifically for
793 parks, and I've got a suggestion to go over with you
794 here in just a moment.

795

796 The other reason that I think it's important to modify
797 the tiebreaker at least every couple of years is because
798 the amenities that we're looking at tend to not move.
799 Libraries are where they are, grocery stores are where
800 they are.

801

802 And so for several years now, the people in this room
803 have been kind of chasing the same real estate over and
804 over again. And by just adjusting that a little bit,
805 you open the map up and sort of scramble things, which
806 is beneficial.

807

808 We have some specific ideas to discuss. Some of these
809 are recommendations and some of them are just topics for
810 discussion. That includes simplifying the definition of
811 grocery store. I think we all are probably on the same
812 page that the word "seafood" probably should not exist
813 in the 2027 QAP. I know we're all tired of talking
814 about it.

815

816 Parks are a little bit trickier. We have modified the
817 definition of parks a few times over the last few years,
818 and it still seems like we get edge cases every year.

819

820 One idea that staff has is to require that the existence
821 of the park be substantiated by a letter from either a
822 city or county parks department. This would necessarily

823 eliminate some parks from consideration that would
824 qualify under the current definition.

825

826 While it is a more restrictive definition, it would make
827 administering the program a little bit easier and maybe
828 save us from some very difficult arguments in front of
829 the Board.

830

831 We've had people request that additional amenities be
832 added to the menu of options. The most common ones that
833 we've gotten are public transportation, pharmacies, and
834 healthcare centers. And this year, we also got a
835 recommendation for community colleges.

836

837 One stakeholder did suggest that we allow schools to
838 count multiple times. So if you're close to the
839 elementary school and the junior high, using both of
840 those.

841

842 I wrote in here that that received a lukewarm reception
843 at the roundtable. I think I oversold it by about 30
844 degrees. It was a pretty chilly reception, but it is an
845 idea.

846

847 And then something that we've, a request that we've
848 gotten a few years in a row now is to limit the first
849 tiebreaker to developments in low-poverty census tracts.

850

851 So that would create some discernment on the front end
852 before we even start talking about amenities, that if
853 one development is in a low-poverty census tract and one
854 is in a high-poverty census tract, that the low-poverty
855 would automatically win out of those two.

856

857 Those are just some ideas that we wanted to kick out to
858 the Board for discussion. As I said, I suspect many
859 people in the room will want to comment on this, but I'm
860 happy to answer any questions that you have.

861

862 **Kenny Marchant (0:27:26):**

863 Yeah. Why don't we delineate the ideas and then let
864 them speak specifically on that idea instead of just
865 kind of scattering.

866

867 **Cody Campbell (0:27:38):**

868 Sure.

869

870 **Kenny Marchant (0:27:38):**

871 So let's talk about the parks ones first.

872

873 **Cody Campbell (0:27:41):**

874 Okay. Great.

875

876 **Kenny Marchant (0:27:43):**

877 Okay. What is the recommendation? And if you're going

878 to talk about parks, you can go ahead and start

879 gravitating up here. What's the staff's specific

880 recommendation?

881

882 **Cody Campbell (0:27:53):**

883 Staff's idea that we're presenting today is that a park

884 would be defined as land that is owned and operated by a

885 city or county as a public park, evidenced by written

886 confirmation from that city or county.

887

888 **Kenny Marchant (0:28:05):**

889 Which would specifically exclude schools.

890

891

892 **Cody Campbell (0:28:11):**

893 Unless there was some kind of arrangement where the city
894 or county owned the land that the school was occupying
895 and was operating a park on it. And as I've learned
896 over the last few years, I don't know as much about
897 parks as I thought I did.

898

899 But in most cases, yes, sir, that is correct. But
900 somebody from the city or the county would have to go on
901 record and say, yes, this is a public park that we are
902 operating.

903

904 **Kenny Marchant (0:28:32):**

905 So they wouldn't have the ability to speak for a school
906 district. The city wouldn't or a county.

907

908 **Cody Campbell (0:28:39):**

909 If they were owning and operating that park, that is
910 correct.

911

912 **Leo Vasquez III (0:28:43):**

913 I was going to ask for clarification.

914

915 **Cody Campbell (0:28:45):**

916 Sure.

917

918 **Leo Vasquez III (0:28:46):**

919 The nuance between operating the park or being
920 designated as a public park by the municipality.

921

922 **Cody Campbell (0:28:56):**

923 That is a great question. What I have written in here
924 is owned and operated, so they would actually have to be
925 operating that park. This could potentially exclude,
926 for example, some municipal utility districts that are
927 sort of quasi-governmental own and operate parks. I
928 don't believe that one of those would qualify under this
929 definition.

930

931 **Leo Vasquez III (0:29:16):**

932 Because I thought we were giving a little bit more
933 flexibility with if there was a school that had truly an
934 open park outside of playground hours or whatever it is,
935 recess hours, that that was going to count. But that
936 wouldn't under your definition.

937

938 **Cody Campbell (0:29:38):**

939 That's correct. Yes, sir. So again, this would be a
940 limiting definition to eliminate some of that changes.

941

942 **Leo Vasquez III (0:29:43):**

943 But if it's designated, even if it's on a school
944 district property, if it's designated as here is a
945 public park, subject to whatever, opening at dawn and
946 closing at dusk and whatever other hours, you're
947 excluding that.

948

949 **Cody Campbell (0:30:04):**

950 If we were to adopt this language, yes. I believe that
951 those parks would be excluded.

952

953 **Leo Vasquez III (0:30:07):**

954 Okay.

955

956 **Kenny Marchant (0:30:08):**

957 So if a person wanted to count a school park as a park,
958 could we allow them to get a designation from the school
959 board and/or the school district that it was in fact

960 open to the public and it was allowed to be used by the
961 public?

962

963 **Cody Campbell (0:30:34):**

964 With this proposal, I don't believe that that would
965 count. Of course, this is...

966

967 **Bobby Wilkinson (0:30:38):**

968 Didn't we exclude school parks in the current QAP and
969 the only time we made an exception was because the
970 county owned the land?

971

972 **Cody Campbell (0:30:45):**

973 What we say is a school campus's facilities may not be
974 used as a public park.

975

976 **Leo Vasquez III (0:30:48):**

977 In the current?

978

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

980 Okay.

981

982

983 **Cody Campbell (0:30:51):**

984 In-betweens showed up this year.

985

986 **Bobby Wilkinson (0:30:56):**

987 But this would eliminate MUDs, parks, state parks, not

988 that there's many (indiscernible - simultaneous speech).

989

990 **Kenny Marchant (0:30:59):**

991 What about a greenbelt? The greenbelts or floodplain.

992 I mean, a lot of times you end up as a developer dating

993 property over to the city as a, quote, drainage

994 easement. It could be dozens or hundreds of acres of

995 greenbelt. The city would have to say that that was,

996 that they modded, or?

997

998 **Cody Campbell (0:31:23):**

999 Yes. That we are owning and operating that as a public

1000 park. That is correct. Yes, sir.

1001

1002 **Kenny Marchant (0:31:28):**

1003 And so you wouldn't be able to use any kind of a

1004 homeowner association greenbelt.

1005

1006 **Cody Campbell (0:31:36):**

1007 Under this proposal, no. I don't believe you'd be able
1008 to use that.

1009

1010 **Kenny Marchant (0:31:37):**

1011 Okay.

1012

1013 **Holland Harper (0:31:41):**

1014 Mr. Campbell, why have we gotten to a place where we're
1015 having to get to where our park system is getting tinier
1016 and tinier? So I'm going to be clear to these
1017 developers.

1018

1019 I live in a neighborhood. There's nice houses, there's
1020 okay houses. In the middle of my neighborhood is a 25-
1021 acre school. In the middle of that 25-acre school,
1022 there's football fields and baseball fields and soccer
1023 fields, and every little kid is riding on there, the
1024 deal.

1025

1026 And it is wide open by Paris Independent School

1027 District. And they don't care because the principal

1028 lives across the street. I would definitely say that's
1029 a park.

1030

1031 There are hundreds of kids there on the weekends,
1032 especially during soccer season. But under our QAP,
1033 that is not a park. Why would we restrict this like
1034 that?

1035

1036 **Cody Campbell (0:32:32):**

1037 So it's in response to what feels like a game of whack-
1038 a-mole that we've been playing over the last couple of
1039 years. The approach that staff's taken in this write-up
1040 is a more restrictive approach.

1041

1042 I think that there's just as strong of an argument of
1043 saying lots more things count as parks and we're not
1044 going to have these arguments anymore because we're
1045 counting so many things as parks. And if that's the
1046 direction that the Committee wanted to go, we could
1047 certainly accommodate that.

1048

1049

1050

1051 **Bobby Wilkinson (0:32:56):**

1052 We started allowing school park when we first started
1053 the tiebreaker, and then there was arguments that, well,
1054 a lot of schools, it's fenced off and the general
1055 public's not allowed. Some are, some aren't, and how do
1056 we police it?

1057

1058 So we excluded them if they were owned and a school
1059 park, right? Owned by the ISD. And then we keep coming
1060 to edge cases. Maybe this is a little too restrictive,
1061 I don't know. What about just some kind of definition
1062 of park open to the general public? I don't know. Just
1063 making stuff up on the fly.

1064

1065 **Cody Campbell (0:33:26):**

1066 Yeah. There's lots of different directions we could
1067 take this, for sure.

1068

1069 **Kenny Marchant (0:33:28):**

1070 So how often do we see a tiebreaker like this? Once a
1071 year?

1072

1073

1074 **Holland Harper (0:33:35):**

1075 All the time. Dozens.

1076

1077 **Kenny Marchant (0:33:37):**

1078 Dozens.

1079

1080 **Cody Campbell (0:33:37):**

1081 This tiebreaker is significantly influential in the

1082 round.

1083

1084 **Kenny Marchant (0:33:39):**

1085 Okay. Well, I think that school districts ought to be

1086 aware if they are being designated or used, their

1087 campuses are being used as a definition of a park. And

1088 so you might call Amarillo and say is that school a

1089 park? And they may say, yeah, it's a park.

1090

1091 I wouldn't be opposed if a applicant could go to the

1092 school board and just like we do sometimes with counties

1093 and school districts and cities where the school

1094 district says...

1095

1096

1097 **Holland Harper (0:34:20):**

1098 Are we double-tapping this on the same park? So if I'm
1099 a school and I'm a park, do I get both credit for the
1100 park and school?

1101

1102 **Cody Campbell (0:34:25):**

1103 Yes. Well, it's...

1104

1105 **Bobby Wilkinson (0:34:26):**

1106 That was the problem with the first one. That's why it
1107 got changed.

1108

1109 **Kenny Marchant (0:34:29):**

1110 Yeah. It's whack-a-mole.

1111

1112 **Holland Harper (0:34:33):**

1113 So now I know why that you took that off. One of these.
1114 Okay. And in the order of magnitude, is it public
1115 schools, libraries, parks, and grocery stores? Is that
1116 the order of winning?

1117

1118

1119

1120 **Cody Campbell (0:34:49):**

1121 It's the closest three to the development site, so

1122 they're all aggregately.

1123

1124 **Holland Harper (0:34:53):**

1125 The aggregate of your closest, the net lowest distance

1126 of the three of the four.

1127

1128 **Cody Campbell (0:34:58):**

1129 Yes, sir. That is exactly correct.

1130

1131 **Holland Harper (0:35:00):**

1132 Then I don't think we need to put, because it's a double

1133 win, right? That doesn't seem, so now I understand

1134 exactly why you did it. I'm sorry. I had to wake up

1135 and drink more coffee.

1136

1137 **Kenny Marchant (0:35:13):**

1138 Well, whichever way we go, there will be people that

1139 figure out a way to go the other way and get it to

1140 count.

1141

1142

1143

1144 **Holland Harper (0:35:21):**

1145 So I don't think we have any problems with libraries.

1146 We have a definition of public libraries. We know what

1147 public schools look like. And so the last one is public

1148 parks. And public parks, would say they have to be

1149 designated as a public park, municipal, state, local

1150 park, period.

1151

1152 **Cody Campbell (0:35:38):**

1153 Sure.

1154

1155 **Holland Harper (0:35:39):**

1156 It can't be some random greenbelt in a floodway.

1157

1158 **Cody Campbell (0:35:42):**

1159 What the rule says...

1160

1161 **Holland Harper (0:35:43):**

1162 But I'm not kicking you, Chairman.

1163

1164 **Kenny Marchant (0:35:44):**

1165 No. I understand. But...

1166

1167 **Cody Campbell (0:35:46):**

1168 What the rule says right now is that it must be
1169 designated by a government entity or an entity
1170 authorized by a government entity to operate as a park
1171 or recreational space. Some of those words might not
1172 have been precisely on, but that's the general idea of
1173 it.

1174

1175 **Holland Harper (0:36:01):**

1176 So if the city, if the Kiwanis Club has donated space to
1177 this local city, then, and they both have an agreement
1178 between the two of them, it would be clean.

1179

1180 **Cody Campbell (0:36:11):**

1181 It is a beautiful arboretum. Yep.

1182

1183 **Holland Harper (0:36:13):**

1184 Yeah.

1185

1186 **Kenny Marchant (0:36:14):**

1187 But you have, like Fort Worth has hundreds of acres in
1188 their downtown area that is open space...

1189

1190 **Holland Harper (0:36:20):**

1191 Panther Creek, all that area...

1192

1193 **Kenny Marchant (0:36:22):**

1194 Operated as a park.

1195

1196 **Holland Harper (0:36:22):**

1197 Absolutely.

1198

1199 **Kenny Marchant (0:36:23):**

1200 Yeah.

1201

1202 **Holland Harper (0:36:23):**

1203 But I mean, it looks like a park, right?

1204

1205 **Kenny Marchant (0:36:25):**

1206 Yeah. And there's...

1207

1208 **Holland Harper (0:36:26):**

1209 There's flatwork, there's trees, there's benches.

1210

1211

1212 **Kenny Marchant (0:36:29):**

1213 And they do operate it, yeah.

1214

1215 **Holland Harper (0:36:32):**

1216 There's security.

1217

1218 **Kenny Marchant (0:36:36):**

1219 No more question. We'll start taking testimony then on

1220 the parks. Take testimony, not testimony, but comment

1221 on the parks.

1222

1223 **Audrey Martin (0:36:50):**

1224 Hello, everyone. Audrey Martin with Purple Martin Real

1225 Estate. So, first off, thank you all for having this

1226 Rules Committee meeting. I think that seeing some staff

1227 ideas is a great jumping-off point for all of these

1228 discussions.

1229

1230 And already what you guys are discussing on parks I

1231 think is helpful and it kind of starts to flesh out the

1232 ideas. And what is the policy? What do we want to

1233 encourage?

1234

1235 I do want to acknowledge that it's super hard to draft
1236 language that's going to capture every kind of scenario
1237 that exists in Texas. Our rural areas are going to be a
1238 little different from the urban areas, and cooperating
1239 agreements may be more formal in the big cities than in
1240 other places school districts and parks, for example,
1241 which you guys have seen.

1242

1243 So I don't know. I think the whole process is going to
1244 present a lot of good ideas. I wanted to just
1245 specifically speak on one part of what Cody was talking
1246 about, which is the concept of having to get a letter
1247 from a parks department.

1248

1249 I would probably ask that if there is some publicly
1250 available information that can easily prove that
1251 something is a park, like a city website, I think that
1252 should probably be sufficient.

1253

1254 We have to go and chase down cities for a lot of letters
1255 and various different things. And the more we can kind
1256 of reduce that, keep it to the really important stuff, I
1257 think that would be a good thing.

1258

1259 **Leo Vasquez III (0:38:14):**

1260 I think the letter was, if it's not already designated

1261 on the...

1262

1263 **Audrey Martin (0:38:19):**

1264 Yeah. That makes sense for some kind of special

1265 circumstances, but I just wouldn't want to see it for

1266 every park. Thanks.

1267

1268 **Kenny Marchant (0:38:31):**

1269 Cody, in the situation, in most of our suburban areas,

1270 if you develop something, in many cases, they have a

1271 park fee.

1272

1273 **Cody Campbell (0:38:43):**

1274 Yes, sir.

1275

1276 **Kenny Marchant (0:38:43):**

1277 And you can give them land in lieu of the park fee.

1278

1279 **Cody Campbell (0:38:47):**

1280 Yes, sir.

1281

1282 **Kenny Marchant (0:38:48):**

1283 And it is owned by the city. The city owns it as a
1284 result of accepting it from the developer in lieu of the
1285 park fee. Is it a park? It's not going to be on the
1286 map as a park because it's unnamed.

1287

1288 **Cody Campbell (0:39:07):**

1289 Sure. So we're talking about land that is given to the
1290 city as part of the specific tax credit application, not
1291 some land that another transaction is going on and we
1292 know that there's going to be a park. But I am putting
1293 in this tax credit application and the city is also
1294 requiring me to give them land to use...

1295

1296 **Kenny Marchant (0:39:24):**

1297 Well, you can look on the, I mean, you're going to go to
1298 the appraisal district and it's going to say it's going
1299 to be owned by the City of Irving.

1300

1301 But it's going to be, it's not going to have been, it's
1302 going to have been accepted as land by the city, but be
1303 in no ways part of their park system yet. Because it

1304 may take six or eight years for them to develop a plan
1305 and name the park and all that.

1306

1307 That would be a situation where somebody claimed that as
1308 a park that we would need somebody from the city to
1309 specifically say, yes, this is a park. We're
1310 responsible for it. We own it.

1311

1312 **Bobby Wilkinson (0:40:08):**

1313 That wouldn't work in our current application, right?

1314

1315 **Cody Campbell (0:40:08):**

1316 Yeah. That wouldn't work, yeah.

1317

1318 **Bobby Wilkinson (0:40:10):**

1319 Yeah.

1320

1321 **Kenny Marchant (0:40:10):**

1322 It wouldn't?

1323

1324 **Bobby Wilkinson (0:40:10):**

1325 Yeah.

1326

1327 **Kenny Marchant (0:40:11):**

1328 It would not.

1329

1330 **Bobby Wilkinson (0:40:11):**

1331 And you couldn't count it.

1332

1333 **Kenny Marchant (0:40:12):**

1334 Okay.

1335

1336 **Cody Campbell (0:40:13):**

1337 And the reason why is that the application represents a

1338 point in time as of March 1st or February 27th or

1339 whenever it is. And that's the date at which we're

1340 looking at.

1341

1342 Is this a park as of March 1st when you turn this

1343 application in, not is it going to be a park at some

1344 point in the future.

1345

1346 **Kenny Marchant (0:40:30):**

1347 Yep. Okay.

1348

1349

1350 **Timothy Smith (0:40:36):**

1351 Hi. Tim Smith with Hoke Development Services. I do
1352 agree with Audrey's comment about I'd like it not to be
1353 mandatory to get a letter from the city. If it's on the
1354 website, print it out. But to Cody's point, the city
1355 can always confirm that this is being used as a park.

1356

1357 For example, whether it's like a school or your 100-acre
1358 flood district and there happens to be a frisbee golf
1359 course on there and it's just not publicized and the
1360 city can say, yeah, yeah, we have a frisbee golf course
1361 there that we maintain, just in an email, that works
1362 really great to clarify things.

1363

1364 And I think I do like, one thing y'all did well this
1365 year with your definition of recreational purposes is if
1366 something is not on the city's park website but it's
1367 clearly owned by them.

1368

1369 I had a case a couple years ago where there was a
1370 baseball field. It's clearly Little League baseball
1371 field. It was owned by the city, but it was not put on

1372 their parks list because they had the Little League
1373 operate it. It operated.

1374

1375 But it was pretty clear you could document the city
1376 owned it, you could document that it was used, it was
1377 publicly available, and that was easy enough to make
1378 things work. So y'all have done some things very well
1379 with this definition.

1380

1381 **Megan Sylvester (0:41:49):**

1382 Please sign in, Mr. Smith.

1383

1384 **Timothy Smith (0:41:50):**

1385 Yes.

1386

1387 **Kathryn Saar (0:41:55):**

1388 Kathryn Saar, UDG. I 100 percent agree if we can
1389 document the park with publicly available information on
1390 the internet, we should be able to do that and not have
1391 to go chase another letter from the city.

1392

1393 One maybe idea that we could do is if there's a school
1394 that allows kids, maybe if we, you can't count it as a

1395 school, but you could count it as a park. You could
1396 pick either or of the function, but you couldn't count
1397 it for both pieces of the tiebreak.

1398

1399 I'm just trying to figure out, because I know the
1400 problem is you guys hate deciding, is this a park or is
1401 this not a park? But without some sort of definitive
1402 list, which doesn't exist, there's maybe ways that we
1403 can allow things that function as a park but maybe
1404 aren't meeting the current definition. Just an idea.

1405

1406 **Kenny Marchant (0:43:07):**

1407 While we're between comments, are golf courses included?

1408

1409 **Cody Campbell (0:43:19):**

1410 So amenities that charge admission most of the time, I
1411 think what the rule says is that any feature that
1412 charges admission for the majority of the year would not
1413 be eligible. I suppose hypothetically there could be a
1414 free municipal golf course out there that might count,
1415 but my knee-jerk reaction is that no.

1416

1417

1418 **Kenny Marchant (0:43:36):**

1419 Yeah. I don't know one. No. Okay.

1420

1421 **Bobby Wilkinson (0:43:38):**

1422 Okay. That outs state parks then too because you have

1423 to pay like eight bucks or whatever.

1424

1425 **Cody Campbell (0:43:42):**

1426 Right, yeah.

1427

1428 **Kenny Marchant (0:43:43):**

1429 Okay.

1430

1431 **Tracey Fine (0:43:46):**

1432 Hi. Tracey Fine, National Church Residences. I just

1433 want to have you clarify that on some school parks, I

1434 totally agree with you that kids go to these school

1435 parks and they're there on the weekends, but some of the

1436 schools have restricted access during school hours.

1437

1438 So I just think that our QAP should be clear that if a

1439 park is restricted during school hours, it does or does

1440 not count. I'm not giving an opinion on which, but I
1441 think that's going to come up.

1442

1443 **Kenny Marchant (0:44:15):**

1444 That's where I was saying you could go to the school
1445 district and say, is this campus or is this ground open
1446 and available 24 hours? Is it full public access? That
1447 would...

1448

1449 **Cody Campbell (0:44:27):**

1450 Sure.

1451

1452 **Holland Harper (0:44:29):**

1453 But, Mr. Marchant, if we leave it the way it is, the
1454 schools are schools, parks are parks, libraries are
1455 libraries, and grocery stores are grocery stores, and
1456 you don't double tap or choose what I want to do to
1457 make, it just makes it pretty clean.

1458

1459 **Kenny Marchant (0:44:43):**

1460 Yeah. I was trying to remember the, did we have a case,
1461 did we have a problem with this definition? Was it
1462 Amarillo, or was that the school district was saying it

1463 was a certain quality campus and somebody else was
1464 saying it, I mean, they misidentified or they...

1465

1466 **Holland Harper (0:45:04):**

1467 I think that was on the website, was, this is back when
1468 what was the level of school, whether it was A, B, C, or
1469 D. And they were...

1470

1471 **Kenny Marchant (0:45:10):**

1472 Okay. All right. Yeah. Okay. Quality of the school.

1473

1474 **Holland Harper (0:45:13):**

1475 The website said they were a B, but in reality they were
1476 a C and it was (indiscernible - simultaneous speech).

1477

1478 **Kenny Marchant (0:45:18):**

1479 We would just like for it to be less complicated for you
1480 and have it less gameable, I guess the best way, so that
1481 we won't have the system gamed one way or the other.

1482

1483

1484

1485

1486 **Cody Campbell (0:45:40):**

1487 Certainly. Well, I think we've gotten some good input.

1488 We'll need to have some more discussions about this

1489 internally, but I think based on the input we've got...

1490

1491 **Kenny Marchant (0:45:48):**

1492 Is there anybody else who wants to talk about parks?

1493 Mr. Naul.

1494

1495 **Alan Naul (0:45:54):**

1496 Alan Naul with Javelin Group. I would just say we

1497 specialize in senior developments and I agree with Mr.

1498 Harper.

1499

1500 One of the benefits of having a school nearby a senior

1501 development, obviously seniors don't use the schools,

1502 but there's, most schools, most of our public schools

1503 near where we live, they also have some park options.

1504

1505 So I think you're already getting that if you're near a

1506 school, whether you're senior development or not. But I

1507 agree, schools should be schools, parks should be parks.

1508 It just clutters up if you start mixing the things
1509 together. So I agree with that.

1510

1511 **Kenny Marchant (0:46:37):**

1512 Okay. Thank you. Do we have one more?

1513

1514 **Nancy Crowther (0:46:48):**

1515 I'll try to speak loudly. I'm Nancy Crowther. I'm with
1516 ADAPT of Texas and the Texas Disability Alliance. I'm
1517 here representing the disability and senior community,
1518 and I have not heard anything regarding the parks having
1519 any accessibility.

1520

1521 If we're building senior homes and places for people
1522 with disabilities, then any amenities should be
1523 accessible. It's not just a park, it's a recreational
1524 facility. It's not just a school, it's also a volunteer
1525 opportunity.

1526

1527 The other thing I wanted to mention was that we need to
1528 add the minor emergency or whatever those are called
1529 into the pool also, so that if someone's needing to go

1530 to get some medical care, we can have one closer and add
1531 that to the list of places.

1532

1533 I'm sorry I haven't been here enough to know all, but I
1534 just wanted to present the issues of accessibility being
1535 ignored in housing and also in all amenities lately.
1536 And that we're here to celebrate 36th anniversary of the
1537 passing of the ADA. And that's what's big on my part,
1538 but I also enjoy accessibility. So thank you.

1539

1540 **Kenny Marchant (0:48:37):**

1541 Thank you for coming. That was a great accomplishment
1542 for Mr. Bush.

1543

1544 **Cody Campbell (0:48:43):**

1545 Are you able to sign in, or do you want me to sign in
1546 for you?

1547

1548 **Kenny Marchant (0:48:45):**

1549 And you're welcome any time to come and just let us know
1550 if you can, and we'll make everything as, we'll try to
1551 accommodate you in any way that we can. Thank you for
1552 your comments. Okay. Do we have anybody else who would

1553 like to comment about the parks? If not, we'll move on
1554 to the next subject.

1555

1556 **Cody Campbell (0:49:29):**

1557 At the roundtable discussion that we had, I think we
1558 were able to iron out the definition of grocery store,
1559 so I'm not sure that we need to have additional
1560 conversation about that. Of course, we welcome any
1561 comment that people might have about it, but I think
1562 we've landed in a good place there. That we just...

1563

1564 **Holland Harper (0:49:46):**

1565 Could you define it for me, please?

1566

1567 **Cody Campbell (0:49:47):**

1568 Yes, sir. If you give me just a few, do you want the
1569 full definition from the QAP?

1570

1571 **Holland Harper (0:49:53):**

1572 Sure.

1573

1574 **Cody Campbell (0:49:53):**

1575 Give me just one moment.

1576

1577 **Kenny Marchant (0:50:00):**

1578 So because like Dollar General serves, I think our big
1579 change, was it froze but seafood?

1580

1581 **Cody Campbell (0:50:10):**

1582 It has to do with seafood. Yes, sir.

1583

1584 **Kenny Marchant (0:50:11):**

1585 And we were going to talk about frozen seafood instead
1586 of fresh.

1587

1588 **Cody Campbell (0:50:17):**

1589 So here here's the definition from the QAP. A grocery
1590 store is defined as a full-service grocery store of
1591 sufficient size and volume to provide for the needs of
1592 the surrounding neighborhood, including the proposed
1593 development, offering a wide variety of fresh, frozen,
1594 canned, and prepared foods, including but not limited to
1595 a variety of fresh meats, poultry, and seafood, a wide
1596 selection of fresh produce, including a selection of
1597 different fruits and vegetables, a selection of baked
1598 goods, and a wide array of dairy products, including

1599 cheeses, and a wide variety of household goods, paper
1600 goods, and toiletry items.

1601

1602 **Holland Harper (0:50:54):**

1603 And so in your model, y'all want to take out seafood
1604 because why?

1605

1606 **Cody Campbell (0:50:59):**

1607 Because so...

1608

1609 **Bobby Wilkinson (0:51:01):**

1610 No one really has fresh seafood.

1611

1612 **Cody Campbell (0:51:02):**

1613 That's kind of (indiscernible).

1614

1615 **Bobby Wilkinson (0:51:04):**

1616 It's all previously frozen. Unless you're on the coast
1617 or it's like one of those guys driving it in right away
1618 that day.

1619

1620

1621

1622 **Cody Campbell (0:51:10):**

1623 So most seafood has been frozen previously. It calls
1624 into question of whether this definition is, in
1625 practice, achievable for the vast majority of
1626 applications that we receive. And I believe that we can
1627 comfortably delete seafood from this paragraph and still
1628 what's left over is a full-service grocery store.

1629

1630 **Holland Harper (0:51:28):**

1631 So am I going to have C-stores operating as grocery
1632 stores?

1633

1634 **Cody Campbell (0:51:33):**

1635 So they would have to provide all the items that are
1636 remaining in this list.

1637

1638 **Holland Harper (0:51:36):**

1639 Poultry, beef, or whatever that...

1640

1641 **Cody Campbell (0:51:39):**

1642 Yes, sir. Yep.

1643

1644

1645 **Holland Harper (0:51:40):**

1646 Okay. All right.

1647

1648 **Kenny Marchant (0:51:42):**

1649 And you use the word "wide variety" with some

1650 definition.

1651

1652 **Cody Campbell (0:51:47):**

1653 Wide variety is not defined. No. We did in Houston

1654 this year receive an RFAD about a grocery store that did

1655 have produce, but I don't think it met anybody's

1656 standard of what would be a wide variety.

1657

1658 We issued a deficiency, and in response, they actually

1659 pulled the application. So while it is not defined,

1660 there does seem to be a sort of practical understanding

1661 of what a wide variety would be.

1662

1663 **Bobby Wilkinson (0:52:11):**

1664 And then we had one last year, and all of the food was

1665 frozen. There was nothing fresh. And we...

1666

1667

1668 **Cody Campbell (0:52:17):**

1669 Was that the Target in South Texas?

1670

1671 **Bobby Wilkinson (0:52:18):**

1672 Yeah.

1673

1674 **Cody Campbell (0:52:19):**

1675 Yeah.

1676

1677 **Kenny Marchant (0:52:21):**

1678 So all Dollar Generals, Family Dollars, all those are

1679 excluded because they don't carry produce.

1680

1681 **Cody Campbell (0:52:28):**

1682 Dollar General does operate a chain called Dollar

1683 General Market Now, and I watched a YouTube walkthrough

1684 of one a couple of days ago in preparation for this

1685 meeting.

1686

1687 It is conceivable that a big enough one of those would

1688 count, but the Dollar General that you're probably

1689 picturing, it's impossible for me to imagine that that

1690 would be able to meet this definition.

1691

1692 **Holland Harper (0:52:50):**

1693 Thank you.

1694

1695 **Cindy Conroy (0:52:51):**

1696 Aren't the Dollar, isn't it just based by where you are,

1697 if you're really not in a location, that some of them

1698 just depending that they get it, they have it? I mean,

1699 I don't know if it's...

1700

1701 **Kenny Marchant (0:53:02):**

1702 We had...

1703

1704 **Cindy Conroy (0:53:03):**

1705 If you can say they don't have it, but that they don't

1706 always have it.

1707

1708 **Cody Campbell (0:53:06):**

1709 Sure.

1710

1711 **Kenny Marchant (0:53:08):**

1712 Yeah. Well, I'm just trying to think of that case that

1713 we had where it was a tiebreaker.

1714

1715 **Cody Campbell (0:53:17):**

1716 It may have been the Target that one.

1717

1718 **Holland Harper (0:53:19):**

1719 The Target was the...

1720

1721 **Cindy Conroy (0:53:19):**

1722 Yeah. It was the Target.

1723

1724 **Holland Harper (0:53:20):**

1725 The Target one was the issue. And listen, if you're
1726 providing fruits, vegetables, you're providing meats and
1727 poultry, and you're providing canned goods, the rest of
1728 it, we want to play the game, right? But if you've got
1729 one potato and frozen chicken strips and that's it, that
1730 doesn't seem very fair.

1731

1732 **Cody Campbell (0:53:38):**

1733 Correct. Yeah. Okay.

1734

1735

1736

1737 **Kathryn Saar (0:53:45):**

1738 One suggestion. Kathryn Saar, UDG. There is a
1739 definitive list that we could incorporate. WIC, the
1740 program for women and children, publishes a list of
1741 grocery stores that are allowed to accept that benefit.
1742 So it might be something worth considering since there's
1743 a definitive list.

1744

1745 We like definitive lists of things just because we don't
1746 want to bring you things that aren't going to meet
1747 muster. So any kind of certainty that we can have up
1748 front makes the process smoother for everyone.

1749

1750 **Bobby Wilkinson (0:54:28):**

1751 Let's compare the WIC list to some of the stuff we've
1752 got to use right now.

1753

1754 **Alexis Sheehy (0:54:34):**

1755 Alexis Sheehy, Grundstein Texas. Just speaking to the
1756 list, it's the SNAP Retailer list. I would say that
1757 that's a great start, but it is not inclusive of
1758 everything.

1759

1760 And a lot of the things that it, you have like a big
1761 table and it lists everything if you take SNAP, it
1762 defines it by grocery store, convenience store,
1763 superstore, something like that.

1764

1765 A lot of what it lists as grocery stores would not
1766 count. And so I think if we try to pigeonhole ourselves
1767 into a single list for any of these things, it's going
1768 to create another whack-a-mole situation.

1769

1770 So I would just encourage you to use it as a guideline,
1771 but I think the definition that Cody and the staff have
1772 come up with really solves almost every problem and I
1773 like it.

1774

1775 **Kenny Marchant (0:55:19):**

1776 Thank you. We probably won't solve this completely this
1777 year, but if we keep trying to tackle it and get it
1778 defined.

1779

1780 **Timothy Smith (0:55:29):**

1781 And I'll just say on the list, I'm fine with lists,
1782 let's just call those safe harbors. If you're on that,

1783 you're automatically safe, no problem. But if you can
1784 show that another store meets all the other criteria,
1785 you should be able to have that option as well. Thanks.

1786

1787 **Cindy Conroy (0:55:45):**

1788 We'll take a look at it.

1789

1790 **Kenny Marchant (0:55:48):**

1791 Okay. Anybody else want to comment on that subject?

1792

1793 **Leo Vasquez III (0:55:51):**

1794 What about seasonal crawfish? Sorry, sorry. I retract
1795 that question.

1796

1797 **Kenny Marchant (0:56:06):**

1798 Are these something you have to deal with every year,
1799 these definitions like them?

1800

1801 **Cody Campbell (0:56:11):**

1802 Yes, sir. Yep.

1803

1804

1805

1806 **Kenny Marchant (0:56:13):**

1807 And these definitions that we're trying to clarify will
1808 help you.

1809

1810 **Cody Campbell (0:56:19):**

1811 Yes, sir.

1812

1813 **Kenny Marchant (0:56:19):**

1814 And it'll be more definitive towards the developers and
1815 the people that are looking trying to qualify.

1816

1817 **Cody Campbell (0:56:25):**

1818 That is the intention. Yes, sir.

1819

1820 **Kenny Marchant (0:56:26):**

1821 Okay.

1822

1823 **Cody Campbell (0:56:28):**

1824 I think we have two other specific topics under
1825 tiebreakers and then maybe we can open it up to a
1826 general tiebreaker discussion. The next I have on my
1827 list is that we may consider either replacing some of
1828 the existing amenities or adding to the list.

1829

1830 The suggestions that we got at the roundtable, and I
1831 think there are pros and cons to all of these, are
1832 public transportation, community colleges, pharmacies,
1833 and healthcare centers. I think staff's pretty neutral
1834 on this.

1835

1836 The benefit of a couple of these, as pharmacies for
1837 example, is that it is very easy to define what a
1838 pharmacy is. Whether that provides the same benefit to
1839 somebody as being in close proximity to a grocery store
1840 is I think debatable, but there is that benefit to it.

1841

1842 **Bobby Wilkinson (0:57:15):**

1843 Would we let them double count the pharmacy within the
1844 grocery store?

1845

1846 **Cody Campbell (0:57:18):**

1847 I think we'd have to address that, but probably not.
1848 I'll turn it over. I know there are a few people in the
1849 industry who have strong feelings about this.

1850

1851

1852 **Kenny Marchant (0:57:32):**

1853 Are we talking about pharmacies now?

1854

1855 **Holland Harper (0:57:34):**

1856 No. We're talking about adding one more to the

1857 tiebreakers.

1858

1859 **Kenny Marchant (0:57:37):**

1860 Adding to tiebreakers.

1861

1862 **Cody Campbell (0:57:37):**

1863 That is correct. Either adding or replacing an amenity.

1864

1865 **Bobby Wilkinson (0:57:40):**

1866 From one he said or one you would want to make up.

1867

1868 **Holland Harper (0:57:42):**

1869 Before we open this, do we need to add anything to the

1870 tiebreaker or is the four we've got working?

1871

1872 **Cody Campbell (0:57:49):**

1873 So the benefit is that it scrambles the map and pushes

1874 people into different real estate. But no, I would not

1875 say that the tiebreaker is fundamentally broken in a way
1876 that requires us to replace one of these.

1877

1878 **Kenny Marchant (0:58:03):**

1879 Did you get input at your roundtable from anyone that
1880 wanted there to be additional tiebreakers on these
1881 subjects?

1882

1883 **Cody Campbell (0:58:14):**

1884 Yes, sir. We did get comment from people who requested
1885 that additional amenities be added. And the other
1886 change that we got was the request for the poverty level
1887 qualification for that tiebreaker, which we'll discuss
1888 in further detail here in just a moment.

1889

1890 **Kenny Marchant (0:58:28):**

1891 Okay. So would we take comment on the pharmacies?

1892

1893 **Cody Campbell (0:58:34):**

1894 I think broadly we could probably take comment about
1895 either adding to the list or replacing any of the
1896 existing amenities without dialing down to one specific
1897 type.

1898

1899 **Kenny Marchant (0:58:44):**

1900 Okay.

1901

1902 **Cody Campbell (0:58:44):**

1903 And then we can go from there.

1904

1905 **Kenny Marchant (0:58:45):**

1906 Okay. So anyone that would like to speak on adding

1907 additional tiebreakers, we'll take your comments now.

1908 And if you could be as specific as you can.

1909

1910 **Alexis Sheehy (0:59:06):**

1911 Hi. Alexis Sheehy again. I would like to add

1912 additional tiebreakers, and I think still choosing from

1913 three is fine, just so that the staff doesn't have to

1914 figure out what all of them are.

1915

1916 I think at the roundtable we talked about public

1917 transportation, which is very definable. It's a bus

1918 stop or I guess a train. Pharmacies are another one

1919 that are very definable.

1920

1921 And then it was, urgent care was another one, I think
1922 excluding the 24-hour standalone emergency rooms. Just
1923 to add more things so that, again, we can open up sites
1924 that are competitive.

1925

1926 We've been looking more or less across the same sites
1927 for a few years now, and I think these are helpful
1928 things. They got a lot of, I think, people who wanted
1929 not only additional ones, but ones that were meaningful.
1930 So, yeah, that's it. Just please add more.

1931

1932 **Kenny Marchant (1:00:09):**

1933 So you just want to add more, or you specifically want
1934 to add?

1935

1936 **Alexis Sheehy (1:00:14):**

1937 We don't have to add all of those, but yeah, absolutely.
1938 I think community colleges, I did suggest that, but the
1939 intention was to add it in the education pool so that
1940 you could have, if you were next to a community college.

1941

1942 I just happen to think they're more helpful for older
1943 adults, and it's just another, I don't know, education

1944 and potentially public charter schools, but I know I'm
1945 probably getting daggers behind me. Just putting more,
1946 there's been a lot of schools closing, I guess is...

1947

1948 **Kenny Marchant (1:00:45):**

1949 That might take us past 4:45.

1950

1951 **Alexis Sheehy (1:00:47):**

1952 Yeah, yeah. That's okay. But community colleges, the
1953 intention was to put it in with some of the education
1954 things that we could choose from. But yeah, I think it
1955 would be really helpful to open up that menu of things
1956 that we could include as a tiebreaker.

1957

1958 **Kenny Marchant (1:01:05):**

1959 What would be the number one thing that you would think
1960 would be helpful?

1961

1962 **Alexis Sheehy (1:01:10):**

1963 I'm a bit agnostic on that. I think the ones that he's
1964 mentioned are all good. They are all, with the
1965 exception of public transit, you can find pharmacies and
1966 urgent care in both urban and rural areas, so I think...

1967

1968 **Kenny Marchant (1:01:25):**

1969 But this would just open it up to get points for it,
1970 right? Tie breakers.

1971

1972 **Alexis Sheehy (1:01:32):**

1973 Not points, but just making it more competitive so that
1974 it's that least cumulative distance between those three
1975 things. So it would be the same amount that would get
1976 the same points, but yeah.

1977

1978 **Kenny Marchant (1:01:41):**

1979 I got you. Yeah. All right. Thank you.

1980

1981 **Kathryn Saar (1:01:50):**

1982 Hi. Kathryn Saar again. I am all for changing up the
1983 tiebreak, maybe swapping out one of the things with one
1984 of these other pieces. It does open up the map.

1985

1986 And as Alexis said, we are chasing the same sites that
1987 we've been chasing year after year, and so there's just
1988 less available land that scores because we have to get

1989 the maximum number of points, otherwise it's not worth
1990 submitting to you all and spending money on.

1991

1992 So swapping out one, like if we got rid of libraries, I
1993 think everyone wouldn't really care. I personally like
1994 libraries, but I think we , I don't want to reiterate
1995 the opportunity index that we already get points for
1996 because all of these things are already on that list.

1997

1998 So I don't want to duplicate the same thing we've
1999 already got in a scoring mechanism. That's my only
2000 concern.

2001

2002 **Kenny Marchant (1:02:57):**

2003 So can I ask you, Cody, what would a Walgreen be defined
2004 as?

2005

2006 **Cody Campbell (1:03:05):**

2007 Based on the Walgreens that I've spent time at, I don't
2008 believe that they would count as a grocery store. I
2009 actually don't think they would count as anything under
2010 this tiebreaker.

2011

2012 If we added pharmacies, it's fairly obvious to me that
2013 they would count as that, but I'm running through my
2014 local.

2015

2016 **Kenny Marchant (1:03:20):**

2017 So any CVS or, they don't carry fresh produce, but it
2018 would, to me, if we were to add anything, a pharmacy,
2019 would that be easily defined?

2020

2021 **Cody Campbell (1:03:32):**

2022 Pharmacies, yes. Pharmacies are licensed. Very easy to
2023 define.

2024

2025 **Kenny Marchant (1:03:34):**

2026 Okay. Thanks.

2027

2028 **Audrey Martin (1:03:39):**

2029 Audrey Martin. I think Alexis and Kathryn covered some
2030 of what I was going to say, but I did just want to
2031 remind the Board that we do have the opportunity index,
2032 which combines a poverty test and an income test with a
2033 large menu of amenities.

2034

2035 A lot of applications do qualify for that particular
2036 scoring item, but the concept within the tiebreaker does
2037 repeat that proximity to amenities test, but has been
2038 selective in picking the four most important of the
2039 moment, I suppose, of that op index list and then
2040 letting that break the tie.

2041

2042 I think it's fine to shuffle the list to the point that
2043 some of the other speakers have made. The amenities
2044 don't change too much over time, so the sites that are
2045 competitive don't change that much until you start
2046 taking them off the table because they get awarded one
2047 year and then you kind of fall down.

2048

2049 So there could be some value in shuffling the amenity
2050 list, but I do really think it still should be whatever
2051 the Board considers to be the most important subset of
2052 some other things that we use in the op index.

2053

2054 I like the top three distance out of four. I think if
2055 we make that amenity list too long, it really is just
2056 exactly like the scoring item, and then we're just

2057 double counting and it probably loses its value.

2058 Thanks.

2059

2060 **Tanya Lavelle (1:05:14):**

2061 Tanya Lavelle, Disability Rights Texas. I wanted to
2062 discuss a little bit about potentially adding the urgent
2063 cares, not a pharmacy, but an urgent care as maybe a
2064 fifth tiebreaker to add to the menu.

2065

2066 So studies have shown how beneficial urgent cares are
2067 not just to the people who visit them, but actually to
2068 the community as a whole. They end up significantly
2069 reducing wait times across all healthcare settings and
2070 reduce visits to actual hospital ERs.

2071

2072 There is actually over a thousand of them in Texas. As
2073 someone mentioned, I forget who it was, they are in
2074 urban, suburban, rural areas, and incentivizing the QAP
2075 is going to help low-income folks receive medical care
2076 for immediate needs that don't necessitate the services
2077 of a traditional hospital ER.

2078

2079 Urgent cares are also significantly less expensive for
2080 the people who visit. Something that is particularly
2081 important to tenants of the LIHTC developments that we
2082 are building here.

2083

2084 For example, I did look this up, if a person was
2085 suffering from a UTI, which is one of the most common
2086 conditions seen at an urgent care, they can expect to
2087 pay an average of \$112 at an urgent care compared to
2088 \$665 at a hospital ER.

2089

2090 Many urgent cares accept a wide variety of health
2091 insurance plans as well, including Medicare and
2092 Medicaid. Urgent cares also, they kind of bridge the
2093 gap between primary care and emergency services.

2094

2095 It's becoming more and more difficult to actually get an
2096 appointment with a primary care provider, especially if
2097 you're a new patient and don't have a current
2098 established relationship.

2099

2100 This is even more pronounced for people who are low-
2101 income because, for example, they may not be able to get

2102 the paid time off of work they need to get to the
2103 doctor's appointment while the office is open.

2104

2105 And it ends up lowering the likelihood of somebody
2106 actually being able to get healthcare at all, which is
2107 where the urgent cares can step in and address some of
2108 these issues before they get severe.

2109

2110 The average wait time, I believe I looked at a study
2111 about 15 cities, it was about a month to get into a
2112 primary care doctor. And that's regardless of things
2113 like income status and whether or not you're working and
2114 things like that.

2115

2116 Also, I know this is very important, the definition of a
2117 urgent care is very clear. It is defined by the
2118 American College of Emergency Physicians, so that will
2119 limit the confusion if it were to be added to the menu,
2120 and it will drive folks to different areas.

2121

2122 I think I had one more thing. So I always talk about
2123 this kind of when we get to the roundtables, I end up

2124 feeling kind of squirrely when we discuss tiebreakers
2125 without actually asking tenants first.

2126

2127 Like at DRTX, we meet with folks every day, we talk to
2128 them about what their needs are. They come to us
2129 specifically with the needs that they have, and we are
2130 able to help them in that way.

2131

2132 But when we get into rooms like this and we are making
2133 decisions about what we think is most important to
2134 people without asking the people that are actually
2135 living there, I think that we could be doing better.

2136

2137 I know that there was a tenant survey done in, I think
2138 it was 2018 if I looked. So I definitely suggest
2139 perhaps looking into another one to help educate what's
2140 going on in this room. We don't even know what changed
2141 since COVID if we looked at it in 2018.

2142

2143 **Bobby Wilkinson (1:08:28):**

2144 I agree we should do another survey. We have been
2145 talking about that. But in some regards, we depend on
2146 people like you as advocates as well.

2147

2148 **Tanya Lavelle (1:08:35):**

2149 Well, sure.

2150

2151 **Bobby Wilkinson (1:08:35):**

2152 Yeah. So urgent cares, you have a good definition. Do

2153 you have a definitive list? Not that it's necessary,

2154 just curious.

2155

2156 **Tanya Lavelle (1:08:43):**

2157 We had a law clerk, God bless, who was working with me

2158 and looked at this stuff. And so she went through, I

2159 think, like maybe the top 15 largest providers and was

2160 able to find that list. And she said that it was over a

2161 thousand. I am not sure if there was a definitive.

2162

2163 **Bobby Wilkinson (1:08:55):**

2164 And there was another type that was like private ERs

2165 that had...

2166

2167 **Tanya Lavelle (1:08:58):**

2168 Those are really bad.

2169

2170 **Bobby Wilkinson (1:08:59):**

2171 Right. And so we need to make sure...

2172

2173 **Tanya Lavelle (1:09:02):**

2174 They are not the same thing. Yeah. They are very

2175 clearly excluded from a lot of these definitions.

2176

2177 **Bobby Wilkinson (1:09:05):**

2178 Okay. Thank you.

2179

2180 **Kenny Marchant (1:09:06):**2We should look for a state

2181 statute definition if there is one.

2182

2183 **Bobby Wilkinson (1:09:13):**

2184 Hers is what, the American Medical Association?

2185

2186 **Tanya Lavelle (1:09:17):**

2187 Who was it? The fancy people who manage urgent cares.

2188 American College of Emergency Physicians.

2189

2190 **Kenny Marchant (1:09:24):**

2191 Yeah. That means everybody that makes money off being

2192 in that organization.

2193

2194 **Tanya Lavelle (1:09:30):**

2195 I am sure we could find a different definition if that

2196 is preferable, but they are very clearly and thing.

2197 They are not these two other things, freestanding ERs or

2198 hospital ERs.

2199

2200 **Kenny Marchant (1:09:41):**

2201 Anybody have any thoughts on that?

2202

2203 **Cindy Conroy (1:09:47):**

2204 I work with 300-and-some people, and the urgent care is

2205 used more commonly than the doctor's office just because

2206 it is so difficult. If your kid's sick, it's very

2207 difficult to get into the pediatrician, and so you can

2208 go to the urgent care. And they're in everyone's

2209 neighborhood, apparently.

2210

2211 There's one down the street from my house that people

2212 use constantly. I mean, they go there for physicals for

2213 sports, things that you would do at a normal doctor's

2214 office, but I guess you're in and out a lot faster

2215 unless you pay for your doctors, unless you do that in
2216 the private physician thing, the concierge thing.

2217

2218 **Kenny Marchant (1:10:24):**

2219 Yeah. So we'd be talking about adding this to the
2220 tiebreaker.

2221

2222 **Holland Harper (1:10:31):**

2223 So one of the things I want to challenge with that is if
2224 you've got, so pharmacies, there is 8,000 pharmacies in
2225 the State of Texas. Pharmacies has a license with that.
2226 I'm sure somebody here in this audience has a
2227 prescription you take every single day.

2228

2229 And while my wife is a nurse practitioner in pediatrics
2230 and she sees people that are scheduled and she takes
2231 everything from Medicare to private pay, or Medicaid to
2232 private pay, proximity to insulin or blood thinners or
2233 whatever those things might be, would be a very
2234 effective one that would change this model up pretty
2235 well.

2236

2237 And I'm not saying that urgent care's not important.
2238 I'm not saying urgent cares are not important
2239 whatsoever. What I'm saying is something that has to be
2240 happening every day, if you're a type 1 diabetic or
2241 you're something else, you've got to have it, and
2242 proximity to it every day would actually make people's
2243 lives better all the time.

2244

2245 **Tanya Lavelle (1:11:28):**

2246 If I may make a mention, if that's okay. I had thought
2247 about this and I talked to some folks about kind of
2248 urgent care versus pharmacies. And a lot of the
2249 difference with urgent care, I remember it came up at
2250 the roundtable, somebody mentioned you can go to a
2251 pharmacy and they might have a pharmacist on staff to
2252 check your ears.

2253

2254 And I've had to do that before because I couldn't get
2255 into my primary care doctor. I broke my foot six weeks
2256 ago. I couldn't go to Walgreens to have that handled.
2257 And I understand with the prescription bit, I take a
2258 load of them as most of the people who work for me.

2259

2260 And I think those are kind of two separate things that
2261 we're looking at because urgent cares are not meant to
2262 be there to fill prescriptions. They're kind of meant
2263 to triage healthcare concerns.

2264

2265 So if you're getting a 30-day prescription and you run
2266 out, that sucks. And I'm really hoping that you're able
2267 to get into your primary care provider to make sure that
2268 that doesn't happen.

2269

2270 But with urgent care, this is something that we're doing
2271 to keep people from having more acute illnesses. If you
2272 can't get in to see your primary care provider for a
2273 month, you're going to end up with an ear infection. I
2274 don't even know what happens to you after that point.

2275

2276 So I think that they're both good ideas, but I think
2277 they do serve different needs. And at least from the
2278 folks that we deal with at Disability Rights Texas,
2279 they've said that urgent cares are probably more
2280 important than pharmacies would be.

2281

2282

2283 **Holland Harper (1:12:46):**

2284 I don't disagree with you, there's there. I'm also in
2285 the deal where I represent more of the rural part of
2286 America. And so you've got both urgent cares and you
2287 have both hospitals inside that, but if you look at a
2288 swath of pharmacies, everyone has a pharmacy. And the
2289 close proximity of pharmacy may add more value to those
2290 citizens. My opinion, different than your opinion.

2291

2292 **Cindy Conroy (1:13:07):**

2293 Right. I'll just add one more thing just about the
2294 urgent care. I know that our health plan encourages our
2295 teams to go to urgent cares. A matter of fact, they're
2296 like, at the last resort, then you go to an ER.

2297

2298 But they even acknowledge you can't get into your
2299 doctor, which I thought I found interesting, is that
2300 urgent care was now the like number one. One was urgent
2301 care, two was your doctor, and the last thing was the ER
2302 just because of cost. I think there's value to both.

2303

2304

2305

2306 **Kenny Marchant (1:13:45):**

2307 If I could make a suggestion, if we could reach some
2308 consensus on pharmacies, which, the only thing I'm
2309 worried about urgent care is just the pure definition of
2310 it, where we have a definition, license, et cetera.

2311

2312 **Cindy Conroy (1:14:00):**

2313 Right. I understand.

2314

2315 **Kenny Marchant (1:14:01):**

2316 That we might add that in this QAP and then put the
2317 urgent cares on the list next year of how do we define
2318 urgent care? Is it a, how do we define it? Is there a
2319 state statute? Is there a definition?

2320

2321 **Tanya Lavelle (1:14:21):**

2322 I'm pretty sure that exists. So I bet we could look
2323 that up pretty easily. A definition for urgent cares.
2324 Yeah. I don't think that would be hard to find.

2325

2326 **Kenny Marchant (1:14:27):**

2327 Well, I mean a definition by statute.

2328

2329 **Tanya Lavelle (1:14:30):**

2330 By statute?

2331

2332 **Kenny Marchant (1:14:32):**

2333 Yep.

2334

2335 **Tanya Lavelle (1:14:34):**

2336 Right. Yeah.

2337

2338 **Kenny Marchant (1:14:34):**

2339 We like to rely on statutes so we don't get into...

2340

2341 **Tanya Lavelle (1:14:39):**

2342 I'd be happy to give it a noodle for you.

2343

2344 **Kenny Marchant (1:14:42):**

2345 Okay. Any more questions or comments?

2346

2347 **Anna Maria Farias (1:14:47):**

2348 Mr. Chairman.

2349

2350 **Kenny Marchant (1:14:48):**

2351 Yes.

2352

2353 **Anna Maria Farias (1:14:49):**

2354 With the urgent care in the big city like San Antonio,

2355 you have a lot of urgent cares because they're open

2356 Saturdays and Sundays.

2357

2358 **Tanya Lavelle (1:14:57):**

2359 Yes.

2360

2361 **Anna Maria Farias (1:14:57):**

2362 And a regular doctor will usually not be available. And

2363 whenever you do call a doctor, they'll say, if this is

2364 an emergency, go to the hospital. That's all right in a

2365 big city, but in a small town, not only is there not any

2366 urgent care, you could go to the hospital.

2367

2368 But in small towns, and I'm talking Dilley, Pearsall,

2369 Crystal City, Carrizo Springs, even Eagle Pass, whenever

2370 you talk about a doctor at the hospital, this was

2371 usually the people that come from the big city that go

2372 to the little towns once or twice a week.

2373

2374 And so if it's a real emergency, of course they have to
2375 fly them out from the small town to the big city. But
2376 as I was saying, in San Antonio, we have urgent cares
2377 everywhere.

2378

2379 And most of my friends, other than those that get their
2380 daily dosage of pills, that's why they go on that
2381 prescription where you get, I only take Zyrtec, so I
2382 really don't know anything about anything else.

2383

2384 They go, no, I get on the three- or six-month supply, so
2385 I never run out. But, Mr. Chairman, urgent care has
2386 become the biggest thing right now.

2387

2388 **Kenny Marchant (1:16:18):**

2389 And this is something we're trying to give Cody some
2390 guidance on. So if we could, if there's a consensus
2391 that we add, now we're talking about tiebreakers now.
2392 So we're talking about splitting atoms.

2393

2394 We're not talking about the general public. So are we
2395 adding things that all of the sites will have so it
2396 won't in effect be breaking any ties?

2397

2398 **Cody Campbell (1:16:49):**

2399 So every site is in some proximity to a pharmacy or an
2400 urgent care. It's just a matter of how close they are.

2401

2402 **Kenny Marchant (1:16:56):**

2403 Okay. So now we're going to get to, sites are going to
2404 have both urgent cares and pharmacies and then we're
2405 going to be measuring from those to the site.

2406

2407 **Holland Harper (1:17:07):**

2408 We're still down on three.

2409

2410 **Cody Campbell (1:17:08):**

2411 Right. Yeah.

2412

2413 **Kenny Marchant (1:17:11):**

2414 Okay.

2415

2416 **Bobby Wilkinson (1:17:16):**

2417 We could remove libraries, add pharmacies and urgent
2418 care. Pharmacies would be in the top three more often
2419 because there's more of them, probably.

2420

2421 **Cody Campbell (1:17:23):**

2422 The numbers are on their side. Yeah.

2423

2424 **Kenny Marchant (1:17:27):**

2425 Would there be any consensus to removing libraries?

2426

2427 **Cindy Conroy (1:17:39):**

2428 In principle, yes. But no, I don't...

2429

2430 **Kenny Marchant (1:17:42):**

2431 Yeah. I got you.

2432

2433 **Cindy Conroy (1:17:43):**

2434 Especially now I do see why libraries are now, in my

2435 community, now the library comes to you. And you can

2436 order your books online and then it's right there at the

2437 park, which it's really quite convenient.

2438

2439 **Holland Harper (1:17:59):**

2440 I make a motion we just add pharmacies and see how it

2441 works.

2442

2443 **Kenny Marchant (1:18:03):**

2444 Well, I'm for that. I'm for that. I think the question
2445 is do we add urgent care as well? And I would be for
2446 that if I had more clear understanding of the definition
2447 of urgent care.

2448

2449 **Cody Campbell (1:18:18):**

2450 What we can do is we can see if we can find a definition
2451 that we feel is definitive.

2452

2453 **Kenny Marchant (1:18:22):**

2454 By Texas statute. Something we can literally...

2455

2456 **Bobby Wilkinson (1:18:26):**

2457 There's not a specific one in the state statute.

2458

2459 **Kenny Marchant (1:18:27):**

2460 There's not. Okay. We had a lot of trouble with it at
2461 another level too. Defining them, pinning them down,
2462 billing. But I do agree that it would be a good one.

2463

2464

2465

2466 **Cody Campbell (1:18:43):**

2467 I think based on this discussion, we've got really,
2468 really great guidance for things that we need to
2469 research and talk...

2470

2471 **Kenny Marchant (1:18:49):**

2472 Okay. So we're going to add pharmacies and...

2473

2474 **Cody Campbell (1:18:54):**

2475 Look into urgent cares.

2476

2477 **Kenny Marchant (1:18:55):**

2478 Look into urgent care. Okay.

2479

2480 **Cody Campbell (1:18:56):**

2481 And see what we can find out. Yeah.

2482

2483 **Kenny Marchant (1:18:58):**

2484 All right.

2485

2486

2487

2488

2489 **Cody Campbell (1:18:59):**

2490 I do believe we have some more people who want to
2491 comment. I do want to be mindful of time. We're down
2492 to our last hour and 25 minutes.

2493

2494 **Kenny Marchant (1:19:05):**

2495 Okay. So from your guess of how controversial things
2496 will be from here on, will it be descending or does
2497 it...

2498

2499 **Cody Campbell (1:19:12):**

2500 So not very in terms of what I have that I've written up
2501 for you, but you never know what's going to happen in
2502 the public comment period or the open period.

2503

2504 **Kenny Marchant (1:19:20):**

2505 Okay. Well, it can go on until 4:45.

2506

2507 **Cody Campbell (1:19:24):**

2508 Sure.

2509

2510 **Kenny Marchant (1:19:25):**

2511 Okay. So let's get the additional comment on this.

2512

2513 **Cole Glosser (1:19:30):**

2514 Hello. Thanks so much, y'all. I am Cole Glosser with
2515 the Coalition of Texans with Disabilities. And I want
2516 to echo all of Tanya's great comments around the urgent
2517 cares.

2518

2519 Essentially from our standpoint, advocating for folks
2520 with, Texans with disabilities and elderly folks, they
2521 have typically more immediate and frequent medical care
2522 needs than general population, even though the general
2523 population relies heavily, as we've discussed, on urgent
2524 cares.

2525

2526 But I just think again, want to reiterate the importance
2527 of considering urgent cares as a tiebreaker. Thanks so
2528 much.

2529

2530 **Kenny Marchant (1:20:05):**

2531 Thank you. So can I just ask you a question? I don't
2532 mean to interrupt you. The disability groups that are
2533 represented here today, are you guys, can you define

2534 the, are there three different groups or two different
2535 groups?

2536

2537 **Cole Glosser (1:20:25):**

2538 Well, actually today there seems to be three different
2539 groups. So we are definitely coordinating. We
2540 definitely like to work together on those issues.

2541

2542 **Kenny Marchant (1:20:33):**

2543 I know you're coordinating, but I'm just trying to get
2544 them straight in my mind.

2545

2546 **Cole Glosser (1:20:37):**

2547 Yes. Three different ones today. Yes.

2548

2549 **Kenny Marchant (1:20:38):**

2550 Okay. And the lady that was up here earlier.

2551

2552 **Cole Glosser (1:20:42):**

2553 Yes. She is from ADAPT of Texas.

2554

2555 **Kenny Marchant (1:20:44):**

2556 Okay. Thank you.

2557

2558 **Cole Glosser (1:20:45):**

2559 So three different organizations.

2560

2561 **Kenny Marchant (1:20:46):**

2562 Thank you. We appreciate you being here.

2563

2564 **Darrell Jack (1:20:54):**

2565 Good afternoon. My name is Darrell Jack. My company is

2566 Apartment MarketData. It's been a long time since I've

2567 had the opportunity to speak to TDHCA Board. I was

2568 around a long time ago when the board meetings were very

2569 lively, to say the least.

2570

2571 I typically deal in data sets and I deal in market rents

2572 and occupancies. I will tell you as you talk about how

2573 simple pharmacies are, pharmacies are not simple. I can

2574 tell you that not every pharmacy can someone go, every

2575 licensed pharmacy in Texas can someone go in and have a

2576 prescription filled.

2577

2578 There's nuclear pharmacies, there's hospital pharmacies

2579 that aren't open to the public. There are a list of

2580 about 8 or 10 different categories of pharmacies in the
2581 state. And I know that because I pull that data set
2582 from the Texas Pharmacy Board.

2583

2584 **Kenny Marchant (1:21:47):**

2585 Do they all get a license though through the state?

2586

2587 **Darrell Jack (1:21:49):**

2588 They do. They do. And selling you...

2589

2590 **Kenny Marchant (1:21:50):**

2591 So if we said licensed pharmacy, that would...

2592

2593 **Darrell Jack (1:21:53):**

2594 Right. So consider Amazon has pharmacies that nobody is
2595 ever going to walk into. That's another category. So
2596 when you say that pharmacies are simple, they're not
2597 simple. You need to actually have staff look at the
2598 categories and make sure that they're retail pharmacies
2599 that someone can walk into.

2600

2601 **Kenny Marchant (1:22:12):**

2602 Yeah. Just physical plant.

2603

2604 **Holland Harper (1:22:16):**

2605 You are correct. You're absolutely correct.

2606

2607 **Darrell Jack (1:22:18):**

2608 On urgent care centers, I deal with a lot of different
2609 data sets and dig feverishly to find information that's
2610 applied to this program. I have not been able to find a
2611 complete data set that gives me every urgent care in
2612 Texas. I don't think there's one out there today.

2613

2614 **Kenny Marchant (1:22:38):**

2615 I don't think there is.

2616

2617 **Darrell Jack (1:22:39):**

2618 So that may make your life more difficult. But really
2619 the reason that I came to speak to you about this
2620 subject is most of the things that you're talking about
2621 and the things that are being suggested are all
2622 addressed in the high opportunity categories of the
2623 application.

2624

2625 These are things that are already scored as these are
2626 important to the Department for making good real estate.
2627 The tiebreaker was never intended to be that. The
2628 tiebreaker is really to separate one property away from
2629 the other because we have flat scoring.

2630

2631 And so while all these things are important to us and
2632 potentially to our residents, the flat scoring is the
2633 problem. And when you just keep coming up with similar
2634 kind of things and you don't change it from year to
2635 year, you end up getting the same sites over and over.

2636

2637 It makes my job real easy because I may work on a
2638 project this year and next year, and if it doesn't get
2639 an allocation a third year.

2640

2641 What you really need is a wild card in there and you
2642 need to shuffle the deck because it's like taking a set
2643 of playing cards and every time you shuffle the deck, as
2644 we talk about these things year after year after year,
2645 your shuffle is exactly the same.

2646

2647 And so by introducing some kind of wild card that
2648 changes every year, the locations of properties that
2649 score, they're all getting the high opportunity points
2650 already.

2651

2652 But as you change that wild card around, then that's
2653 when you get the diversity of sites and you don't have
2654 affordable housing going into the same neighborhood year
2655 after year after year.

2656

2657 **Bobby Wilkinson (1:24:23):**

2658 Darrell, what's your wild card suggestion?

2659

2660 **Kenny Marchant (1:24:26):**

2661 Yeah.

2662

2663 **Darrell Jack (1:24:26):**

2664 I don't have one.

2665

2666 **Kenny Marchant (1:24:29):**

2667 You're just a wild card.

2668

2669

2670 **Darrell Jack (1:24:30):**

2671 It could be distance to a police substation. But make
2672 it simple for staff and for yourself so that you're not
2673 coming up here every year going, well, what's a grocery
2674 store? Does Costco qualify as a grocery store because
2675 you have to have a membership? Because that's been one.
2676 Does it sell seafood? What is a pharmacy?

2677

2678 Make it easy for yourself and your staff by picking
2679 items that are easily distinguishable instead of open
2680 for debate over and over and over. Because the
2681 conversation that you're having about grocery stores are
2682 the same conversations that I've seen for 20 years in
2683 this business. And your time is valuable and staff's
2684 time valuable.

2685

2686 **Kenny Marchant (1:25:19):**

2687 Well, these suggestions are coming from staff, but it's
2688 dynamic in that the way that the applicants are
2689 beginning to bend definitions and redefine...

2690

2691

2692

2693 **Darrell Jack (1:25:36):**

2694 Exactly. A tiebreaker should be either a one or a zero
2695 without any debate. And if it's a, if you pick distance
2696 to a fire station or something, we...

2697

2698 **Kenny Marchant (1:25:50):**

2699 And it'd be different every year then.

2700

2701 **Darrell Jack (1:25:52):**

2702 Change it up because that's what gets the diversity of
2703 sites. And that's the problem that these people have in
2704 going, they're all chasing the same sites over and over
2705 and over.

2706

2707 **Kenny Marchant (1:26:04):**

2708 So change it up in that you add additional things to it
2709 every year.

2710

2711 **Darrell Jack (1:26:07):**

2712 No. Keep it real simple. Staff doesn't want to have to
2713 deal with six or eight things. Make it three. Maybe
2714 two are your important things, your grocery stores and
2715 your pharmacy.

2716

2717 Throw in a third wild card that changes from year to
2718 year. And if you have to draw it out of a hat, draw it
2719 out of a hat. It really doesn't matter to the quality
2720 of the real estate because you're already addressing all
2721 these high opportunity things in the point system.

2722

2723 And so that's how you get the diversity of sites and you
2724 don't get a concentration of affordable housings in the
2725 same places year after year after year.

2726

2727 **Ajay Thomas (1:26:49):**

2728 Can you give an example of what a wild card would be in
2729 your mind?

2730

2731 **Holland Harper (1:26:52):**

2732 College, community colleges and technical schools.

2733

2734 **Ajay Thomas (1:26:53):**

2735 Community colleges and just...

2736

2737

2738

2739 **Darrell Jack (1:26:55):**

2740 Well, you're from rural Texas, right? There's not a lot
2741 of technical schools out in rural Texas.

2742

2743 **Bobby Wilkinson (1:27:04):**

2744 It's actually not as bad as you would actually think.

2745

2746 **Darrell Jack (1:27:07):**

2747 Well, it's going to eliminate, what you think as rural
2748 is not necessarily rural. I live just outside of San
2749 Antonio and my town is rural. We're not going to have a
2750 technical college.

2751

2752 So the state's very diverse. You've got to pick
2753 something. Distance to a fire station, distance to a
2754 police substation. Just keep it moving.

2755

2756 And like I say, have the industry make suggestions, put
2757 it in a hat, and at a board meeting, pull out of a hat
2758 and make that wild card that for the next year, so that
2759 everybody knows what they're looking for as they're
2760 going and looking for sites. That's how you get
2761 diversity of sites. Thank you.

2762

2763 **Kenny Marchant (1:27:50):**

2764 Okay. Thank you. Thank you. Yeah. I thought that

2765 that's what we were doing, but thanks. So we are

2766 actually accomplishing that by adding one or two

2767 different, are we dropping any other than seafood?

2768

2769 **Cody Campbell (1:28:18):**

2770 If we stick with best three out of four, then if we add

2771 one of these other ones, then yes, we would have to drop

2772 something. Overwhelmingly, the suggestion has been to

2773 drop libraries.

2774

2775 **Kenny Marchant (1:28:29):**

2776 That's a bad look.

2777

2778 **Holland Harper (1:28:32):**

2779 Just add one more, make it five.

2780

2781 **Cody Campbell (1:28:34):**

2782 Best three out of five. We could also easily do that.

2783

2784

2785

2786 **Holland Harper (1:28:36):**

2787 Three out of five. That's not too complicated. Odd

2788 numbers are kind of better anyways.

2789

2790 **Cody Campbell (1:28:39):**

2791 Sure. Yep.

2792

2793 **Kenny Marchant (1:28:41):**

2794 Okay. So if we can, before we get any more testimony or

2795 comment, although we record these meetings and if

2796 there's any question about the wording or a suggestion

2797 was made or a definition, we could always go back and

2798 listen to that, right?

2799

2800 **Cody Campbell (1:29:00):**

2801 We have a transcriber today. I don't believe we're

2802 recording today.

2803

2804 **Kenny Marchant (1:29:01):**

2805 Okay. Okay. Great.

2806

2807

2808 **Bobby Wilkinson (1:29:06):**

2809 And you're not voting on any actual rule language.

2810

2811 **Kenny Marchant (1:29:07):**

2812 No. We're not voting on anything, but people's memories

2813 vary. We're talking about adding pharmacy.

2814

2815 **Cody Campbell (1:29:18):**

2816 Correct.

2817

2818 **Kenny Marchant (1:29:19):**

2819 We're talking about, what's the other one that we're

2820 talking about definitively?

2821

2822 **Cody Campbell (1:29:22):**

2823 We're going to look into the existing definitions of

2824 urgent care to see if we can find something that is

2825 statutory and objective.

2826

2827 **Kenny Marchant (1:29:30):**

2828 What would be the third one?

2829

2830

2831 **Cody Campbell (1:29:34):**

2832 So we would keep the existing ones, which are park,
2833 library, elementary school, grocery store, and then the
2834 fifth one is the one that we would be trying to figure
2835 out between pharmacies and urgent cares. And I think
2836 staff has to do a little bit of research and maybe
2837 report back to this body.

2838

2839 **Kenny Marchant (1:29:49):**

2840 Okay. Okay. All right.

2841

2842 **Cody Campbell (1:29:51):**

2843 Very good. The last thing that we have on our list in
2844 the tiebreaker section is a suggestion that we've gotten
2845 from the industry from several people, and that is to
2846 add a poverty gate to that first tiebreaker.

2847

2848 So before we even start talking about how close you are
2849 to a grocery store, we look at the poverty level of the
2850 census tract that the development is in. There would be
2851 some threshold where if you exceed that threshold, you
2852 wouldn't even be eligible for the amenity tiebreaker.
2853 You're just automatically out.

2854

2855 The practical effect of that would be that we would
2856 award more developments in lower poverty census tracts.
2857 Again, this idea came from the industry. It's clever.
2858 It would eliminate some of these arguments, not all of
2859 these arguments. There's a good policy reason to do it,
2860 that being building in lower poverty census tracts.

2861

2862 **Kenny Marchant (1:30:44):**

2863 Does that operate under the assumption that people that
2864 are going to move into the new units already live in
2865 that same area?

2866

2867 **Cody Campbell (1:30:54):**

2868 It operates under the assumption that there is public
2869 benefit to building TDHCA housing in higher opportunity
2870 neighborhoods. And this may require people to move from
2871 one neighborhood to another neighborhood.

2872

2873 And certainly it would not eliminate entirely that we
2874 build in any specific type of neighborhood, but it would
2875 incentivize certain ones.

2876

2877 **Kenny Marchant (1:31:14):**

2878 We have anybody that's here to make comment on that.

2879

2880 **Cody Campbell (1:31:19):**

2881 I suspect that we do. Yes, sir.

2882

2883 **Robbye Meyer (1:31:37):**

2884 I'm going to back up just a minute because I got

2885 skipped. But on the tiebreaks, if you will, I'm looking

2886 at what tiebreaks fit across all populations. Whether

2887 that be family, whether it be senior, just make it fair

2888 for all.

2889

2890 Libraries are one, not that I want to do away with

2891 libraries, but libraries have the longest distance. If

2892 you go and look through all of the applications, those

2893 actually are further away from most of the applications

2894 or the developments.

2895

2896 So if we were going to drop something, not that I want

2897 to do away with libraries, I've got nothing against

2898 libraries, but to do an outlier, I would drop libraries

2899 and either add urgent cares. I think urgent cares are
2900 good.

2901

2902 I would add hospitals to urgent cares because there's
2903 some people that can't, their insurance doesn't go into
2904 urgent cares. That would be my comments.

2905 Transportation is out the door for me because it doesn't
2906 go across all of the applications.

2907

2908 On the 20 percent below poverty, you exclude a lot of
2909 applications that can't even begin to go into a
2910 tiebreak. A lot of CRPs are over that 20 percent if
2911 they're in a revitalization area.

2912

2913 And we've gone through this for several years discussing
2914 that tiebreak issue. So I hope we don't have to discuss
2915 this again because we've done it several years in a row.

2916 Thanks.

2917

2918 **Kenny Marchant (1:33:02):**

2919 Thank you. And I didn't intentionally skip you. I just
2920 kind of lost track of where we were.

2921

2922 **Timothy Smith (1:33:12):**

2923 Not a problem. Tim Smith, Hoke Development Services. I
2924 will say this. I think y'all are having really good
2925 conversations today, debating the right things, making
2926 tiebreakers more ubiquitous and making things, what's
2927 really important to residents and what's more
2928 ubiquitous.

2929

2930 I will say for the 20 percent, I think it's almost kind
2931 of, going that direction would be counterproductive to
2932 some of the recent changes in QAP we've had to work
2933 through to open up more development sites.

2934

2935 A great example would be rural. In rural areas, if you
2936 may not have, you may be below that poverty rate, that
2937 20 percent poverty rate, but in order to get the high
2938 opportunity points, were you in a rural city that's
2939 growing, that's showing that, or maybe in the quartile,
2940 but that your population is growing.

2941

2942 I think there's a, the 20 percent as the initial
2943 tiebreaker is heavily urban-centric and then it also
2944 cuts out all the CRP developments. A lot of CRP

2945 developments are going to be above 20 percent. That's
2946 why they're equally weighted.
2947
2948 CRP and opportunity index are equally weighted in the
2949 QAP and so they've been equally weighted on the
2950 tiebreaker. So if you do this, it's the equivalent, you
2951 might as well make CRP six points instead of seven, is
2952 kind of where that would be going. Other people may
2953 clarify. Thank you.

2954

2955 **Kenny Marchant (1:34:34):**

2956 So someone that was for...

2957

2958 **Timothy Smith (1:34:37):**

2959 Concerted revitalization. CRP is concerted
2960 revitalization. The revitalization areas like the TIRZ
2961 or the revitalization districts that a lot of cities
2962 have is what I was talking about.

2963

2964 **Kenny Marchant (1:34:50):**

2965 Thank you. Somebody that's for adding the 20 percent
2966 into the...

2967

2968 **Alan Naul (1:35:02) :**

2969 Alan Naul with Javelin Group. This gate, 20 percent
2970 poverty gate was in place when we first started looking
2971 at this several years ago. I think it's a great idea.
2972 Again, it doesn't preclude any CRP deals. It's a
2973 tiebreaker. So by definition, the state only has so
2974 much money to allocate to each area.

2975

2976 And in my mind, whether it's a seniors deal or a family
2977 deal, if you have the choice and you've got to choose
2978 between building this in a high crime, high poverty area
2979 versus an area that has better schools, more safety,
2980 better amenities, seems like you're always, that's the
2981 idea of a tiebreaker.

2982

2983 Also, really quickly, we've researched this whole urgent
2984 care deal. I love urgent cares, but there's no license
2985 for an urgent care. Any doctor can claim they have
2986 urgent care, and a lot of doctors are advertising
2987 they're urgent care providers because there's no state
2988 regulation on what it is.

2989

2990 With pharmacies, as my good friend Darrell said, there's
2991 a very definitive list. There's a subset called
2992 community pharmacies and there's 5,000 of them across
2993 the state. There's only 800 libraries in the state. So
2994 it's very definitive and it's just easy to be a retail
2995 pharmacy. Thanks.

2996

2997 **Kenny Marchant (1:36:34):**

2998 Thank you.

2999

3000 **Kathryn Saar (1:36:41):**

3001 Hi. Kathryn Saar. Okay. So you've heard the term
3002 "flat scoring," and I want to make clear that that's
3003 somewhat of a misnomer because there are plenty of sites
3004 that you don't see because we don't submit them as
3005 applications because they don't score.

3006

3007 So we don't actually have flat scoring. We look at
3008 hundreds of sites every year and we submit and pay money
3009 on a handful. So just because you only see things that
3010 are tied doesn't mean that there isn't a whole swath of
3011 developments out there that would potentially be
3012 eligible but just don't score.

3013

3014 And when we're talking about the poverty gate on the
3015 tiebreak, it's problematic because if you're only
3016 allowing the top quintile of census tracts, that means
3017 the bottom four quintiles don't score and you're only
3018 putting development in those super high-income areas.
3019 And a lot of those are completely already built out. So
3020 I don't know that there's a whole lot of land available.
3021 Those are my comments. Thank you.

3022

3023 **Kenny Marchant (1:38:08):**

3024 So if you added, what would be your list of most
3025 important, second, third, that would open up the most
3026 sites that we don't see now?

3027

3028 **Kathryn Saar (1:38:21):**

3029 Sure. I like the change that we made last year where we
3030 counted all of the schools instead of just the
3031 elementary. I thought that was a very positive change.

3032

3033 **Kenny Marchant (1:38:30):**

3034 Yeah. Now going forward.

3035

3036 **Kathryn Saar (1:38:32):**

3037 Going forward, if we swapped out one of the four for
3038 pharmacy, if we could find a definition of urgent care,
3039 I wouldn't be opposed to that. But again, certainty is
3040 what we're looking for and that's what the QAP is
3041 designed to provide, and that's what is...

3042

3043 **Kenny Marchant (1:38:53):**

3044 Certainty or diversity of sites.

3045

3046 **Kathryn Saar (1:38:56):**

3047 The...

3048

3049 **Unidentified Male Speaker (1:38:57):**

3050 Both of them.

3051

3052 **Kathryn Saar (1:38:58):**

3053 It's kind of both. Yeah.

3054

3055 **Kenny Marchant (1:39:00):**

3056 Ideally both.

3057

3058

3059 **Kathryn Saar (1:39:02):**

3060 The statutory requirements that are in the Texas statute
3061 for the QAP provide a level of certainty so that we
3062 don't go back to the wild, wild west where deals are
3063 getting awarded with underhanded things happening behind
3064 the scenes.

3065

3066 So it provides transparency, it provides certainty for
3067 people, for businesses to spend real money on this
3068 program.

3069

3070 **Kenny Marchant (1:39:32):**

3071 Okay. Thank you.

3072

3073 **Tracey Fine (1:39:37):**

3074 Tracey Fine, National Church Residences. And I would
3075 absolutely echo what Kathryn had to say and some of the
3076 others against this poverty gate.

3077

3078 I think in prior years we heard a lot of talk about
3079 people competing for sites and driving up the price of
3080 sites, so you're going to be looking at fewer available
3081 options at scores. I think you would see that happen.

3082

3083 I deal in preservation and at-risk, and a lot of times
3084 my residents actually bring down the, or they bring up
3085 the poverty rate. They are the poverty of the census
3086 tract. So they are literally going to be kicking
3087 themselves out of the competition.

3088

3089 For preservation, I think it would do a lot of harm to
3090 preserving and improving neighborhoods that these
3091 properties are already in that we've already put public
3092 resources in.

3093

3094 And I'm looking at opportunity zones also. Those
3095 opportunity zones are designated by the Governor.
3096 They're in our QAP to score to be competitive. And
3097 those are also not going to get entry into your poverty
3098 gate. So I'm opposed to that concept.

3099

3100 **Erin Hahn (1:40:42):**

3101 Erin Hahn, with Texas Housers. I also wanted to briefly
3102 comment on the addition of urgent cares as a tiebreaker
3103 option before the conversation moved on and in light of
3104 time, to just express strong support for the addition of

3105 urgent cares for the same reasons that Tanya and Cole
3106 outlined and to support the initiative to identify a
3107 definition and a data set for adding urgent cares, just
3108 given the very clear importance of urgent cares to the
3109 populations that LIHTC serves.

3110

3111 **Kenny Marchant (1:41:14):**

3112 Thank you. So, Cody, can I just take a minute to kind
3113 of see where we are on this? Your suggestion that we
3114 expand it to five and...

3115

3116 **Holland Harper (1:41:27):**

3117 Take the top three.

3118

3119 **Kenny Marchant (1:41:28):**

3120 Take the top three. And so if we did that, where would
3121 we be at this moment? Expound on that.

3122

3123 **Cody Campbell (1:41:37):**

3124 We would be in a very good spot because it would
3125 scramble the map, which is what staff is attempting to
3126 do.

3127

3128 Our homework, if that is the guidance that we receive
3129 from this committee, is to figure out exactly how we
3130 would define pharmacy and urgent care, presuming that
3131 those are the two that we want to add. And again, I
3132 think we're in a good spot...

3133

3134 **Kenny Marchant (1:41:54):**

3135 Without dropping one.

3136

3137 **Cody Campbell (1:41:56):**

3138 Correct.

3139

3140 **Kenny Marchant (1:41:57):**

3141 Okay.

3142

3143 **Cody Campbell (1:41:59):**

3144 If we went with five, it would require us dropping one.

3145 Thank you. I've been talking too much. So we do have

3146 some homework to do, but I think that we're in a good

3147 spot and I think we have good guidance.

3148

3149

3150

3151 **Kenny Marchant (1:42:09):**

3152 Okay. Does anybody want to make comment for community,
3153 what were the other that we talked about, community
3154 colleges.

3155

3156 **Cody Campbell (1:42:16):**

3157 Community colleges, public transportation. We did hear
3158 one person who supported community colleges as being
3159 included in the schools category.

3160

3161 **Kenny Marchant (1:42:23):**

3162 Right.

3163

3164 **Cody Campbell (1:42:25):**

3165 Public transportation does present an issue because
3166 there are large parts of the state, including the part
3167 of the state where I'm from, that there is no public
3168 transportation. And so it is kind of inequitable in
3169 that regard.

3170

3171 **Kenny Marchant (1:42:37):**

3172 Okay. All right. Thank you.

3173

3174 **Cody Campbell (1:42:41) :**

3175 Very good. The last thing that I have on my list, and
3176 this is, I included this because I know that there is
3177 one person who is attending today who wanted to speak
3178 about it, and I wanted the Board to be briefed about it
3179 because it is a little bit of a conversation that's in
3180 the weeds.

3181

3182 But it has to do with historic tax credits and how we
3183 incentivize developments that preserve buildings of a
3184 historic nature.

3185

3186 So currently in the QAP, if you have a project that is
3187 set to receive historic tax credits, you receive an
3188 incentive of two points, which is determinative in many
3189 of our regions. And so we are doing more and more
3190 historic deals in recent years.

3191

3192 One person in the industry has suggested that this might
3193 not be ideal due to the cost and complexity of these
3194 projects. This person has proposed that we could
3195 restructure the scoring of the QAP in a way that would

3196 bring those historic deals into parity with the other
3197 deals.

3198

3199 Staff is totally neutral on this. There is not a
3200 correct number of historic deals for us to be doing.
3201 Again, I just included this in the board write-up
3202 because I know that this is going to be a discussion
3203 today and I wanted you to be prepared. I'm happy to
3204 answer any questions that you may have about it.

3205

3206 **Kenny Marchant (1:43:52):**

3207 Tell us a recent historic deal that might have been
3208 affected by that.

3209

3210 **Cody Campbell (1:43:58):**

3211 So pretty much any historic deal that we've awarded over
3212 the last couple of years has benefited from the point
3213 incentive, which we are required by both federal and
3214 state statute to have. That incentive doesn't have to
3215 be structured exactly how it is now, but...

3216

3217

3218

3219 **Kenny Marchant (1:44:15):**

3220 What percentage of the historic deals, I guess the
3221 question I have, do we end up granting the most force
3222 majeure and the most extensions and the most everything
3223 in the world to? Don't every single one of them involve
3224 those?

3225

3226 **Cody Campbell (1:44:31):**

3227 I'm hesitant to make a firm statement like that without
3228 having the data in front of me.

3229

3230 **Kenny Marchant (1:44:34):**

3231 I said it.

3232

3233 **Cody Campbell (1:44:35):**

3234 Sure, sure. It does seem as though historic projects,
3235 just due to the nature of them, not anything to do with
3236 the developer, but they do have longer construction
3237 timelines and higher costs.

3238

3239 **Kenny Marchant (1:44:46):**

3240 I guess our question would be whether that, anybody have
3241 a opinion on that?

3242

3243 **Holland Harper (1:44:56):**

3244 So, Mr. Marchant, I'm a historic guy. I've done lots of
3245 historic work. They are harder. I've always been, over
3246 and over, I kind of help the applicants because you just
3247 get your arm ripped off.

3248

3249 **Kenny Marchant (1:45:09):**

3250 Yeah, yeah.

3251

3252 **Holland Harper (1:45:10):**

3253 They're hard. And the other side of the deal is that if
3254 we want to preserve our historic structures, there's a
3255 reason why the state and the fed put money in historic
3256 deals. A big, tall asset in the middle of nowhere is
3257 tough to do anything with. Office is terrible.

3258

3259 If you look at the numbers in downtown Dallas, they're
3260 going to be north of 30 percent vacant. So if we can
3261 incentivize to redevelop these things and put them
3262 together, there's going to be some hair with this Board.
3263 We're going to have people come to us and say we need
3264 more time.

3265

3266 **Anna Maria Farias (1:45:46):**

3267 Mr. Chairman.

3268

3269 **Kenny Marchant (1:45:47):**

3270 Ms. Farias.

3271

3272 **Anna Maria Farias (1:45:47):**

3273 Two of the grand openings that I attended, one was El

3274 Paso, which was one of the oldest public housing, and it

3275 was historical, so it was very expensive and took a

3276 while.

3277

3278 The other one was the one in Brownsville and that had

3279 been the former hotel. And of course, what took the

3280 longest was the windows. They no longer make those

3281 beautiful long windows, so they had to go and hire the

3282 experts to do it.

3283

3284 But in redoing it, it is just absolutely beautiful and I

3285 think that it's worth preserving. That's part of the

3286 federal. That's a big thing at HUD. I know that from

3287 all the years I worked there. They love that, just like
3288 they love CDBG. They love historical buildings.

3289

3290 And the State of Texas, oh my goodness, if you have ever
3291 been to some of the hearings where we had to wait two
3292 hours because the people that were part of the Texas
3293 Historical Commission went on and on about all their
3294 historical projects and people said they can take four
3295 hours.

3296

3297 They are the biggest contributors to all the state
3298 senators and it's like they were just gushing about the
3299 beauty of Texas versus Colorado. So it's not just our
3300 history, Texas loves to compete with everyone else.

3301

3302 So I don't think we're going to have, it's worth it, to
3303 see that area in Brownsville and those beautiful
3304 windows. Everybody was talking, I know when you talk
3305 about those windows, everyone was talking about those
3306 gorgeous windows.

3307

3308 **Cody Campbell (1:47:34):**

3309 For sure.

3310

3311 **Anna Maria Farias (1:47:35):**

3312 There's the history and I don't think we can do anything
3313 about it.

3314

3315 **Kenny Marchant (1:47:39):**

3316 Okay.

3317

3318 **Leo Vasquez III (1:47:40):**

3319 Well, actually, I was going to sort of comment to the
3320 other side of that coin. If we continue to, I love
3321 preservation and everything. We all think that's neat.

3322

3323 But from practical, objective purposes, if we keep
3324 incentivizing the historical projects, we know, we've
3325 seen it time and time again, the problems that come back
3326 to this Board on historic projects are, have we ever had
3327 one that didn't have a problem? So we're asking for
3328 more trouble, more extensions, more, so I could go...

3329

3330 **Holland Harper (1748:28):**

3331 And, Mr. Chairman, I don't disagree with that. I don't
3332 disagree with that whatsoever. But if you take times,

3333 and I'm a historic guy, I've done lots of historic work,
3334 I'm invested in historic things.

3335

3336 It is easy to tear everything down and start over. It
3337 is easier to do that. It is harder to preserve stuff.
3338 But our Capitol building would not be as cool if we just
3339 tore it down and built a big tilt-wall structure there.

3340

3341 And I'm not saying, and it would be more cost-effective
3342 to do a tilt-wall structure and then put some glass in
3343 it than to have the pink granite building we have today.
3344 And so I think that if we could do some of both, which
3345 we do, we have garden stand-up assets out there and then
3346 we have some more exotic stuff.

3347

3348 And not always do these developers that come with exotic
3349 stuff get the green light from us when it doesn't meet
3350 budget or doesn't meet the stuff it has.

3351

3352 **Leo Vasquez III (1:49:22):**

3353 And just one more comment on that. We also have to be
3354 aware, just think about how not every historic project

3355 is the downtown Brownsville hotel or definitely not the
3356 Capitol building.

3357

3358 A lot of these are, I'm sorry, they're crappy old
3359 buildings that, oh, they're historic so I can get extra
3360 credit and extra money to do this. There's a balancing
3361 act.

3362

3363 Definitely the historic moniker is not one size fits
3364 all. There are some that are absolutely deserving of
3365 and preserving that heritage, but...

3366

3367 **Holland Harper (1:50:05):**

3368 For somebody that's actually put applications in for
3369 historic things, you actually have to be a contributing
3370 asset in the system. You have to actually make it
3371 through the Texas Historical Commission. And if you
3372 have assets on the site that do not contribute, you do
3373 not get to count those.

3374

3375 So I don't know exactly, I don't do your program exactly
3376 what you do, but I have applications in for historic.

3377 It's not just, hey, it's 50 years old, I get my stamp
3378 and off I roll.

3379

3380 **Leo Vasquez III (1:50:30):**

3381 Okay. Yep.

3382

3383 **Kenny Marchant (1:50:31):**

3384 So, Cody, could you tell us what percentage of the
3385 projects that we award every year go to this?

3386

3387 **Cody Campbell (1:50:41):**

3388 Off the top of my head, I would say in the current
3389 round, I would say probably 10 percent of the projects.
3390 We probably have five or six this year. You think it's
3391 higher.

3392

3393 **Joshua Goldberger (1:50:50):**

3394 Maybe a little bit higher.

3395

3396 **Cody Campbell (1:50:51):**

3397 My auctioneer is telling me that we've got to go higher
3398 than that. So maybe even, would you say...

3399

3400 **Joshua Goldberger (1:50:55):**

3401 More like 10 to 12 percent.

3402

3403 **Cody Campbell (1:50:56):**

3404 10 to 12 percent.

3405

3406 **Kenny Marchant (1:50:56):**

3407 Of the tax credits awarded, what do you think the

3408 percentage is?

3409

3410 **Cody Campbell (1:51:00):**

3411 In the current round, it's going to be that 10 to 12

3412 percent. Historically, I don't think it's been quite

3413 that high. I think it's the height in the competition

3414 and everybody wanting that certainty that they are going

3415 to have the winning site that's driving them to do

3416 historic projects. And I think that's the biggest

3417 reason why we've seen more of them.

3418

3419 **Kenny Marchant (1:51:18):**

3420 Yeah. I think since we're pretty well split on this

3421 issue, we're not going to consider putting it in this

3422 QAP.

3423

3424 **Cody Campbell (1:51:26):**

3425 Great.

3426

3427 **Kenny Marchant (1:51:28):**

3428 Yeah. Is there public comment about this? I know that

3429 Mr. Naul is in favor of this and I'm...

3430

3431 **Alan Naul (1:51:35):**

3432 Alan Naul again. And as Cody knows, this is my idea.

3433 So I love historic deals. We redid a historic hotel in

3434 downtown Chicago years ago. It was beautiful then, it's

3435 beautiful now. But it seems to me the purpose of this

3436 organization is about housing.

3437

3438 Cities have lots of things they can do for historic

3439 buildings. Cities love it when applicants come in and

3440 they're taking an old junky historic building in the

3441 middle of nowhere and it's an eyesore and they're fixing

3442 it. So cities are very supportive. They get additional

3443 historic tax credits and that's all great.

3444

3445 I'm just an advocate for the people who have to live in
3446 these places once they're finished. And statistically,
3447 they're in higher crime areas by far. They're in higher
3448 poverty areas by far.

3449

3450 They don't have to compete with any of these tiebreakers
3451 that we spend all this time talking about. And I think
3452 those are important, that they're close to grocery
3453 stores and parks and whatever.

3454

3455 But if they have a 1-point advantage or a 2-point or a
3456 100-point advantage, they're going to win. So a lot of
3457 these regions, there's only room for one project.

3458

3459 And if it's between a great new build, higher number of
3460 unit deal, lower cost per unit, to me that fits the
3461 housing policy that I think this body should really
3462 focus on and let cities and counties and states deal
3463 with historic preservation. I just think they're two
3464 different things.

3465

3466 So we've researched this a lot. And again, I just think
3467 about whether it's a senior or a little kid growing up

3468 in a worse part of town only because they got the tax
3469 credits and somebody else didn't.

3470

3471 A good friend of mine has maybe the worst historic
3472 project in Texas that's been before you multiple times.

3473 He would testify that he'd never do another one. So

3474 anyway, just my two cents. Happy to answer any

3475 questions. Thanks.

3476

3477 **Kenny Marchant (1:54:02):**

3478 Alan, thank you. Cody, can I check on our time as far

3479 as, do we have controversial items that we still have to

3480 cover, or do we have pretty...

3481

3482 **Cody Campbell (1:54:17):**

3483 If you can imagine, this is the end of my list and so

3484 we're just in open discussion now.

3485

3486 **Kenny Marchant (1:54:21):**

3487 Okay. So when will we vote on this? How much time will

3488 you have to get back to the Board?

3489

3490

3491 **Holland Harper (1:54:31):**

3492 So this is just a report item. There's not actually a
3493 vote today.

3494

3495 **Kenny Marchant (1:54:35):**

3496 No, not today. But when will we actually have a...

3497

3498 **Cody Campbell (1:54:36):**

3499 Oh, I'm so sorry. So after this, we will take today's
3500 comment into consideration. We...

3501

3502 **Kenny Marchant (1:54:46):**

3503 I'm sorry. I just want to get a little direction.

3504

3505 **Cody Campbell (1:54:50):**

3506 We in the near, not the immediate, but in the near
3507 future will release the staff draft of the QAP that has
3508 all of our proposed edits to it.

3509

3510 We still have some conversations and maybe one phone
3511 call with the industry that we need to have before we
3512 can do that. And then it comes back to you for a vote
3513 at the September board meeting.

3514

3515 **Kenny Marchant (1:55:07):**

3516 Okay. Thank you. Yes, ma'am.

3517

3518 **Sarah Anderson (1:55:12):**

3519 I'm going to stick with historic. I think everyone here

3520 is for open conversation. So Sarah Anderson, S.

3521 Anderson Consulting. I represent a lot of the

3522 developers who do the historic.

3523

3524 So we do see things that get stalled, but I would say

3525 that the smaller historic deals that we do, 50 percent

3526 never come before you. You don't see them. It's

3527 usually the larger ones that are done in some of the

3528 larger metro areas where permitting can take a year.

3529

3530 So it's not necessarily even the issues with the

3531 historic, is it is just the city that you're working in.

3532 Smaller the city, the faster we get these deals done.

3533

3534 They tend to bring an enormous, and it's not just the

3535 tax credit money that they bring in, but the state

3536 historic, the federal historic, and they change these
3537 downtown areas.

3538

3539 We've done work especially in San Angelo, Wichita Falls,
3540 Abilene, some of the areas surrounding up in the Dallas
3541 area. And they have changed the downtown area. They've
3542 allowed people to come in.

3543

3544 We do a lot of senior in downtown where they want to
3545 have a place that they're next to restaurants, they're
3546 next to things going on downtown, there's civic things
3547 going on, and it changes the nature of these downtown
3548 areas. So I'd hate to just as a preservationist person
3549 in general, hate to see us do anything that would get
3550 rid of it.

3551

3552 We went from the five-point advantage to the two-point.
3553 It did change a lot of what we were looking at and what
3554 could be successful. It narrowed that down
3555 substantially because part of the problem is we don't
3556 get to choose the locations. We don't get to go to the
3557 high opportunity locations. We have to go where the
3558 building already is.

3559

3560 And that's what the point differential is supposed to
3561 help narrow. And I feel like the powers that be have
3562 said, this has been around for a while, have said this
3563 is a statewide, every single state agency was supposed
3564 to look at how they could incorporate historic
3565 preservation within their programs.

3566

3567 So I feel like taking it lower would really mean we
3568 wouldn't be doing anything. So I think the two points
3569 is fair. Five points was probably too much, but two
3570 points is fair.

3571

3572 Still incredibly difficult to find, get under control,
3573 and get through the process. But I'm happy you're going
3574 and seeing some of them because they're beautiful and
3575 unique and special. So that is it.

3576

3577 **Kenny Marchant (1:57:49):**

3578 Thank you. Okay. I think we'll, are there any comments
3579 on anything before opening to open mic? Any comments on
3580 anything we've talked about? My only comment is, I'm
3581 all for the historic part of it. I'm just struggling

3582 with the low-income tax housing credit that we are here
3583 dealing with, right?

3584

3585 **Cody Campbell (1:58:16):**

3586 Sure. Yes, sir.

3587

3588 **Kenny Marchant (1:58:19):**

3589 Where did the historic incentive, was that put in, was
3590 that introduced through the state or is that introduced
3591 from the feds?

3592

3593 **Bobby Wilkinson (1:58:28):**

3594 Both.

3595

3596 **Cody Campbell (1:58:29):**

3597 It's both, yes, sir.

3598

3599 **Kenny Marchant (1:58:30):**

3600 So both.

3601

3602

3603

3604

3605 **Bobby Wilkinson (1:58:31):**

3606 Yes. So but in our Texas Government Code 2306, we have
3607 to have some incentive. So we're talking about we've
3608 lessened it in terms of...

3609

3610 **Kenny Marchant (1:58:38):**

3611 So that's how it happened to begin with.

3612

3613 **Bobby Wilkinson (1:58:40):**

3614 Right.

3615

3616 **Kenny Marchant (1:58:41):**

3617 Okay. Thank you. Okay. So we're going to open, it's
3618 not like open mic night, but it is open mic subject.
3619 The subject being low-income tax housing credit.

3620

3621 **Darrell Jack (1:58:56):**

3622 Good thing. I'm not that funny. Again, Darrell Jack
3623 with Apartment MarketData. The reason I came to talk to
3624 you this afternoon is the real estate markets in Texas
3625 are changing.

3626

3627 It used to be if you built an affordable housing
3628 project, you could pretty well count on it being filled
3629 in a reasonable amount of time. That's not the world
3630 we're dealing with anymore.

3631

3632 I recently wrote a white paper, and I know Director
3633 Wilkinson has read it, on why the Austin senior market
3634 has crashed. And I don't have good news as to when I
3635 think that's going to come back.

3636

3637 We have other markets around Texas that are saturated
3638 with affordable housing, and the QAP rules have a lot to
3639 do with that. Especially dealing with a 4 percent bond
3640 project, we have the option of electing a 15 percent
3641 capture rate versus a 10 percent.

3642

3643 I don't know that any of you have ever dealt in a
3644 capture rate, but it basically says how deep's the well
3645 of potential residents and what percentage do I get to
3646 use to credit towards my property?

3647

3648 In years ago, when the bond program had more money in it
3649 than properties applying for it, the director of

3650 underwriting and I realized that resources were going
3651 unused, that we could do more than one project at a time
3652 in a submarket of Austin and have them both be
3653 successful.

3654

3655 And so there's an option to change the capture rate from
3656 10 percent, raise it up to 15 percent, that allows more
3657 affordable units into the market at the same time.

3658 We're in a different world today. We see areas like
3659 East Austin that are saturated.

3660

3661 And my recommendation for 2027 is that we sunset that 15
3662 percent capture rate. We need to give these properties
3663 that have already allocated, already under construction
3664 or in lease-up, that are struggling right now an
3665 opportunity to really stabilize and get their feet under
3666 them. We're headed towards a financial crisis if we
3667 don't with these properties.

3668

3669 The second thing, I think you need to sunset any senior
3670 applications in the Austin MSA. These properties that
3671 were normally 95 to 100 percent occupied, now the
3672 average occupancy's 82 percent across the city.

3673

3674 If you don't give these properties an opportunity to
3675 firm up and you keep adding more, again, you're driving
3676 these senior properties into a financial crisis that
3677 they're already in today. Sunset senior applications in
3678 the Austin MSA for 2027. It's not permanent. Just give
3679 it an opportunity.

3680

3681 And third, for the market studies, we need a change. We
3682 need a change that you add a requirement to the market
3683 study that not only do we look at market rates compared
3684 to program rents, but we need to do a comparison and
3685 have an underwriting part to what the underwriters do in
3686 what are affordable projects actually getting in the
3687 market.

3688

3689 I'll give you an example in Austin. Over the last
3690 several years, we've had a 15 percent decrease in market
3691 rate rents and we've had a 15 percent increase in
3692 affordable rents. So where if this was market rate and
3693 this was affordable, historically we had this gap.

3694

3695 And what's happened is that we're getting into this
3696 situation where I can't tell you that a 60 percent
3697 program rent in Austin is not above market. And so the
3698 underwriting department needs that data to decide on
3699 what are the rents that they can really underwrite with
3700 the projects...

3701

3702 **Kenny Marchant (2:02:53):**

3703 Can you pause just a minute?

3704

3705 **Darrell Jack (2:02:55):**

3706 Yes.

3707

3708 **Kenny Marchant (2:02:55):**

3709 How many people are, will you raise your hand if you're
3710 going to want to speak in this remaining 39 or 40
3711 minutes? Okay. Just if you, I want to give everybody
3712 an opportunity to speak.

3713

3714 **Darrell Jack (2:03:09):**

3715 I appreciate that and I appreciate the extra time. But
3716 this really is a serious issue. We have markets in Ana,
3717 Melissa, and North...

3718

3719 **Kenny Marchant (2:03:17):**

3720 Yeah. It's unbelievable.

3721

3722 **Darrell Jack (2:03:18):**

3723 That I've been directing my clients to stay away for
3724 four or five years. San Marcos, we saw this coming, and
3725 Jeanna and I have talked for the last three or four
3726 years on the crisis that was building there.

3727

3728 Some developers have learned how to manipulate the
3729 capture rates that adds additional units into the market
3730 that really shouldn't be there. And I'm hoping that
3731 other market analysts tell developers no.

3732

3733 But frankly, a lot of these companies that I compete
3734 with, they'll write you a market study saying anything
3735 you need. So we're dealing in a different market, and
3736 if we don't take some steps to kind of tap the brakes,
3737 eventually we're going to have to slam on the brakes and
3738 a lot of properties are going to be affected and...

3739

3740

3741 **Kenny Marchant (2:04:04):**

3742 Okay. Let's stop there. I understand your point. In
3743 fact, I've just read a couple of stories and listened to
3744 a couple of podcasts that kind of spooked me. I knew it
3745 was happening in Austin, but it's now happening in the
3746 Dallas area. Pretty bad. I don't know about Houston,
3747 but...

3748

3749 **Darrell Jack (2:04:20):**

3750 San Antonio.

3751

3752 **Kenny Marchant (2:04:22):**

3753 How would we do that, Cody? Is this something happened
3754 with the...

3755

3756 **Cody Campbell (2:04:29):**

3757 Thank you, Darrell. First, obviously staff has been
3758 aware of the problem in the Austin market, both
3759 professionally and I think for many of us personally, we
3760 have been affected by that, the good and the bad in
3761 that.

3762

3763 What we would need to do, so in order to be eligible,
3764 these applications have to include a market study that
3765 evidences that there is sufficient demand to support the
3766 project. And we would need to, and I might have to
3767 bring in Jeanna Adams on this to discuss.

3768

3769 **Kenny Marchant (2:04:53):**

3770 But would a good consultant be able to wire around that?

3771

3772 **Cody Campbell (2:05:01):**

3773 Numbers are malleable. So I think that it is possible
3774 that, let's say, a market analyst acting in bad faith,
3775 not that I am saying that any of them are, but...

3776

3777 **Kenny Marchant (2:05:09):**

3778 No. I'm not talking about bad faith. I'm just saying.

3779

3780 **Kenny Marchant (2:05:10):**

3781 Sure, sure. Numbers are malleable and you can
3782 frequently make them say what you need them to.

3783

3784

3785

3786 **Kenny Marchant (2:05:15):**

3787 So if they have a lender and they have a, if everybody's
3788 agreeing to do a deal, they can figure out a way to get
3789 it done.

3790

3791 **Cody Campbell (2:05:22):**

3792 So what we're specifically talking here is the market
3793 study that has to be done by a third-party market
3794 analyst. So this is a specific report that must come in
3795 with the tax credit application.

3796

3797 How we would address the concerns that Darrell is
3798 bringing to you would be by adjusting the requirements
3799 for that market study. And again, I might have to bring
3800 in Jeanna on this conversation.

3801

3802 I am not sure that we could just write a blanket policy
3803 that we're not going to do any more supportive or senior
3804 deals in Austin. Bobby, correct me if I'm wrong about
3805 that, but I don't know how we could do that.

3806

3807 **Bobby Wilkinson (2:05:54):**

3808 Well, we can't score them differently by statute.

3809

3810 **Cody Campbell (2:05:55):**

3811 We can't score them differently. Yeah.

3812

3813 **Bobby Wilkinson (2:05:56):**

3814 But I think underwriting has some latitude here. So we

3815 can be a little stricter in general if we think it's

3816 just going to fail. Jeanna, do you want to speak?

3817

3818 **Cody Campbell (2:06:05):**

3819 Right. Please.

3820

3821 **Kenny Marchant (2:06:08):**

3822 And the 10 versus 15 percent, that's a different issue,

3823 correct?

3824

3825 **Jeanna Adams (2:06:14):**

3826 Jeanna Adams, Director of Underwriting. Yeah. So

3827 whenever we're looking at deals, just starting to talk

3828 about one of the things in certain markets we're seeing

3829 that you have, the 60 percent program rents are at or

3830 could be below, or the market rents could be below

3831 program rents.

3832

3833 Program rents are calculated based off the area median
3834 income of each area. You have places like Austin, our
3835 area median income keeps on ticking up, which means the
3836 program rents that we charge for this program for 60
3837 percent units, they keep going up every year based upon
3838 that AMI that's established by HUD.

3839

3840 In the actual market, though, you might, if I'm running
3841 a market rate property, I might only be able to get 60
3842 percent rents, possibly only 50 percent rents.

3843

3844 What we do have built in, though, is if you have a
3845 market analyst who gives us a market study that says,
3846 and they look at the market rate properties in the area
3847 just as they look at the affordable properties, and
3848 they're supposed to report those rents.

3849

3850 If we show that a market rate rent for whatever unit is
3851 \$1,500 and our 60 percent program rent is \$1,700, we
3852 will only underwrite the \$1,500 market rent because that
3853 is the most restrictive. And our market analyst is

3854 saying they can only get \$1,500 even though the program
3855 says they could charge 1,600.

3856

3857 So that marker is in there, but it has to come from the
3858 market analyst to tell us that. And I would hope that
3859 most market analysts would use correct comps and stuff
3860 like that to put that in the market studies.

3861

3862 And also I think when applicants are talking to their
3863 market analysts, because they do before they put their
3864 deals together and put in an application, I think that
3865 applicants really need to look at a market study for
3866 what it really is. It's to help them to make good
3867 business decisions.

3868

3869 Whenever you work for a market rate developer, you look
3870 at market studies and you care a whole lot about them
3871 because if you can't lease it up, that's a very big
3872 problem.

3873

3874 Now, do I know that people go and they just keep
3875 shopping market analysts until they get someone to give
3876 them a report so that they'll pass our rules? Yes, I

3877 do. I hear all sorts of stuff. I don't know what to do
3878 to stop that part.

3879

3880 **Kenny Marchant (2:08:25):**

3881 So what happens to us in the lag period of the two-year
3882 lag once we underwrite something and it actually hits
3883 the market? Because are we assuming that things will
3884 catch up with each other or we're kind of...

3885

3886 **Jeanna Adams (2:08:41):**

3887 In past years, people have thought that, and in the past
3888 years, that's kind of been true. But like we're talking
3889 now, this is a different market. The market is not
3890 picking up quickly enough, right?

3891

3892 Rents aren't getting stronger, costs aren't getting
3893 cheaper, operating expenses aren't getting lower. These
3894 deals aren't going to magically be okay. The optimist
3895 behind me will probably say something different, but
3896 real life is what's real life.

3897

3898 **Kenny Marchant (2:09:04):**

3899 But we're still having the same number of applications.

3900

3901 **Jeanna Adams (2:09:07):**

3902 Sure.

3903

3904 **Kenny Marchant (2:09:08):**

3905 It's not affected our application flow.

3906

3907 **Jeanna Adams (2:09:11):**

3908 No. No.

3909

3910 **Kenny Marchant (2:09:13):**

3911 But you're saying it probably should be affected.

3912

3913 **Jeanna Adams (2:09:16):**

3914 But there's also different areas that they could move

3915 into, which I think goes to the QAP part where you

3916 wouldn't, there would be more populations to draw from.

3917

3918 **Bobby Wilkinson (2:09:24):**

3919 Probably from years ago, we're having less, at least 9

3920 percent pre-apps than we used to years ago, but still

3921 more than enough to allocate all the tax credits. Bond

3922 4 percent deals have dropped off a little bit.

3923

3924 **Darrell Jack (2:09:37):**

3925 And where the market really gets quickly oversaturated
3926 is not with the 9 percent applications, it's with the
3927 4s.

3928

3929 Because you're talking difference between 80 units and
3930 there's an application in right now for 400 units in
3931 Southeast San Antonio. That overbuilds a market really
3932 quick. 9 percent, 80 units, you can get those to work
3933 pretty much anywhere.

3934

3935 But to go to Jeanna's example, the situation that we're
3936 in today is let's say the market rent is \$1,500, the
3937 program rent is 1,600, and the way that the underwriting
3938 is done, we're underwriting to that \$1,500 market rent,
3939 right? The reality is that the affordable program, the
3940 affordable units that are in lease-up today, they're
3941 only getting \$1,000.

3942

3943 And so they're not getting a 2026 program rent or a '25.
3944 In Austin, they're getting a 2023 rent by the time you
3945 count that they're giving away two or three months free

3946 rent. And so the numbers aren't fitting with the market
3947 because the underwriting is saying can't get 1,600, but
3948 the market is 1,500.

3949

3950 **Bobby Wilkinson (2:10:56):**

3951 Darrell, why would we care, right? As long as they stay
3952 afloat, is it foreclosures that we're worried about, or?

3953

3954 **Darrell Jack (2:11:02):**

3955 Well, the reality is we're custodians of this program.

3956 I've been doing market studies for the affordable

3957 program for 27 years. I'll do it until day I retire.

3958

3959 It's not good for any of us to see these affordable

3960 properties struggle because what happens is like the

3961 City of San Marcos, they're like, look, all of a sudden

3962 we got 12 different properties all in lease-up.

3963 Everybody's stealing residents from everybody. We don't

3964 want any more affordable housing. You guys have done

3965 this to us.

3966

3967 And so that those repercussions go on for years. Not to

3968 mention, I don't know, do affordable projects ever get

3969 foreclosed on? A lot of them struggle, and in the
3970 market world, they would, they would.

3971

3972 But we're not giving, the way the rules are written now,
3973 we're not giving the deals that you've allocated the
3974 opportunity to stabilize and really get their legs under
3975 them. And we can do a simple one-year sunset to give
3976 these properties an opportunity to...

3977

3978 **Kenny Marchant (2:12:09):**

3979 Okay. I'm going to have to, we're going to have to stop
3980 there. I get what you're saying. Ms. Farias.

3981

3982 **Anna Maria Farias (2:12:14):**

3983 Mr. Chairman, on the issue of senior housing, and I know
3984 that this has come up in Austin, and my attitude was,
3985 why so much senior housing in Austin when here you have
3986 students, legislators, politicians, and lawyers? You
3987 don't have a whole lot of senior citizens.

3988

3989 But then you also are going to start running into some
3990 risks. Senior housing, whether it's 55 or 62-plus,

3991 senior housing, you become exempt from having to rent to
3992 families with children or anyone under 55 or 62.

3993

3994 But if the vacancy rate is under 80 percent, you're no
3995 longer exempt because then you run into the risk of fair
3996 housing violations, which means that you then must
3997 advertise to families with children and let's say
3998 veterans that are not senior citizens. So you really
3999 start getting into this...

4000

4001 **Darrell Jack (2:13:23):**

4002 So you've had two projects this year that requested to
4003 have the senior restriction removed. I did both those
4004 market studies. I can tell you absolutely they met the
4005 requirements.

4006

4007 One is one of the nicest affordable projects I've seen
4008 ever built here in Austin. And that property could not
4009 lease. And I have copies of the white papers if you'd
4010 like me to leave them with you.

4011

4012

4013

4014 **Kenny Marchant (2:13:48):**

4015 Yeah. Can I request that you do that? And out of
4016 fairness to people that I've got to, we have to be out
4017 of here.

4018

4019 **Darrell Jack (2:13:55):**

4020 I understand.

4021

4022 **Kenny Marchant (2:13:56):**

4023 If we have some time at the end, I'll invite you back
4024 up, okay?

4025

4026 **Darrell Jack (2:13:59):**

4027 I understand.

4028

4029 **Kenny Marchant (2:14:00):**

4030 And I'd love to have the papers from you if you can
4031 leave them. If you can leave them over there at the
4032 end, we'll get them.

4033

4034 **Megan Sylvester (2:14:09):**

4035 Okay. Can we give them to over here and then we can
4036 distribute at the end?

4037

4038 **Kenny Marchant (2:14:11):**

4039 Yeah. Thank you. Thank you for your comments. And
4040 I've had a couple of conversations last few days exactly
4041 down that track in Dallas at market rates, among market
4042 rate developers.

4043

4044 Okay. So who wants to speak next? And if you're going
4045 to speak, just move towards the front and we'll try to
4046 get you up there as fast as you can, unless you're
4047 already sitting in the front. Yes, ma'am.

4048

4049 **Alexis Sheehy (2:14:43):**

4050 Alexis Sheehy. I just want to be brief and broach the
4051 subject of potentially eliminating something from the
4052 scoring category in an attempt to simplify the QAP, and
4053 that would be if we could talk about maybe eliminating
4054 the jobs category.

4055

4056 It doesn't seem like it's really doing a whole lot and
4057 it just feels like it's an administrative thing we do
4058 with each application to go to that Census OnTheMap
4059 website.

4060

4061 And I think there was great intention behind it at the
4062 beginning, but I think it's been something that is
4063 almost like the amenity menu items in the High
4064 Opportunity Index, just something that we just kind of
4065 like go through the motions each year.

4066

4067 I think in the urban areas it doesn't affect a whole lot
4068 of the sites that we look at. And then also in the
4069 rural areas where it's becoming harder to get deals
4070 done, it does sort of shut down a few towns that
4071 probably need housing. And so that was my hope is that
4072 we could discuss maybe eliminating that whole category.

4073

4074 **Kenny Marchant (2:15:40):**

4075 Is that...

4076

4077 **Alexis Sheehy (2:15:41):**

4078 And a lot of work...

4079

4080 **Kenny Marchant (2:15:41):**

4081 Would we be able to do that statutorily?

4082

4083 **Bobby Wilkinson (2:15:44):**

4084 Yes. That proximity to jobs is not in statute. It's
4085 something the Department added.

4086

4087 **Kenny Marchant (2:15:46):**

4088 Okay. Thank you.

4089

4090 **Bobby Wilkinson (2:15:48):**

4091 We actually had something that was like downtown core
4092 and it was like so many miles from city hall.

4093

4094 **Alexis Sheehy (2:15:52):**

4095 Yeah. It was sort of a, kind of evolved from that a few
4096 years ago.

4097

4098 **Bobby Wilkinson (2:15:55):**

4099 Yeah. Proximity jobs. We did both and then we got rid
4100 of downtown core and kept proximity to jobs. And then
4101 we made the radiuses bigger and lessened the amount of
4102 jobs.

4103

4104

4105

4106 **Alexis Sheehy (2:16:02):**

4107 And with the tiebreaker the way it is, we are guiding
4108 things toward land that is not out in the middle of
4109 nowhere. And to Darrell's point about the market
4110 studies, if a town needs the housing, it will show.

4111

4112 Somebody else brought up at the roundtable just how
4113 inaccurate a lot of the data is that we're getting from
4114 Census OnTheMap, that there's companies like maybe
4115 SpaceX has all of their jobs listed in one area, but
4116 really some of them are in McGregor, some of them are in
4117 Starbase.

4118

4119 **Bobby Wilkinson (2:16:35):**

4120 And some ISDs where it was all basically,

4121

4122 **Alexis Sheehy (2:16:37):**

4123 Yeah. It just seems like it's not really doing anything
4124 to guide housing in certain directions and it's worth
4125 checking out.

4126

4127 **Kenny Marchant (2:16:45):**

4128 Are these applied also to the senior projects?

4129

4130 **Cindy Conroy (2:16:50):**

4131 Proximity to jobs?

4132

4133 **Bobby Wilkinson (2:16:50):**

4134 Yes.

4135

4136 **Unidentified Speaker (2:16:51):**

4137 Yeah.

4138

4139 **Kenny Marchant (2:16:53):**

4140 So people that are no longer working, we're applying

4141 this.

4142

4143 **Cody Campbell (2:16:59):**

4144 Correct. And so this, I don't know that staff has any

4145 philosophical issue with eliminating this scoring

4146 category this year.

4147

4148 It's just a big change to the scoring and we would

4149 probably like to have more discussions with the industry

4150 before we move forward with it, but it is not on its

4151 face a terrible idea.

4152

4153 **Kenny Marchant (2:17:19):**

4154 Okay. Thanks.

4155

4156 **Justine Meyer (2:17:22):**

4157 Justin Meyer with Hearthly LLC. I was the one that
4158 brought up the data issue. A lot of the issue stems
4159 from like large employers, for instance, Baylor Scott &
4160 White Health system, they will code their jobs to a
4161 single location and they might not be at that location.

4162

4163 For instance, College Station, Texas, has a large Baylor
4164 Scott & White hospital, but they code most of their jobs
4165 to be in Temple, whether or not those jobs are actually
4166 in Temple or if they're elsewhere.

4167

4168 That's a big issue with the OnTheMap jobs tool. I
4169 brought this up at the roundtable. There's a myriad of
4170 issues that go along with that. But the data is not
4171 necessarily as accurate as you are hoping it would be.

4172 Thank you.

4173

4174

4175 **Kenny Marchant (2:18:08):**

4176 All right, thank you. Yes, ma'am.

4177

4178 **Tanya Lavelle (2:18:12):**

4179 Hi again. Tanya Lavelle, Disability Rights Texas. I

4180 wanted to offer some suggestions regarding the Resident

4181 Supportive Services section of the QAP.

4182

4183 As it's currently written, developers have the

4184 opportunity to swap out services from time to time, is

4185 what it says in the document, as long as they still

4186 match the same total of points that they got originally

4187 when they applied.

4188

4189 This can be a real problem for people with disabilities

4190 if they are at a certain development specifically

4191 because of an amenity that was offered, or a supportive

4192 service, not an amenity, a service.

4193

4194 If they move there for a specific service and then the

4195 service is cut without currently much notification, it

4196 can be a real problem because people, if they're relying

4197 on something and it's taken away, then it's going to be
4198 an issue for them, sometimes for their health.

4199

4200 And so we came up with a couple of ideas. First, adding
4201 a bit more weight points-wise to certain services that
4202 are more important for people with disabilities,
4203 particularly around their health and their well-being.

4204

4205 So some of those could be the shuttles to grocery stores
4206 and school bus stops. If you take public transportation
4207 away, you're going to strand some people with
4208 disabilities at their developments.

4209

4210 Food pantries, that's something that we're getting more
4211 calls at DRTX regarding food assistance because of the
4212 way the economy is going.

4213

4214 There is an option for contracted occupational and
4215 physical therapy at elderly properties and for people
4216 with disabilities. This is a huge service. It's very,
4217 very useful to people who receive it, especially not
4218 just for the tenant, but sometimes for the family member
4219 of the tenant if the tenant is elderly. If you take

4220 that away without a lot of notification, there's going
4221 to be a hole in somebody's health services.

4222

4223 The same can kind of go for the last thing, which is
4224 service coordination for the same populations. Service
4225 coordination is a real way to keep people stably housed,
4226 and so pulling that out would also become kind of like
4227 an issue more so for people with disabilities and the
4228 elderly than the general population. And so beyond...

4229

4230 **Kenny Marchant (2:20:20):**

4231 Well, we've only discussed taking out libraries.

4232

4233 **Tanya Lavelle (2:20:23):**

4234 This is a different section in the QAP.

4235

4236 **Kenny Marchant (2:20:25):**

4237 Okay.

4238

4239 **Bobby Wilkinson (2:20:27):**

4240 And so people choose from a menu of supportive services.

4241 And in later years, the development, with some notice

4242 and a meeting, I think, can change up what they, we

4243 don't put it in the LURA anymore, like was done years
4244 ago.

4245

4246 **Kenny Marchant (2:20:40):**

4247 Okay.

4248

4249 **Bobby Wilkinson (2:20:41):**

4250 And so she thinks at least some of them need stronger
4251 protections before anything can change.

4252

4253 **Kenny Marchant (2:20:46):**

4254 And so would that be done from a policy level or from a
4255 vote? Would it be in the QAP?

4256

4257 **Bobby Wilkinson (2:20:54):**

4258 We would need it in the QAP.

4259

4260 **Tanya Lavelle (2:20:58):**

4261 Yeah, please.

4262

4263 **Kenny Marchant (2:20:59):**

4264 I'm sorry. I'm just trying to understand where we would
4265 either vote or not vote or agree or not agree.

4266

4267 **Cody Campbell (2:21:04):**

4268 Sure. So this topic was discussed at the roundtable and
4269 the room was generally in agreement. I think most
4270 people, at least from the comments that I heard, seemed
4271 to understand that this is a problem that warrants a
4272 solution. And so we would need to discuss internally
4273 what exactly that solution is going to look like.

4274

4275 But it would probably be something along the lines that
4276 if, for example, you have a development and you offer
4277 transportation as one of your supportive services, that
4278 if you want to stop offering that transportation, there
4279 would be a higher threshold for doing that, maybe coming
4280 to the Board, maybe getting Executive Director approval
4281 some kind of step that has to be taken.

4282

4283 And that that threshold would be higher than if you're
4284 switching from, you have arts and crafts services and
4285 now you're going to have social functions. That
4286 probably doesn't rise to the level of the Department
4287 needing to be involved outside of our compliance
4288 monitoring.

4289

4290 So we can certainly figure out what that policy would
4291 look like. But broadly, I think people understand that
4292 this is a thing that needs to be addressed.

4293

4294 **Kenny Marchant (2:22:02):**

4295 Okay. Thank you.

4296

4297 **Tanya Lavelle (2:22:05):**

4298 And I just had one more quick suggestion in that same
4299 category, is just the way that folks need to notify
4300 their tenants if any of these changes are going to
4301 happen.

4302

4303 Like Cody said, some of them obviously are not as big of
4304 a deal, but kind of who are we to say that it's not as
4305 big of a deal for somebody if they get it taken, if it
4306 ends up being transitioned out?

4307

4308 So we thought that it would be a good idea to give
4309 tenants proper notification about 45 days ahead of time.
4310 So if they do need to change developments because a

4311 certain service is no longer offered, they have enough
4312 time to do that.

4313

4314 And I was going back through everything. There does not
4315 need to be any change in communication systems, no
4316 change in the way that they're currently given
4317 notification like residents.

4318

4319 It's really just going to be like in the same way that
4320 you tell somebody, we had one of our clients, it's like,
4321 okay. We just got a message from our landlord, remind
4322 us to put the dogs on a leash. Be like, okay. Well,
4323 here's a reminder. 45 days, this is notice that we're
4324 going to be changing X service to Y service on this day.
4325 That's it.

4326

4327 **Kenny Marchant (2:23:13):**

4328 Thank you.

4329

4330 **Abby Benesh (2:23:18):**

4331 Hi, everybody. My name is Abbey Benesh. I'm the
4332 Director of Advocacy at the Green Building Initiative.
4333 And I'm also an attorney and really appreciated all the

4334 definition talk earlier. That was really exciting for
4335 me.

4336

4337 GBI is a 501(c)(3) nonprofit organization and our
4338 mission is to improve the built environment's impact on
4339 climate and society. And the way that we do that is
4340 through our green building certifications.

4341

4342 Most relevant here is going to be our Green Globes
4343 rating system that's used for all types of commercial
4344 real estate, including multifamily.

4345

4346 So GBI has certified over 1 billion square feet to date,
4347 and over 76 million of those square feet are here in
4348 Texas. So we do have a presence here. And I'm really
4349 just here to say thanks for including green building
4350 certifications in the QAP and also to advocate for the
4351 inclusion of Green Globes in the upcoming version of the
4352 QAP.

4353

4354 We've been deemed equivalent to LEED since 2013 and
4355 really just offer a cost-effective, flexible, and
4356 collaborative approach to certifying. And I'm happy to

4357 answer any questions that you may have about that or
4358 follow up with any information and just thank you for
4359 your time today.

4360

4361 **Kenny Marchant (2:24:18):**

4362 Thank you. We're going to have to ask you to sign in,
4363 if you will. Thank you.

4364

4365 **Tracey Fine (2:24:29):**

4366 Hi. Tracey Fine, National Church Residences. I just
4367 want to follow up on the prior comments on the menu of
4368 amenities.

4369

4370 **Kenny Marchant (2:24:34):**

4371 Wait a minute. I've got to adjust my hearing. I've got
4372 to speed my hearing up a little bit.

4373

4374 **Tracey Fine (2:24:42):**

4375 Am I talking too quickly? My brain goes so fast I can't
4376 get it out my mouth quick enough.

4377

4378 **Kenny Marchant (2:24:45):**

4379 Yeah. I know you're trying to get it out. Thank you.

4380

4381 **Tracey Fine (2:24:48):**

4382 I'm sorry, I'll slow down. Has to do with the menu of
4383 amenities. So I'm speaking on behalf of a nonprofit
4384 housing developer that prides itself on providing really
4385 important service-enriching amenities for our residents.
4386 And we strive to do that. We strive to do it in every
4387 project.

4388

4389 But the reality is some of these things are tied to
4390 grants and other funding sources that we are going
4391 after, that we're fundraising, or that we're trying to
4392 get foundations to provide.

4393

4394 And the reality is sometimes those funds don't exist and
4395 that we need the opportunity to change that amenity to
4396 something else.

4397

4398 There isn't any great differentiation in the QAP to
4399 award higher service providers or developers that
4400 provide a higher level of services. There's nothing
4401 that really differentiates that. I think that would be
4402 a huge conversation with a lot of input.

4403

4404 But there is an opportunity to think about that in the
4405 future. I sort of wanted to bring up those two things,
4406 kind of two different things.

4407

4408 **Kenny Marchant (2:25:52):**

4409 Okay. Go ahead.

4410

4411 **Tracey Fine (2:25:53):**

4412 Thank you. And sorry for talking so fast.

4413

4414 **Kenny Marchant (2:25:56):**

4415 So you're talking about amending the QAP to an award.

4416

4417 **Tracey Fine (2:26:01):**

4418 Well, I'm not suggesting we amend it. I'm making the
4419 fact that our QAP does not elevate developers that
4420 provide a high level of supportive services. We don't
4421 do that. We don't differentiate that.

4422

4423 And then my other point was we do need some flexibility
4424 because funding these things cost a lot of money and

4425 unless you're giving it to us to pay for it, we have to
4426 find the money to do that.

4427

4428 **Kenny Marchant (2:26:27):**

4429 Thank you very much. Yes, sir.

4430

4431 **Cole Glosser (2:26:37):**

4432 Thanks so much again. I'm Cole Glosser with the
4433 Coalition of Texans with Disabilities, and I forget if I
4434 actually fully went through my spiel in the first go-
4435 round.

4436

4437 But we are a nonprofit advocacy organization advocating
4438 for all disabled and elderly Texans to live and thrive
4439 in the community of their choice, and again, improving
4440 access is foundational to our mission.

4441

4442 And so, echoing again Tanya's comments from Disability
4443 Rights Texas, we are supportive of maintaining access to
4444 the onsite occupational and physical therapy services
4445 for elderly developments and developments for folks with
4446 disabilities in the health support services section.

4447

4448 Again, these services are really crucial in maintaining
4449 or increasing mobility and independence for folks, and
4450 it also eliminates the barrier of offsite transportation
4451 otherwise.

4452

4453 And additionally, like as Tanya mentioned, the service
4454 coordination for disabled residents in certain
4455 developments should remain as an option under the
4456 community support services because effective
4457 coordination allows for residents to remain stably
4458 housed.

4459

4460 Then finally, due to how critical these services are for
4461 disabled folks and elderly folks in these developments,
4462 we would recommend that there be a proper notification
4463 of service change up to 45 days out from the implemented
4464 change so that residents can change developments if need
4465 be. So thanks so much again.

4466

4467 **Kenny Marchant (2:27:57):**

4468 I appreciate you. Thank you.

4469

4470

4471 **Erin Hahn (2:28:01) :**

4472 Erin Hahn with Texas Housers. I'll be quick. We just
4473 wanted to support the concerns and recommendations
4474 raised by Tanya regarding the resident supportive
4475 services.

4476

4477 Agreeing there should be better guardrails around when
4478 and how services can be changed after an application is
4479 awarded, including limitations on the high-value
4480 services particularly important to folks with
4481 disabilities or other specific needs, the advance notice
4482 requirements.

4483

4484 And again, lastly, just wanted to recommend a tenant
4485 survey process which could help identify those services
4486 that residents value most and that should remain stable
4487 over time. Thank you for the opportunity to comment
4488 today.

4489

4490 **Kenny Marchant (2:28:37) :**

4491 Thanks. Okay. Cody, can I give an opportunity to any
4492 of the board members, that you want to bring something
4493 up for discussion or consideration before we turn it

4494 back to Cody for the last time? And gentlemen that I
4495 said could speak at the end, if you'd like to say
4496 something else.

4497

4498 **Darrell Jack (2:29:05):**

4499 I said plenty, but I'm happy to.

4500

4501 **Kenny Marchant (2:29:07):**

4502 No. I think we all heard you, and I don't know that we
4503 can answer all those issues in this meeting, but I would
4504 like to thank all of you for your input today, and we'll
4505 continue this discussion. We're taking no votes today.
4506 And, Cody.

4507

4508 **Cody Campbell (2:29:32):**

4509 I'd just like to thank all of you for being here. I
4510 know that you're all volunteers and that doesn't get
4511 said enough, and that this was an extra day out of your
4512 life.

4513

4514 This was very helpful to me and the rest of the staff,
4515 and I just appreciate you. And I think for the first
4516 time ever, we might be done early.

4517

4518 **Kenny Marchant (2:29:45):**

4519 Yeah. So input to you from this point on from the
4520 public, do they continue to make input to you?

4521

4522 **Cody Campbell (2:29:57):**

4523 They will.

4524

4525 **Kenny Marchant (2:30:00):**

4526 Okay.

4527

4528 **Cody Campbell (2:30:01):**

4529 Yes.

4530

4531 **Bobby Wilkinson (2:30:03):**

4532 Staff draft will get informal comment.

4533

4534 **Kenny Marchant (2:30:05):**

4535 Okay.

4536

4537 **Bobby Wilkinson (2:30:05):**

4538 And then after that, y'all can make all kinds of changes
4539 in September when we bring it to you, and then it goes

4540 out for formal comment. Less flexibility on what y'all
4541 can change when it comes back to you in November.

4542

4543 **Kenny Marchant (2:30:15):**

4544 Okay. Thank you.

4545

4546 **Leo Vasquez III (2:30:16):**

4547 Mr. Marchant.

4548

4549 **Kenny Marchant (2:30:17):**

4550 Yes.

4551

4552 **Leo Vasquez III (2:30:17):**

4553 Before you gavel, just the topic that I just want to
4554 replant and reseed in everyone's minds that's I think
4555 related directly to in the QAP is the idea of breaking
4556 up the tax credit cycle into two cycles a year.

4557

4558 I still think that's a, just it gives everyone two bites
4559 at the apple. If you messed up, you didn't check the
4560 box or whatever on your first application, well, six
4561 months later you have another one versus now it's once a
4562 year, it's all or nothing.

4563

4564 It's breaking it up, and I put forth last legislative
4565 session a concept on how we could break it up, and I've
4566 conferred with staff and industry in the past. I
4567 haven't heard anyone say that's a terrible idea.
4568 Again...

4569

4570 **Kenny Marchant (2:31:20):**

4571 So how would that be implemented? What would be step
4572 one, two, and three to implement?

4573

4574 **Leo Vasquez III (2:31:25):**

4575 Just say there's a January 1st award and then there's
4576 the July award.

4577

4578 **Kenny Marchant (2:31:30):**

4579 And then would that score.

4580

4581 **Leo Vasquez III (2:31:30):**

4582 January 31st and July award, put in half the...

4583

4584

4585

4586 **Bobby Wilkinson (2:31:34):**

4587 So it would require statutory change, but he's just

4588 trying to build up support, right?

4589

4590 **Kenny Marchant (2:31:38):**

4591 So it would have to come from over across the street.

4592

4593 **Bobby Wilkinson (2:31:41):**

4594 Yes, sir.

4595

4596 **Kenny Marchant (2:31:42):**

4597 But we would, as a board, express our interest in it

4598 done or. So we don't have the time to do it.

4599

4600 **Bobby Wilkinson (2:31:46):**

4601 Yeah. And be responsible for implementation and all of

4602 that.

4603

4604 **Kenny Marchant (2:31:49):**

4605 Okay. Okay. I got it.

4606

4607

4608

4609 **Leo Vasquez III (2:31:53):**

4610 So just a thought for everyone to think about and tell
4611 your legislators.

4612

4613 **Holland Harper (2:31:58):**

4614 Agree with that.

4615

4616 **Kenny Marchant (2:31:58):**

4617 Yeah. I do too, yeah. Don't have a vote over there
4618 anymore.

4619

4620 **Holland Harper (2:32:07):**

4621 Subject to that recommendation, I make a motion for
4622 adjournment.

4623

4624 **Kenny Marchant (2:32:14):**

4625 We're adjourned.

4626 * * * * *

4627

4628

4629

4630

4631