



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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June 5, 2025

Writer's direct dial: 512-475-1676
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Lazaro Guerra
104 W. Polk Ave.
Pharr, Texas 78577

RE: 2025 9% HOUSING TAX CREDIT APPLICATION
#25065 MEADOW HEIGHTS (DEVELOPMENT)

Mr. Guerra:

The Texas Department of Housing and Community Affairs (Department) received the above-referenced Application on February 28, 2025. The Application originally claimed a total score of 173, including points under the Quantity of Low-Income Units and Readiness to Proceed scoring items. Following a limited staff review, the Department issued a Limited Scoring Notice on May 21, 2025, reducing the Application's score to 170 because the Application, as submitted, does not qualify for those points. An appeal of that notice was timely submitted on May 28, 2025.

The appeal asserts that the errors in the Application should be correctable as Administrative Deficiencies, and draws a comparison to Applicants that were allowed to submit additional documentation to substantiate points related to Proximity to Jobs; however, the QAP draws a clear distinction between Proximity to Jobs and Quantity of Low-Income Units. In accordance with 10 TAC §11.1(d)(2), the definition of "Administrative Deficiency," the following is curable through the Deficiency process:

(II) For scoring items that are predicated solely on third-party data, characteristics inherent to the proposed Development Site, or are otherwise not influenced by the actions of the Applicant, the Application's eligibility for these points can be clearly established to have existed prior to the Full Application Delivery Date (Competitive HTC) or the Application Acceptance Date (Direct Loan), and the submission of the documents does not necessitate additional changes in the Application to qualify for the points.



Because Proximity to Jobs is predicated solely on third-party data and characteristics inherent to the proposed Development Site, and because no changes to the Application were necessary as a result of the Deficiency, matters related to that scoring item are curable as Administrative Deficiencies so long as the eligibility for those points can clearly be established to have existed prior to the Full Application Delivery Date. 10 TAC §11.1(d)(2) further states that the following is not curable through the Deficiency process:

(ii) Changes to the Application that are submitted only to qualify for points claimed in the Application.

The appeal requests to be able to change the Application through the Administrative Deficiency process by converting at least 9 market-rate units to low-income units in order to qualify for points related to Quantity of Low-Income Units. This type of change is specifically prohibited by the rule cited above. Accordingly, the appeal regarding Quantity of Low-Income Units is denied.

Regarding the Readiness to Proceed points, I have reviewed this matter and determined that the missing acknowledgments may reasonably be considered within the scope of the rule, as it allows for “a minor quantity of missing signatures, documents, or similar clerical matters” to be corrected through the Deficiency process. Accordingly, this part of the appeal is granted, and staff will be issuing an Administrative Deficiency for revised letters that include the required acknowledgement.

In anticipation that you may wish to present this matter to the Department’s Governing Board, it will be included on the agenda for the Board meeting to be held on June 12, 2025. Please inform the Department as soon as possible if you do not wish to appeal directly to the Governing Board.

If you have any questions, please contact Cody Campbell, Director of Multifamily Programs, at (512) 475-1676 or cody.campbell@tdhca.texas.gov.

Sincerely,

A handwritten signature in blue ink that reads "R D Wil II". The signature is written in a cursive style with a double underline at the end.

Bobby Wilkinson
Executive Director